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Benefits of ethical communication: The role of stakeholders and experienced fraud

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Master's in Business Economics and Competition

Supervisor:

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Department of Human Resources and Organizational Behavior, ISCTE Business School

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Department of Economics

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Abstract

Integrity is intrinsically valued by its ethical nature, but it has also been equated as a driver of benefits to organizations. In designing explanatory models on the benefits of integrity, literature has highlighted the manager's communication focused on ethics as well as stakeholders' ethical behavior as drivers of such benefits. Having been a victim of fraud also emerges in literature as a crucial factor to be considered but it still lacks integration. This study posits a mediation model that links manager's ethics-focused communication to benefits of integrity via stakeholders' ethical behavior considering the interaction with having been a victim of fraud.

To test this conceptual model, we deployed a Path Analysis on 200 valid answers from C-suite individuals representing companies in Portugal (65%), Mozambique (19%), and Angola (16%). Findings show manager's ethics-focused communication increase internal stakeholder's ethical behavior which increases benefits from corporate reputation. Fraud interacts with manager's ethics-focused communication where internal stakeholders that have not experienced fraud show weaker relation with ethical behaviors compared to those that experienced such fraud. Findings are discussed at the light of theory and implications drawn to management practice.

Keywords: Fraud, Corruption, Ethics communication, Stakeholder Ethical Behavior, Corporate Benefits from Integrity.

JEL Codes: D73, M14

Resumo

A integridade é intrinsecamente valorizada pela sua natureza ética, mas também tem sido considerada como um fator impulsionador de benefícios para as organizações. Ao conceber modelos explicativos sobre os benefícios da integridade, a literatura tem destacado a comunicação do gestor centrada na ética, bem como o comportamento ético das partes interessadas, como factores que conduzem a esses benefícios. O facto de ter sido vítima de fraude também surge na literatura como um fator importante a considerar, mas ainda carece de integração. Este estudo propõe um modelo de correlação que relaciona a comunicação do gestor centrada na ética com os benefícios da integridade através do comportamento ético das partes interessadas, considerando a interação com o facto de ter sido vítima de fraude.

Para testar este modelo concetual, aplicámos uma Análise de Regressão (*Path Analysis*) a 200 respostas válidas de indivíduos que representam empresas em Portugal (65%), Moçambique (19%) e Angola (16%). Os resultados mostram que a comunicação centrada na ética aumenta o comportamento ético das partes interessadas internas, o que aumenta os benefícios da reputação da empresa. A fraude interage com a comunicação centrada na ética, sendo que as partes interessadas internas que não foram vítimas de fraude apresentam uma relação menor com comportamentos éticos do que as que foram vítimas de fraude. Os resultados são discutidos à luz da teoria e das implicações para a prática da gestão.

Keywords: Fraude, Corrupção, comunicação ética, comportamento ético das partes interessadas, benefícios empresariais da integridade.

JEL Codes: D73, M14

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1. Introduction

Fraud is hardly a behavior that brings any good to society as it fundamentally breaches the fiduciary relationship upon which interpersonal trust is build, and society and economy flourishes. Albeit universally taken in Academia as a worthy topic of research, its definition is not without challenges (Pimenta, 2009; Wells, 2017; Morgan, 2021).

To study fraud it is useful to evaluate a number of parameters. For instance, to measure the development that has taken place (in different dimensions), to identify the countries that are at the forefront in solving the problem or even to determine the causes and consequences of fraud and corruption for the economy. Along the emphases that fraud research has witnessed, c-suite has been especially targeted in corporate fraud research for its leading role and capacity to act preemptively by assuming the right tone of the top as regards ethics, i.e. by giving ethics communication its rightful importance (Soltani, 2014; Grigoropoulos, 2019; Cruz, 2020). The general communication ethics and commitment is perceived by stakeholders and expected to bring benefits to the corporation. Still, such benefits are not clearly explained if the effect is established directly between communication and benefits, but they require an intervening variable that logically links both. Such may be the role stakeholders' ethical behavior (both internal and external) play in this process.

The idea of understanding how ethical communication is perceived in Portuguese-speaking countries with cases of fraud and corruption also motivated this study. For this reason, and as a way of clarifying, information was gathered from an existing database from the banking sector, comprehending individuals in high level management positions.

To achieve this goal, this dissertation is structured to explore literature on fraud, namely its definition, occurrence in general and in Portuguese speaking countries, types of fraud, its root causes, ethical communication and conduct and the role of stakeholders' ethical conduct, benefits from it, and fraud risk awareness linked to experienced fraud. After this the conceptual model is shown with the respective hypotheses to which the methodological options are explained. Findings are then showed with a focus on each hypothesis, and its discussion and conclusion drawn while acknowledging limitations and venues for future research.

2. LITERATURE REVIEW

Fraud, and ethical communication in the corporate world are subjects of profound global significance. In this literature review, we delve into these pivotal issues, focusing on corruption, fraud dynamics within three Portuguese-speaking nations - Portugal, Angola, and Mozambique - and the advantages of ethical communication within businesses.

Fraud, as a specific manifestation of corruption, takes on diverse forms, from financial malfeasance in corporations to fraudulent practices in the public sector. This study will concentrate on dissecting fraud patterns within Portugal, Angola, and Mozambique, recognizing both unique contextual elements and shared challenges regarding fraud prevention and combat.

Furthermore, corporate ethics plays a pivotal role in fostering fair and transparent business practices. The communication of ethical principles has emerged as a potent tool in cultivating a culture of integrity and corporate responsibility. Examining the benefits of such communication within businesses is essential to comprehend how organizations can cultivate ethical environments and mitigate fraudulent activities.

This literature review aspires to synthesize existing research on these topics, identify knowledge gaps, and offer a deeper understanding of the challenges faced by Portugal, Angola, and Mozambique concerning fraud, as well as the potential advantages of ethics communication in the corporate landscape.

2.1. Fraud: a definition and importance

According to Pimenta (2009) fraud, in its broadest sense, encompasses any offense committed with the intention of gaining profit, employing deception as its primary method. The unlawful acquisition of funds from a victim can only occur through three means: force, deception, or theft. Any offense that employs deception is considered a form of fraud.

