On the Relationship between Greed and Corruption -- On the Regulating Effect of Moral Education and Anti-corruption System

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Abstract. At present, most of the studies on corruption by domestic scholars focus on the administration, but ignoring the individual corruption in enterprises as the main body of market economy. Based on the questionnaire survey data, this paper establishes a hierarchical regression model to conduct an empirical study on the generation mechanism of corruption behaviors in enterprise organizations. The results show that: the greed is an important factor to induce corruption, and a perfect anti-corruption system can interfere with the influence of the greed on corruption, but moral education doesn't have an effective role in interference and regulation. The result of this paper provides ideas for the governance of struggling againstcorporate corruption in China.

Introduction

The Analysis Report on Crimes Committed by Chinese Entrepreneurs in 2016 released by Legal Daily for shows: Corruption crimes of senior executives in state-owned enterprises become the crime type with the highest proportion again. This report contains 602 crimes committed by entrepreneurs, 335 are committed or suspected by state-owned entrepreneurs, accounting for 55.65 percent, and 267by private entrepreneurs, accounting for 44.35 percent. However, the cases involved in this report are limited, and there must be more actual corruption incidents. Thus, corporate corruption is becoming more and more serious.

This paper will combine empirical research and qualitative research to explore the generation mechanism of corruption in enterprise organizations, and provide new management ideas for the control of corruption within enterprises.

Literature Review and Research Hypotheses

In past studies, greed has been associated with different types of unethical behavior.

Rose-ackerman (1999)[1] believes that one of the causes of corruption is greed. The reason behind these associations is the insatiable nature of greed[2].

Further analysis, the common motivation of corruption is the desire for money, power and other things[3].If the desire is stronger, the individual is the more likely to corrupt[4].And greed reflects an individual's desire for many things, including money and power[5].This is a precursor factor to the positive correlation between greed and corruption. Greedy people are easily blinded by their immediate vested interests which Prisoner's Dilemma shows[7], so it is difficult for them to take a long-term perspective to analyze problems, and then step into the corruption.

To sum up, the paper puts forward the following assumptions about the relationship between greed and corruption:

H1: Greed has a positive effect on corruption. Although the greed promotes the emergence of corruption, not all people will actually commit corruption because of greed. This paper believes that it is related to the moral education received by individuals and the anti-corruption system they face. So based on H1, this paper proposes the following two hypotheses:

H2: Moral education has a moderating effect on the relationship between greed and corruption. That is, the more sufficient moral education is, the weaker the influence of greed on corruption is.

H3: The anti-corruption system has a moderating effect on the relationship between greed and corruption. That is, the stricter the anti-corruption system, the weaker the influence of greed on corruption.

Variable Definition and Measurement

Greed. The paper draws on the definition: greed is defined as the dissatisfaction with the acquisition of insufficient material or immaterial, and the desire for more material or immaterial[7].For the measurement of greed, the individual greed tendency scale is selected in this paper. The scale contains 7 questions and has great reliability and validity. The scale was measured by Likert five-point scale, from 1 to 5 indicating "strongly disagree", "relatively disagree", "generally", "relatively agree" and "strongly agree".

Corrupt Behaviors. The definition of corruption in an enterprise organization is the direct or indirect abuse of the rights granted to individuals by the organization for private interests. To measure of corruption, this article chooses the Liu Yiran (2017) [8]developed by corrupt behavior scale, the scale, there are 11 contains subject has good reliability and validity, measure for corruption behavior choice, in this paper, using the experience of predecessors' choice measure at seven o 'clock, in the past year, participants in the behavior of frequency measurement, including from 1 to 7, respectively "never", "once a year", "two times a year,", "several times a year", "once a month," "once a week", "every day".

Moral Education. In this paper, moral education is defined as: a certain society or group exerts systematic moral influence in order to make people consciously follow its moral code of conduct and fulfill the corresponding obligations to the society and others. To the measurement of moral education, this article chooses the scholars such as Ashtorth BE.(2012)[9] the development of moral education scale, the scale has altogether four topics, with good reliability and validity, the scale by likert five-point scale measurement, from 1 to 5, respectively, "strongly disagree" and "disagree", "general", "to be" and "strongly agree".

Anti-corruption System. The anti-corruption system of enterprises is defined as the rules or action standards that are abided by all individuals in the enterprise to restrict individual corruption and operate in a certain way. To the measurement of the anti-corruption system, this paper chose Bandura A. (2002)[10] development of anti-corruption system scale, the scale has altogether four topics, with good reliability and validity, the scale by Likert five-point scale measurement, from 1 to 5, respectively, "strongly disagree" and "disagree", "general", "to be" and "strongly agree".