Wells (2017) sees it as a criminal act that involves the use of deception as its primary method for financial gain. This can encompass a wide range of illegal activities, including force, trickery, or larceny, all of which utilize deception to defraud victims. Therefore, deception is the fundamental element that underpins all forms of fraud.

Morgan (2021) adds to extant definitions by highlighting the intentionality defining fraud as the act of intentionally and knowingly deceiving the victim by misrepresenting, concealing, or omitting facts about goods, services, or other benefits and consequences that are nonexistent, unnecessary, never intended to be provided, or deliberately distorted for the purpose of monetary gain should be taken into consideration.

According to Wells (2017), the presence of four fundamental elements is required under common law for the existence of fraud. These elements include a: 1) materially false statement, 2) the knowledge that the statement was false at the time of utterance, 3) the victim's reliance on the false statement, and 4) damages resulting from such reliance. The author notes that is important to note that the legal definition of fraud remains consistent regardless of whether it is a criminal or civil offense. However, in criminal cases, a higher burden of proof must be met.

An example of using these criteria to judge on the fraudulent character of a given event, illegal investment schemes, including swindles that resemble Ponzi (pyramid) schemes, are considered fraudulent as claimed by Ganzini et al. (1990). In these schemes, clients are intentionally lured into placing their money in investments that are claimed to have minimal risk. Early investors often boast about significant profits to their acquaintances and colleagues, enticing them to invest their own capital eagerly.

According to Pimenta (2009) the legal definition remains unchanged regardless of whether the offense is categorized as criminal or civil. However, it is important to note that criminal cases require a greater burden of proof.

From an instrumental viewpoint, fraud, as any ethical breach is always condemnable but some circumstances may mitigate its impact due to the greediness of the "victim" being the required condition for fraud to occur (e.g. when someone is accepting to buy a apparently valuable object whose provenience is most likely illegal, stollen but is also a fake offered by the fraudster). These are more the exceptions than the rule and thus even minor fraud offenses can have an important impact in society e.g., with the emergence of web communication (Cross, 2019). Still, by large, the stronger impacts stem from corporate financial fraud such as the scandals that dragged millions out of the individual citizen pocket and public finance (e.g., Enron, Worldcom, Lehman Brothers, Volkswagen Dieselgate, Fannie Mae, Freddie Mac, BES, Wells Fargo)

Victims of white-collar crime can be compared to victims of violent crime, such as rape, robbery, and assault, across various parameters, as highlighted by Garzini et al. (1990). These parameters encompass the statistical risk of victimization, psychiatric outcomes, recovery rates following victimization, and the influence of crime-related factors on subsequent psychiatric disorders.

2.2. Instances of fraudulent activities in Portuguese-speaking nations

Although data from fraud prevalence and impact is mostly of an international nature, in the case of Portugal and some Portuguese speaking countries there is less available information, but it is still worth exploring because one of the largest financial fraud scandals worldwide originated from a Portuguese bank with branches in Angola and Mozambique: BES (Montenegro, 2022).

According to Transparency International's (2021) Corruption Perceptions Index (CPI), Portugal is ranked 30th out of 180 nations, with a score of 70 out of 100. This placement indicates that Portugal has a relatively lower level of corruption in comparison to numerous other countries. However, it is important to note that corruption remains a significant concern in Portugal. In Portugal, civil society groups have played a crucial role in advancing transparency and combating corruption, alongside official initiatives. Transparency International Portugal, an organization dedicated to monitoring and investigating corruption, is an exemplary entity within the wider Transparency International network. As stated by Transparency International (2021), this group has diligently endeavored to enhance public consciousness regarding corruption and promote the implementation of measures that effectively discourage and sanction corrupt practices.

Portugal's corruption, as indicated by Transparency International (2020), stems from numerous factors such as inadequate governance, ineffective transparency and accountability mechanisms, and a deficiency in political engagement. The challenges faced by individuals in accessing information and holding officials accountable for their actions, coupled with the intricate and bureaucratic nature of the Portuguese public administration system, further exacerbate the opportunities for corruption.

According to Morais (2011) Angola continuously face the challenge of fighting corruption which has been a watermark mostly in previous decades with foreign ventures serving as its primary means of continuation. Currently, according to Stanislau (2023), at the national level in Angola, organizations endeavor to urgent redefine the culture within public sector institutions, aiming to align and reconcile the economic and financial dimensions of the business with the risks associated with their activities. Specifically, these risks include operational risk arising from inadequate internal processes, people, or systems, the possibility of internal and external fraud, as well as external events, and compliance risk resulting from violations or non-compliance with laws, rules, regulations, contracts, prescribed practices, or ethical standards.

In light of the arguments presented by Calolósio (2022), modifications have been introduced to the Angolan fiscal system in response to the country's economic situation. One such ongoing change is the implementation of the Tax Reform, which aims to establish a new fiscal system with the objective of mitigating tax evasion and fraud that have persisted in Angola for years. Still Angola ranks 116 out of the 180 countries in CPI.

Mozambique is considered one of the most corrupt countries in the world placed in the 142nd rank in CPI, with a quarter of Mozambicans paying bribes to secure employment (Costa, 2022). Previously there were reports by Transparency International (2014) that corruption entailed illegal forestry exacerbated by the presence of bribery and fraud. It has been observed that both law enforcement officials and border and customs agents were involved in numerous illicit export activities, often choosing to ignore these operations in exchange for monetary compensation. Costa (2022) argues that petty corruption is prevalent and harms citizens' rights, such as access to employment, security, health, and education. According to this author, to fight corruption the presidency of the Republic of Mozambique, launched the Strategic Plan to Combat Corruption 2018-2022, with the motto: For Justice in Favor of Economic and Social Development, to be implemented by the Central Office for Combating Corruption. The head of state has been expressing his concern through the media regarding the increasing number of corruption cases recorded in the country.

2.3. Types of fraud

Fraud can be classified based on various criteria (Pimenta, 2009) which include the location where fraud occurs, such as within companies or schools. Additionally, fraud can be categorized based on the individuals or entities affected, such as consumers or the state. Furthermore, the classification can be based on the perpetrators of fraud, such as employees of an institution or politicians. Lastly, fraud can also be categorized based on the immediate consequences it brings, whether they are economic or sporting in nature.

Wells (2017) classified fraud within the larger scope of deceptive behaviors in a comprehensive systematic way (Figure 2.1). According to this author deceptive behaviors comprise corruption, asset misappropriation and financial statement fraud. Corruption involves unlawful behaviors related to conflict of interests (e.g., sales schemes), bribery (e.g., invoice kickbacks), illegal gratuities, and economic extortion. Financial statement fraud is one of the most salient in corporate governance literature, and involves asset/revenue overstatements (e.g., concealing liabilities; improper asset valuations) or asset/revenue understatements (e.g., irregularly anticipating expenses). Asset misappropriation is a wider category that involves cash (e.g., larceny, skimming, or fraudulent disbursements), and inventory and other assets (e.g., misuse, false sales & shipping). Fraudulent disbursements can also fall within the scope of fraud and comprise billing schemes, payroll schemes, expense reimbursement schemes, check tampering and register disbursements.

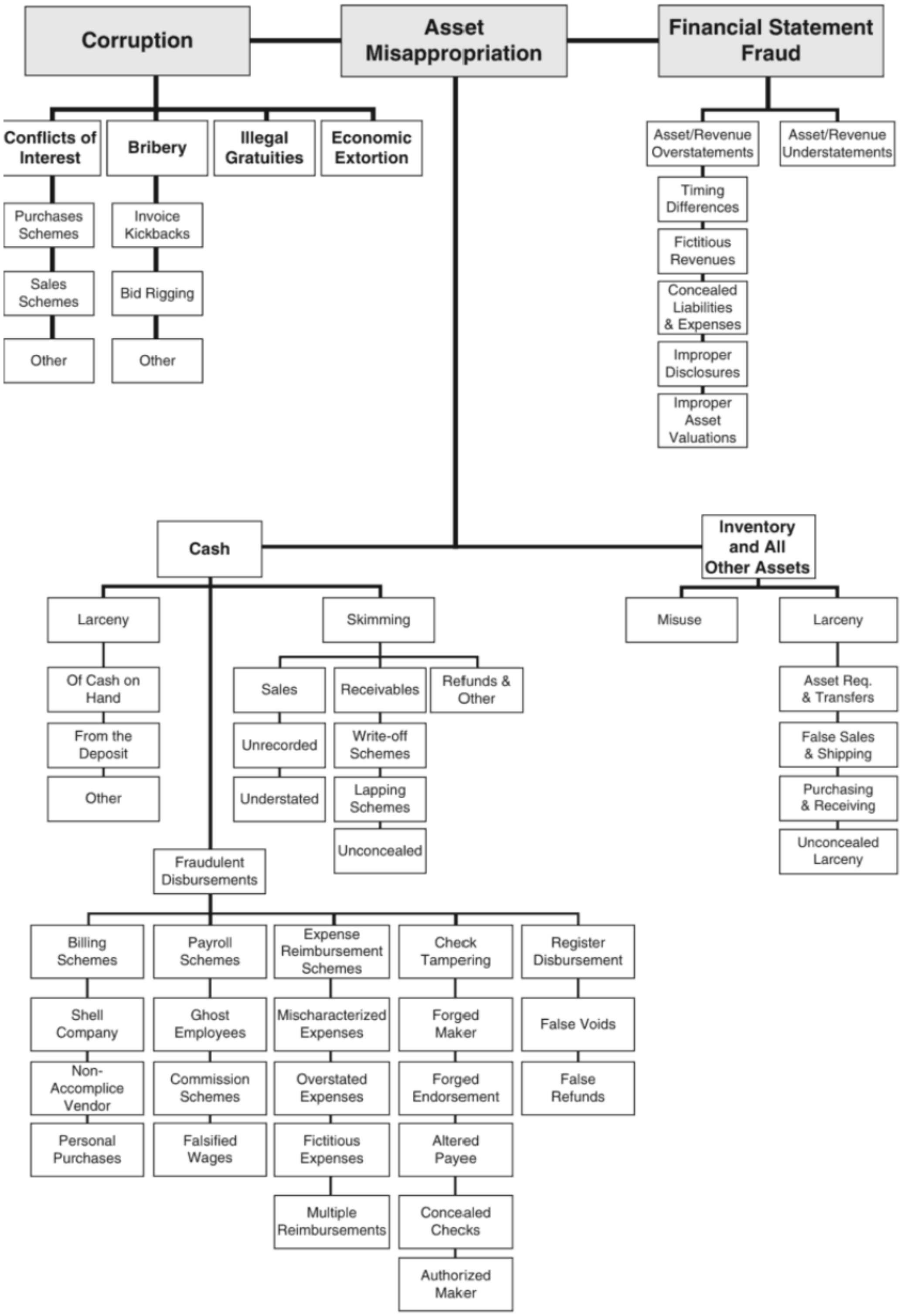

Figure 2-1 - Categories of corruption and fraud. Source: Wells, 2017, p.3

2.4. Fraud root causes

In explaining the causes of fraud, one of the pioneer models is the Fraud Triangle authored by Donald Cressey (1973). According to the original proposal, fraud requires the concurrence of three factors: pressure, opportunity, and rationalization (Figure 2.2).

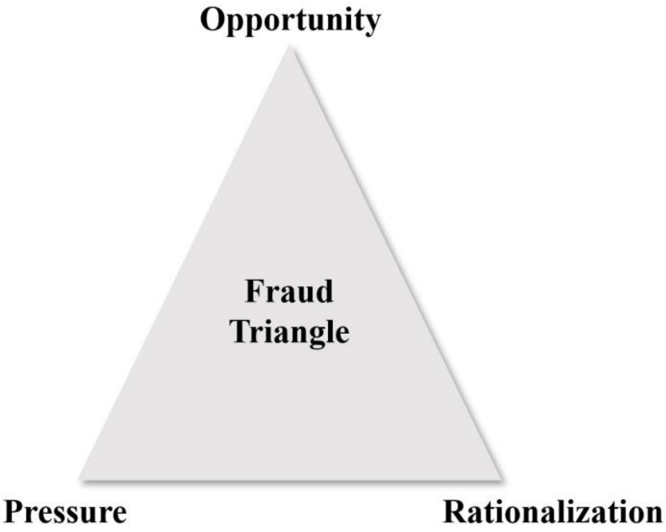

Figure 2-2 - Cressey's Fraud Triangle.