Control Variables. Existing studies have shown that individual differences will affect the variable relationship in the research model. Therefore, age, gender and working years are selected as control variables to reduce the model bias and ensure the accuracy of the research results.

Empirical Analysis and Model Test

Descriptive Statistical Analysis. In this study, empirical data were obtained in the form of electronic questionnaires. A total of 230 electronic questionnaires were issued and 207 valid questionnaires were returned. The descriptive statistical results of valid samples and the correlation between variables were shown in Table 1 and Table 2 respectively.

According to the correlation analysis results presented in table 2, greed and corruption are significantly positively correlated ($r=0.9837$, $p<0.01$).Moral education and corrupt behavior ($r=0.2196$, $p<0.01$), moral education and greed ($r=0.1899$, $p<0.01$) showed significant positive correlation.Anti-corruption system and greed ($r=-0.8012$, $p<0.01$), anti-corruption system and corruption are negatively correlated.

Table 1　The Descriptive Statistics of Valid Samples

Variable	Obs	Mean	Std. Dev.	Min	Max
gender	207	.5652174	.4969302	0	1
age	207	38.69565	11.56405	20	60
length	207	12	8.970827	1	30
corruption	207	2.70751	1.354592	1	6.090909
greed	207	2.645963	.8391342	1.428571	4.571429
education	207	2.551908	.2585935	2.102041	3.081633
system	207	2.482571	.5719756	1.507289	4.131196

Table 2　The Correlation Analysis between Variables

	gender	age	length	corrup~n	greed	educat~n	system
gender	1.0000						
age	-0.0231	1.0000					
	0.7407						
length	-0.0392	0.9476*	1.0000				
	0.5749	0.0000					
corruption	-0.1013	-0.0752	-0.1105	1.0000			
	0.1463	0.2816	0.1130				
greed	-0.1165	-0.0928	-0.1244	0.9837*	1.0000		
	0.0946	0.1833	0.0742	0.0000			
education	-0.1427	-0.0503	-0.1168	0.2196*	0.1899*	1.0000	
	0.0403	0.4717	0.0936	0.0015	0.0061		
system	0.1063	0.1900*	0.1433	-0.7766*	-0.8012*	0.3196*	1.0000
	0.1274	0.0061	0.0394	0.0000	0.0000	0.0000	

* indicates a significant correlation at the 0.01 level (bilateral)

Reliability and Validity Test. In this paper, Cronbach's Alpha value is used to analyze the reliability of each scale, and the results showed that the reliability of each scale is greater than the requirement of 0.7with a good reliability level. Cronbach's Alpha value of each scale is shown in Table 3.

Table 3　Reliability test of each scale (N=207)

Scale	Cronbach'Alpha	Standardized Cronbach'Alpha	Number of Terms
Greed	0.86	0.86	7
Moral Education	0.79	0.79	4
Anti-corruption System	0.83	0.83	4
malversation	0.97	0.97	11

In this paper, exploratory factor analysis is used to test the structural validity of each scale. Before the factor analysis, the KMO value of each scale was calculated. The calculation results showed that the KMO value of each scale was greater than 0.7, which was suitable for factor analysis. Factor analysis results are as follows: only one factor with an eigenvalue greater than 1 was extracted from the 11 items of the corruption behavior scale. From the Fig. 1 can be found that since the second point, curve slope become very gentle, characteristic value is hardly a big change with the increase of the number of components, so the corruption behavior scale can be determined by only one factor to constitute, in line with the idea of the concept of scale design for corruption.
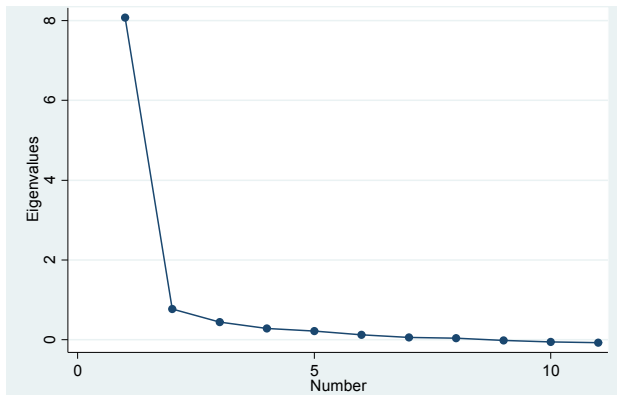
Figure. 1 Scree Plot of Eigenvalues after Factor

Table 4 Results of Hierarchical Regression Analysis of Greed and Corruption (N=207)

Variable	Model 1	Model 2
Gender	-0.1100914	0.0133365
Age	0.3040455	0.0457066
Working years	-0.4028964	-0.0306802
Greed		0.9856413*
R-squared	0.0328	0.9681
Adj R-squared	0.0185	0.9675
F	2.30	1534.43
Mean VIF	6.88	5.48

The regression coefficient in the table is the standardized regression coefficient, * means significant at the level of 0.001.