According to the Fraud Triangle Theory fraud is enabled when the individual detects an opportunity and feels the pressure to take advantage of such opportunity for personal gain or providing unlawful gains to third parties, while being able to rationalize such an ethical breach making judgements that are favorable (e.g., as compensating an unfair decision that harmed the individual).

Albeit a classical model, the fraud triangle is the most popular proposal that has motivated more than one thousand scientific peer reviewed papers judging by scholar google hits on "fraud triangle" in title. A retrospective on its validity made by Homer (2020) via a systematic analysis of thirty-three empirical papers that deployed the three components, showed thirty-two papers report findings that supported at least one of the three components.

The fraud triangle has been subjected to alternative proposals that change its original structure. One of the most well-known was signed by Wolfe and Hermanson, (2004) which proposed a fourth component – individual capability – naming it the Fraud Diamond model. Anoth four-component proposal was made by Cieslewicz (2012) that adds the societal context to Cressey's fraud triangle: opportunity, pressure, rationalization, and the societal context (religious or philosophical traditions; culture and social norms; and societal conditions). In the same year Tugas (2012) based on the Fraud Diamond model researched eight companies involved in fraud scandals and proposed it should comprise an extra fifth component: external regulatory influence. Two years later, Soltani (2014) researched six companies that were highly publicized due to financial scandals to claim six components were necessary for fraud to occur, namely: 1) corporate ethical climate and management misconduct; 2) tone at the top; 3) market pressures; 4) internal control systems – auditing, governance, accountability; 5) C-suite personal interest, compensation, and bonuses, and 6) financial reporting and earnings management.

2.5. Organization Ethical Communication and Conduct

As seen in the fraud model components proposed by many scholars, tone at the top, i.e., the ethical focused communication originating from executive top leadership is a crucial factor that creates the conditions to either prevent or facilitate fraud activities (Soltani, 2014). This has been acknowledged as one of the indicators that C-suite might or might not be taking full steer of the organization integrity management.

According to Botechia et al. (2021), organizational or business communication refers to the exchange of information that varies depending on the elements and type of communication to be used. However, it can be stated that communication is divided into two types: verbal communication and non-verbal communication. From this perspective, it is believed that verbal communication involves participation, transmission, and exchange of knowledge, which can be internal when the process occurs within the company and external when it extends beyond the company's boundaries.

Ethical communication should reflect the importance of business ethics which is a topic of great significance and contention in contemporary corporate and business realms, as well as within educational and academic spheres, as highlighted by Grigoropoulos (2019). It entails the implementation of ethical principles and values in the day-to-day operations, conduct, and regulations of business enterprises. Irrespective of their position, level of authority, or scope of duties, all individuals employed within an organization are expected to adhere to ethical practices.

According to Cruz (2020), transparency in work relationships, collaborative participation, quality feedback, frequency, and clarity of messages are the skills that generate greater commitment from workers within an organization. Internal communication should then be utilized to foster a more transparent environment. In addition to sharing common knowledge and facilitating unity among the constituents of the institution, internal communication would promote the dynamization of information flow.

Developing a corporate ethics as a civic ethics entails considering the most fundamental rights that apply to any society - human rights. The reflection on civic ethics enables citizens to coexist and share minimum values and norms, even with different ideals and beliefs. The author emphasizes the importance of autonomy and equality as fundamental values, as individuals should strive to become citizens capable of making morally autonomous decisions that contribute to the development of a civic moral conscience (Marques, 2022). This author also emphasizes that ethics should guide the strategy of corporate employees and shape their practices in this domain. This is not only important for reputation, but also for the growth and brand building of companies and organizations. It is necessary to have a recognition of responsibilities to define organizational purposes, establish a set of values, and provide consistent decision-making methods and trust among users. Corporate ethical structures can be important tools to help maximize benefits and opportunities while minimizing risks and concerns.

How the corporation communicates the importance it places on integrity trickles down into the market by providing an image on corporate ethics that the consumer pays attention to investors (Verschaeve et al., 2022),. Not only regular commercial corporations must pay attention to tone at the top but also the auditing industry is required to pay attention also to its own tone at the top as a guarantee of auditors job satisfaction (Bamber & Iyer, 2009).

2.6. Internal and External Stakeholders

By definition a stakeholder is any given entity (individual or collective) “whose interests and activities strongly affect and are affected by the issues concerned, who have a “stake” in a change, who control relevant information and resources and whose support is needed to implement the change” (Aligica, 2006, based on Morgan & Taschereau, 1996, p.4). Therefore, any corporation that is ethical, must consider the impacts its activity has upon stakeholders, both internal and external. This has been largely comprehended under the topic of Corporate Social Responsibility (CSR).

CSR is a not a new phenomenon, as it existed even in ancient times. Ancient business history shows that businesses were involved in society-related causes (Shafique, et al., 2020). The era of industrialization, especially in Europe, gave birth to many large enterprises. With their emergence, the debate over social responsibility also came to the surface. CSR has become an essential element in the field of business. Undoubtedly, the world faces changes in social, political, and economic activities, developing new cultural integration. Globalization and technological development have paved the way for a new model of society that includes new players and patterns of behavior. New issues, such as governance and social responsibility, have raised concerns for stakeholders. Even more companies in every sector realize the importance of their role in society and the real benefits of adopting a CSR approach (Shafique, et al., 2020).

Within this context, corporations often meet crucial moments that present them with the opportunity to introduce ethical considerations, or the need to make decisions that have ethical implications. During these turning points, it becomes imperative for organizations to decide regarding the incorporation of new principles or values that can strengthen their ethical framework. These turning points can arise from external factors, such as the influence exerted by significant stakeholders, adverse economic circumstances, or alterations in legal or regulatory requirements. Alternatively, they may stem from internal factors, including leadership transitions, staff turnover, conflict resolution, or unsatisfactory economic performance (Martínez, et al., 2021).

According to Sutton et al. (2022), the significance of stakeholders who possess the capacity to exert influence over projects cannot be overstated in the effective management of projects. According to these authors, both empirical research and practical experience support this assertion. Furthermore, within the realms of professional and academic management literature, it is widely acknowledged that stakeholder management and project performance are intricately intertwined. It is important to note that stakeholders and their interests can be impacted by projects or the resulting outcomes. Consequently, from an ethical and sustainable management standpoint, it is imperative to acknowledge and address the concerns of stakeholders in project management. This perspective is reflected in certain definitions of project success.