Hypothesis Test. This paper all adopts the method of hierarchical regression to. To examine the relationship between greed and employee corruption. The first step is to take the three control variables of gender, age and working years as the independent variables of the model and the corruption behavior as the dependent variable to establish the regression model. The second step is to take greed as the independent variable, gender, age and working years as the control variables, and corruption as the dependent variable to establish the regression model. The results of hierarchical regression are shown in Table 4.The results show that the influence of demographic variables on corrupt behaviors is not significant, and the fitting effect is not good. After the addition of greedy, the fitting effect is significantly improved, and greed has a significant positive impact on corrupt behaviors. In addition, the average VIF value of Model 2 is 5.48, less than 10, and the VIF value of each variable is less than 10, indicating that there is no multicollinearity problem among variables. So it can be judged that H1 hypothesis is supported by empirical test results.

To examine the moderating role of moral education in the influence of greed on corrupt behavior. The first step is to take greed and moral education as independent variables, gender, age and working years as control variables, and corruption as dependent variables to establish a regression model. The second step is to construct the interactive term between moral education and greed, add the interactive term into the regression equation, and test the moderating effect by judging whether the regression coefficient is significant. The results are shown in Table 5,the interaction between moral education and greed has no significant influence on corruption. In addition, the influence of moral education on corrupt behaviors becomes less significant after interactive terms are added. At the same time, the VIF value of model 2 is greater than 10, and the VIF value of moral education and greed is also greater than 10.Therefore, there may be multicollinearity among the variables of this model, so the H2 hypothesis cannot be determined to be true.

To examine the role of anti-corruption system in regulating the influence of greed on corruption. Firstly, to take greed and anti-corruption system as independent variables, gender, age and working years as control variables, and corrupt behaviors as dependent variables to establish a regression model. The second step is to construct the interaction term between anti-corruption system and greed, add the interaction term into the regression equation, and test the moderating effect by judging whether the regression coefficient is significant. The results of hierarchical regression are shown in Table 6   ,the system against corruption and greed of the interaction of the impact of corruption significantly, the number of standardized regression is 0.0633279, significantly under the 0.005 level, value is less than 10 second overall 2 VIF is based in at the same time, the variable 2 VIF is based in values are less than 10, as a result, the variables of the model does not exist between the multicollinearity problem, which can determine the H3 hypothesis.

Table 5 Analysis Results of The Moderating Effect of Moral Education (N=207)

Variable	Model 1	Model 2
Gender	0 .0183731	0.0293924
Age	0.0246903	0.0412199
Working years	-0.0069625	-0.0290804
Greed	0.9802842**	0.3647365*
Moral Education	0.0365619*	0.1145591
Moral Education *Greed		0.2633769
R-squared	0.9693	0.9721
Adj R-squared	0.9686	0.9713
F	1271.30	1162.45
Mean VIF	4.78	15.57

Table 6 Analysis Results of Regulating Effect of Anti-corruption System (N=207)

Variable	Model 1	Model 2
Gender	0.0132648	0.0139424
Age	0.027798	0.0321456
Working years	-0.0147452	-0.0180541
Greed	0.9603454**	0.8457631*
Anti-corruption System	-0.0245343*	-0.032541*
Anti-corruption System*Greed		-0.0633279
R-squared	0.9683	0.9710
Adj R-squared	0.9643	0.9692
F	1228.70	1364.85
Mean VIF	6.12	5.73

The regression coefficient in the table is the standardized regression coefficient, * means significant at the level of 0.005, and ** means significant at the level of 0.001.

Conclusions and Implications

The paper explores the relationship between greed and corruption. The empirical results show that greed is an important factor inducing corrupt behaviors, and strict anti-corruption system can interfere with the influence of greed on corrupt behaviors and make individuals restrain their desires. Surprisingly, moral education cannot effectively interfere with the influence of greed on corrupt behaviors, and it is even positively correlated with corrupt behaviors. It may because that managers, moral education and anti-corruption system are two management tools that can be replaced by each other for enterprise. Therefore, enterprises that prefer to implement moral education have less perfect anti-corruption system, and the anti-corruption effect of moral education is relatively small. Finally, the illusion that moral education is positively correlated with corruption behavior appears.

Enterprises should establish effective internal disclosure, supervision and punishment mechanism, so as to enhance the individual in the enterprise to the bad consequences of corruption. In addition, enterprises should have a correct understanding of the subtle role of moral education in anti-corruption and should not over-rely on moral education to restrain individual behaviors in enterprises.

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