It is crucial for inter-organizational projects to involve external stakeholders, including agencies and communities that lack any official or contractual connection to the project organization but possess the potential to impact or be impacted by the project's ethical considerations. This engagement is vital for achieving success and creating value, as stated by Lehtinen et al. (2020).

Overall, a responsible and ethical corporate management should leverage the ethical behavior of stakeholders themselves by investing in a positive tone at the top both internally directed as well as externally directed. Therefore, we hypothesize that:

H1: Ethics Organization Communication is positively associated with stakeholder's ethical behavior.

H1a: Ethics Organization Communication is positively associated with internal stakeholder's ethical behavior.

H1b: Ethics Organization Communication is positively associated with external stakeholder's ethical behavior.

2.7. Benefits from stakeholders' ethical conduct

According to Trevino (2016), ethical conduct is a set of moral principles or values that directs the activities and interpersonal interactions of both individuals and organizations.

2.7.1. Benefits from employees

Due to their responsibility for the creation, provision, and innovation of goods and services, employees are one of the most significant stakeholders in every firm. Due to its positive effects on productivity, creativity, and the quality of the working environment, ethical behavior among workers is crucial for the success and longevity of a business (Trevino 2016). Employees that act unethically, such as by defrauding, harassing, or discriminating others, can harm an organization's brand, lower employee morale and engagement, and increase legal and regulatory risks (Adelstein, 2016). As a result, it is critical for businesses to promote an ethical and charitable culture among their workforce through a variety of means. These include e.g., ethical training and education, ethical leadership, or ethical incentives and recognition among others.

Ethical training and education can be given by employers to educate and make more sensible staff members on ethical standards, values, and codes of behavior (Weber, 2007). This might involve coaching sessions, workshops, seminars, or online courses that teach staff members the value of ethical conduct and how to use it in their job. Additionally, ethical leadership expresses leaders upholding ethical beliefs, values, and behaviors and who can act as mentors and role models for staff (Mihelic, 2010). Also, ethical incentives and recognition can be given to employees who act ethically or who expose unethical activity. This might include rewards such as bonuses, promotions, or public recognition, which also create a positive ethical climate (Newman, 2017).

2.7.2. Benefits from customers

Customers are another significant stakeholder in every business since they drive demand for products and services and generate money. Customers' ethical conduct is crucial for the success and longevity of a firm since it enhances customer loyalty, contentment, and brand reputation (Sen & Bhattacharya, 2001). Customers who act unethically, such as by deceiving or lying, can harm a company's reputation and lose their trust and loyalty (Hillman & Keim, 2001). Organizations can promote an ethical mindset in their customers by means of ethical marketing, ethical pricing, or ethical product and service quality.

Ethical marketing and advertising (Murphy, 2005) require commercial communication to be truthful, open, and non-deceptive providing accurate information about goods and services, refraining from using misleading or coercive methods, and respecting their privacy and permission so to have customers making an informed buying decision.

Ethical pricing should be reasonable, competitive, and free from exploitation (Faruqui, 2012). Avoiding price gouging, pricing discrimination, or dishonest business tactics that hurt clients or competitors, adopting a fair competition stance.

Ethical product and service quality implies products were tested and quality ensured, offering warranties and guarantees, and making sure that goods and services meet or surpass industry standards (Nadeem, 2020).

2.7.3. Benefits from suppliers

Suppliers are critical stakeholders since from them all the provision of raw material, energy, services, or components depend on to offer the end product or service to the client. Due to its impact on supply chain effectiveness, quality, and reputation, ethical behavior among suppliers is crucial for business success and sustainability (Rogers, 2019). Suppliers that act unethically, such as by utilizing child labor or abusing employees, can damage a company's brand, diminish the effectiveness of the supply chain, and create legal and regulatory risks (Miles & et al., 2004). Therefore, companies that want to be fully ethical must demand ethical sourcing and procurement (guaranteeing suppliers adhere to business ethics standards), ethical supply chain management (supply chain management procedures are open, honest, and eco-friendly), ethical supplier's relationships (interactions with suppliers are founded on respect, trust, and a common set of principles).

2.7.4. Benefits from investors

Investors are a crucial stakeholder in every business because they contribute the funding necessary for expansion, innovation, and sustainability. Since this promotes monetary stability, trust, and the production of long-term value, ethical behavior among investors is crucial for organizational success and sustainability (Bahoo et al., 2020). Investors that behave unethically, such as through insider trading or market manipulation, can damage a company's brand, undermine investor trust, and expose the company to more legal and regulatory risks (Olofsson et al., 2021). As a result, organizations benefits from fostering ethics and social responsibility among investors by adopting ethical investment strategies (guaranteeing that social responsibility, environmental sustainability, and good governance are the foundation of their investing strategy), ethical and transparent reporting (reporting and disclosing "talks the walk" in a open, truthful and accurate way), and ethical shareholder engagement via open and clear communication addressing their issues and being considerate on their recommendations and concerns.

Overall, integrity fosters stakeholder trust, loyalty, and happiness, and thus integrity is crucial for organizational performance and sustainability (Sims & Brinkmann, 2003). High-quality workers, clients, and investors are more likely to be drawn to and stay with organizations that exhibit a commitment to ethics and integrity. Additionally, organizations are less likely to experience the negative legal and reputational consequences of unethical activity, such as litigation, penalties, or public criticism (Weaver, Trevino, & Cochran, 1999).

Thus, integrity is advantageous for people, businesses, and society as a whole. According to Kish-Gephart et al. (2010), it fosters social cohesiveness, trust, and collaboration and helps maintain a stable and peaceful society. According to Trevino and Weaver (2003), societies that value integrity are more likely to have functional democracies where people have faith in their government and institutions and take part in civic engagement.

Additionally, honesty fosters a fair playing field where all people and businesses have the same chance to thrive, which helps the economy grow (Sims & Brinkmann, 2003).

Additionally, it promotes ethical corporate conduct that advances sustainable growth and the welfare of all stakeholders, such as upholding ethical labor standards, protecting the environment, and exhibiting social responsibility.

Therefore, we hypothesize that:

H2: Stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

H2a: Internal stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

H2b: External stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

Considering the proposed positive effect of tone at the top on the ethical conduct of both internal and external stakeholders as stated in the first hypothesis and this second hypothesis, we reason that stakeholders' ethical conduct mediates the effect that ethics organization communication may have upon the benefits driven from stakeholders' ethical conduct. We therefore hypothesize that:

H3: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via stakeholder's ethical behavior.

H3a: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via internal stakeholder's ethical behavior.

H3b: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via external stakeholder's ethical behavior.

2.8. Fraud risk awareness

In relation to negative events, there is a popular dictum that highlights the less-than-optimal human capacity to anticipate the true risk of occurrence. This is "Closing the stable door after the horse has bolted" applies to most cases where negative events, such as fraud, which becomes more salient after its occurrence.

In human cognitive processes, there is a tendency to underestimate the likelihood of a bad event to occur to oneself, which became to be known as the optimism bias (Lei, 2023). This may be one of the hidden causes of fraud occurrence in organizations as decision makers put too much trust on their capacity to

Considering the likelihood that individuals that have experienced being a victim of fraud may developed a more careful attention to its possibility and also be more sensitive to its detrimental effects, we reason that the degree of importance attached to ethical communication and how it fosters positive outcomes may be boosted by such personal experience.

Therefore, we hypothesize that:

H4: Having experienced being a fraud victim interacts in the direct effect from ethics communication to stakeholder ethical behavior in such a way that when fraud was experienced the direct effect is stronger.

Putting together all the hypotheses that preview the indirect positive effect of ethical communication upon benefits from stakeholders' ethical conduct (as stated in hypothesis 3), as well as the boundary condition that having been a fraud victim may play (hypothesis 4) we hypothesize that:

H5: Having experienced being a fraud victim interacts in the indirect effect from ethics communication to organizational benefits from integrity via stakeholder's ethical behavior in such a way that when fraud was experienced the indirect effect is stronger.

3. CONCEPTUAL MODEL AND HYPOTHESES

The hypotheses motivated by the literature review integrate into a conceptual model that is depicted in Figure 3.1 below. For clarity's sake, all the hypotheses are listed below the conceptual model.

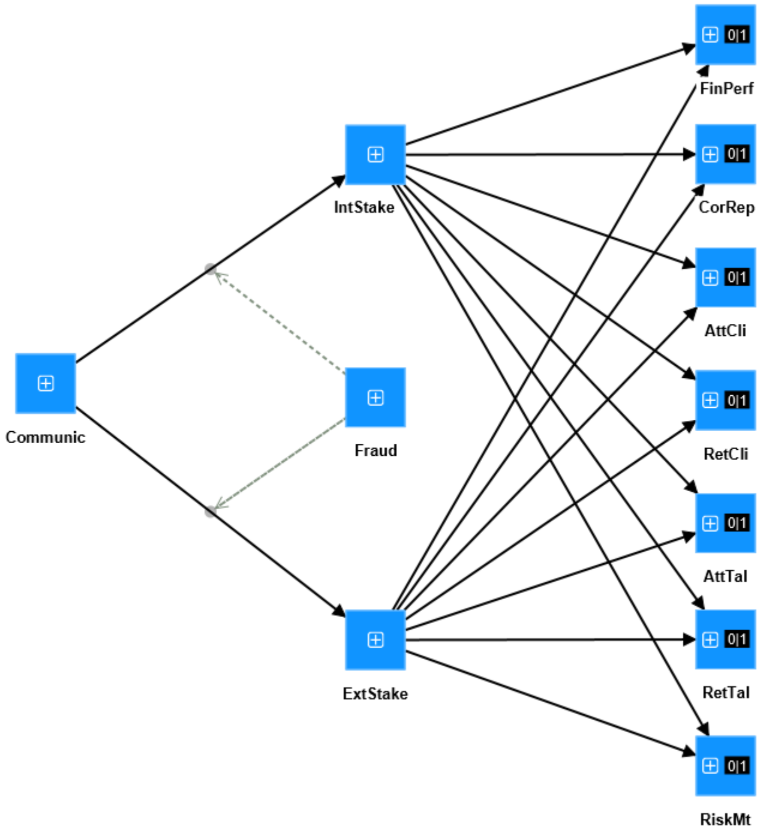

Figure 3-1 - Conceptual model.

H1: Ethics Organization Communication is positively associated with stakeholder's ethical behavior.

> **H1a:** Ethics Organization Communication is positively associated with internal stakeholder's ethical behavior.
>
> **H1b:** Ethics Organization Communication is positively associated with external stakeholder's ethical behavior.

H2: Stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

> **H2a:** Internal stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

H2b: External stakeholder's ethical behavior is positively associated with organizational benefits from integrity.

H3: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via stakeholder's ethical behavior.

H3a: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via internal stakeholder's ethical behavior.

H3b: Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via external stakeholder's ethical behavior.

H4: Having experienced being a fraud victim interacts in the direct effect from ethics communication to stakeholder ethical behavior in such a way that when fraud was experienced the direct effect is stronger.

H5: Having experienced being a fraud victim interacts in the indirect effect from ethics communication to organizational benefits from integrity via stakeholder's ethical behavior in such a way that when fraud was experienced the indirect effect is stronger.

4. METHOD

The data source has been generated before, under the responsibility of a consulting firm that has access to high level company managers in banking in Portugal, Angola and Mozambique. The data was collected for a large-scale study depicting corporate integrity behaviors from March 2021 to April 2023. This matches a baseline sample of 200 and comprehends a wide array of managerial positions. All the data has been anonymized to guarantee research ethics as well as the strict observation of the informed consent.

4.1. Data analysis strategy

The first phase of data analysis is the curation of the database. As the survey included an attention item (i. e. an item that explicitly asks the participant to signal one option so to gauge their attention in filling the questionnaire) we will remove all cases that show otherwise.

The second phase of data analysis pertains to the test of measurement quality, i. e. that the items to express the construct it is intended to (construct validity) and also that items within the same construct are internally consistent. The first dimension (validity) is tested with a principal component analysis which will indicate how much items share variance so to allow the inference of an underlying latent construct. This is indicated by the Kaiser-Meyer-Olkin statistic (KMO) which should be at least 0.50, as well as the Bartlett's test of sphericity via a chi-square statistic which should reject the null hypothesis. We will use 95% confidence interval ($p<0.05$) to test it. Additionally, items should show commonalities over 0.50 and the extracted solution should account for at least 60% variance.

In addition to construct validity, it is normally required that a good measure also shows convergent validity (i.e. that the average extracted variance covers at least 50% of total variance). This is tested with Fornell & Larcker's (1981) AVE (at least 0.500 for acceptance). Also, internal consistency as an expression of measure reliability is tested with Alpha Cronbach that must attain 0.70 for acceptance. All the single items will not be tested for validity and reliability.

The conceptual model was tested with PROCESS, i.e., Path Analysis. This is an advanced data analysis technique that has a solid ground in management and economics studies as it allows a robust test of hypotheses (Hayes, 2018). The software that will be used to test the hypotheses is SmartPLS 4.0.

4.2. SmartPLS 4.0

A software program called SmartPLS 4.0 is used to analyze structural equation modeling (SEM). The trio of Ringle, Wende, and Will created the software. This version is an upgrade to the prior SmartPLS 3.0 and comes with a number of new capabilities that provide SEM analysis greater flexibility and power. We'll briefly go over a few of SmartPLS 4.0's new features in this essay.

The capability of SmartPLS 4.0 to handle non-linear interactions in the structural equation model is one of its key characteristics. This feature is especially helpful when there is a nonlinear relationship between the variables. The partial least squares (PLS) method, which can identify and model these non-linear interactions, has been integrated in the software. Additionally, SmartPLS 4.0 features a variety of algorithms that may be utilized for outlier identification and factor analysis. The possibility to specify models in two stages is another new feature of SmartPLS 4.0. With this two-step process, users may test the measurement model first before testing the structural model. This characteristic contributes to the validity and dependability of the measurement model, improving the entire model's accuracy. Additionally, users of SmartPLS 4.0 have the option of using a Bayesian estimate technique, which is advantageous when the sample size is small or when the data are not normal.

Additionally, SmartPLS 4.0 provides a variety of visualization choices so that customers may quickly observe and understand the outcomes of their SEM research. Path diagrams, correlation matrices, and factor loadings are just a few of the numerous graph and chart kinds available in the application. Users may more easily comprehend the connections between variables and spot regions that can benefit from more investigation thanks to these visuals.

In conclusion, SmartPLS 4.0 is a robust SEM analysis tool that gives users access to a number of additional capabilities and possibilities. When modeling non-linear interactions, testing measurement models, and displaying outcomes, these additional tools offer more flexibility and precision. The software is also user-friendly and offers tools and assistance to users who are new to SEM analysis.

4.3. Measures

As the database was built from a survey purposively developed by expert consultants in the field and it was subsequently validated within this professional domain, we could not add any of the extant measures published in scientific journals. Still, the measures reasonably reflect some main dimensions in literature pertaining to business ethics and some of these measures are ordinal and multi-item, meaning they can be tested for measure validity and reliability.

Benefits from acting with integrity were measured with seven items pertaining to the several sort of benefits that have been identified in literature. These are: 1=financial performance (Simons et al., 2018, 2022), 2=corporate reputation (Islam et al., 2021), 3=talent attraction (Cadorin et al., 2021), 4=talent retention (Rodríguez et al., 2020), 5=client attraction (Das, 2021), 6=client retention (Cavaliere et al., 2021), and 7=minimize regulatory risks (Khan et al., 2021). Respondents were invited to answer on a dichotomic scale (0=No, 1=Yes).

Stakeholders' ethical behavior comprise 6 items that cover separately behaviors shown by employees, managers, and third parties: 1) "employees comply with Law & Regulations", 2) "employees show integrity at work"), 3) "managers comply with Law & Regulations", 4) "managers show integrity at work"), 5) "third parties comply with Law & Regulations", and 6) "third parties show integrity at work". Respondents answered on a 4-point trust scale (1=Not confident at all, 2=Modestly confident; 3=Confident; 4=Very confident).

The exploratory factor analysis showed a valid factor solution (KMO=.672, Bartlett's $X^2(15)=548.457$, $p<.001$) that accounted for 74.6% total variance after rotation (Varimax) and extracted two components. The first comprises four items that refer to internal stakeholders (i.e. managers, and employees) while the second comprises two items referring to external stakeholders (i.e. third parties). These components are both reliable (Cronbach alpha=.841 and .862, respectively) and they have also good convergent validity ($AVE_{InternStk}=.663$; $AVE_{ExternStk}=.852$). Table 4.1 shows the factor structure and loadings.

Table 4.3-1 - Factor matrix Stakeholders' Ethical Behavior

	Component	
	Internal Stakeholder	External Stakeholder
Managers show integrity	**.839**	.095
Employees comply with the law and regulators	**.815**	.112
Employees show integrity	**.804**	.128
Managers comply with the law and regulations	**.799**	.164
Third parties (e.g. providers) comply with the law and regulations	.117	**.933**
Third parties (e.g. providers) show integrity	.166	**.920**
Cronbach Alpha	.841	.862
AVE	.663	.858

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

Due to the split of this variable, the conceptual model will be revised to accommodate both parallel mediators together with the hypotheses that will split also into "a" and "b". For clarity's sake the split hypotheses will be shown at the end of this section.

Managerial ethics-focused communication was measured with a single item based on Hoffman (2015) and Den Hartog (2015): In the last couple years how frequently did managers communicate with you about the importance of behaving with integrity. Respondents answered on a 4-point frequency scale (1=Frequently, 2=Occasionally; 3=Rarely; 4=Never).

Fraud victim was measured with a simple single item: Has your organization been a fraud victim in last 2 years? (1-Yes, 2-Maybe, 3-No).

5. RESULTS

5.1. Descriptive and bivariate statistics

Means found for ethical communication frequency showed this is a fairly frequent practice from the top management (M=3.27, SD=.87) and perceived stakeholder integrity is also leaning to the right side of the scale this indicating prevalence of integrity perception mostly ascribed to the internal stakeholder (M=3.58, SD=.50) while the external stakeholder is given a slightly lower figure (M=3.15, SD=.52).

Most participants report not having been a victim of fraud in the last couple years (64%) although one quarter (24.5%) reported that may have happened but not surely, and 11.5% reported such as happened.

Table 5.1-1 - Descriptive and bivariate statistics

	Scale range	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Freq Communication -+	1-4	3.27	.87	1									
2. Internal Stakeholder -+	1-4	3.58	.50	.411**	1								
3. External Stakeholder -+	1-4	3.15	.52	.200**	.446**	1							
4. Benefits Financial Performance	0-1	.26	.43	-.102	-.083	-.106	1						
5. Benefits Corporate Reputation	0-1	.80	.40	.072	.137	-.044	.210**	1					
6. Benefits Attract Talent	0-1	.33	.47	.066	.074	.032	.135	.123	1				
7. Benefits Retain Talent	0-1	.42	.49	.050	-.062	.038	.214**	.192**	.071	1			
8. Benefits Attract New Clients	0-1	.46	.49	-.121	-.084	.027	.164*	.058	.055	.348**	1		
9. Benefits Retain New Clients	0-1	.21	.40	.135	.101	.103	.104	.219**	.245**	.066	.076	1	
10. Benefits Mitigate Regul. Risks	0-1	.52	.50	-.066	-.067	-.014	.075	.071	.332**	.126	.286**	.161*	1
11. Fraud victim (yes, maybe, no)	1-3	2.52	.69	.014	.171*	.070	.134	.126	.075	.097	.172	.138	.089

*p<.05 **p<.01, for binary data, values show Phi contingency coefficient

Among the benefits from integrity acknowledged by participants, corporate reputation is by far the most frequent (80% of participants chose it), followed by regulatory risks mitigation (52%), attracting new clients (46%) and retaining talent (42%). Among the least acknowledged are attracting talent (33%), financial performance (26%) and retaining new clients (21%).

As regards bivariate analyses, the first finding relates with the positive association found between internal and external stakeholder ascribed integrity (r=.446, p<.01). No association was found between internal and external stakeholder integrity and any of the benefits acknowledged from such integrity, which discourages the model. Still this is a bivariate statistic that does not consider the shared variance and eventual interaction effects as stated in the conceptual model. Still the magnitude of the correlations suggests such eventual relation is of a modest magnitude, if any.

Benefits from integrity show some cases of correlation among themselves which may suggest a pattern of associations. The most outstanding finding pertains to the positive association found which shows individuals do conceive such benefits as mutually reinforcing instead of being in a tradeoff. Thus, financial performance benefits co-occur with corporate reputation ($r=.210$, $p<.01$), talent retention (.214, $p<.01$) and attracting new clients ($r=.164$, $p<.05$). Corporate reputation is also positively associated with retaining new clients and talent ($r=.219$, $p<.01$, and $r=.192$, $p<.01$, respectively). Mitigating regulatory risks shows positive associations with attracting talent ($r=.332$, $p<.01$), attracting new clients ($r=.286$, $p<.01$) and retaining new clients ($r=.161$, $p<.05$).

Having been a victim of fraud is not associated with perceived ethical communication frequency ($r=.014$, $p>.05$) although it is associated positively with internal stakeholder integrity ($r=.171$, $p<.05$) but not with external stakeholder integrity ($r=.07$, $p>.05$). There is no association at all between having been a victim of fraud and benefits ascribed to integrity.

Table 5.1-2 - Direct, indirect and conditional effects

Variables	Internal Stakeholder		External Stakeholder		Integrity Benefits													
					Fin. Perf.		Corp. Reput.		Talent Attract.		Talent Ret.		Client Attract.		Client Ret.		Mitig. Risk	
Direct Effects																		
EthComm	.227	H1a	.110 (p<.01)	H1b														
	(p<.001)	Sup.		ns														
IntStakeholder					-.041	H2a1	.150	H2a2	.069	H2a3	-.091	H2a4	-.113	H2a5	.057	H2a6	-.074	H2a7
					(p=.286)	ns	(p=.015)	sup	(p=.161)	ns	(p=.116)	ns	(p=.074)	ns	(p=.15)	ns	(p=.172	ns
ExtStakeholder					-.070	H2b1	-.097	H2b2	.001	H2b3	.074	H2b4	.072	H2b5	.056	H2b6	.017	H2b7
					(p=.152)	ns	(p=.070)	ns	(p=.499)	ns	(p=.167)	ns	(p=.177)	ns	(p=.196)	ns	(p=.413)	ns
Indirect effects																		
EthComm->IntStak-Benefits					-.009	H3a1	.034	H3a2	.016	H3a3	-.021	H3a4	-.026	H3a5	.013	H3a6	-.017	H3a7
					(p=.294)	ns	(p=.036)	sup	(p=.175)	ns	(p=.127)	ns	(p=.092)	ns	(p=.159)	ns	(p=.182)	ns
EthComm->ExtStak-Benefits					-.008	H3b1	-.011	H3b2	.001	H3b3	.008	H3b4	.008	H3b5	.006	H3b6	.002	H3b7
					(p=.192)	ns	(p=.110)	ns	(p=.499)	ns	(p=.201)	ns	(p=.212)	ns	(p=.233)	ns	(p=.421)	ns
Conditional effects																		
Fraud*EthComm->IntStak	-.108	H4a																
	(p<.05)	sup																
Fraud*EthComm->ExtStak			-.122	H4b														
			(p<.05)	sup														
Fraud*EthComm->IntStak-Benefits					.004	H5a1	-.016	H5a2	-.007	H5a3	.010	H5a4	.012	H5a5	.006	H5a6	.008	H5a7
					(p=.316)	ns	(p=.115)	ns	(p=.229)	ns	(p=.193)	ns	(p=.164)	ns	(p=.215)	ns	(p=.247)	
Fraud*EthComm->ExtStak-Benefits					.009	H5b1	.012	H5b2	.001	H5b3	-.009	H5b4	-.009	H5b5	-.007	H5b6	-.002	H5b7
					(p=.211)	ns	(p=.144)	ns	(p=.499)	ns	(p=.224)	ns	(p=.227)	ns	(p=236)	ns	(p=.423)	
R^2	20.3%		5.9%		1.2%		3%		0.5%		0.8%		1.1%		1.4%		1.7%	

5.2. Hypotheses testing

The value shown corresponds to the regression coefficient and the value in parentheses to the p-value. We considered significant a p-value less than 0.05. Figure 5.3 shows all the coefficients and respective p-values for the conceptual model.

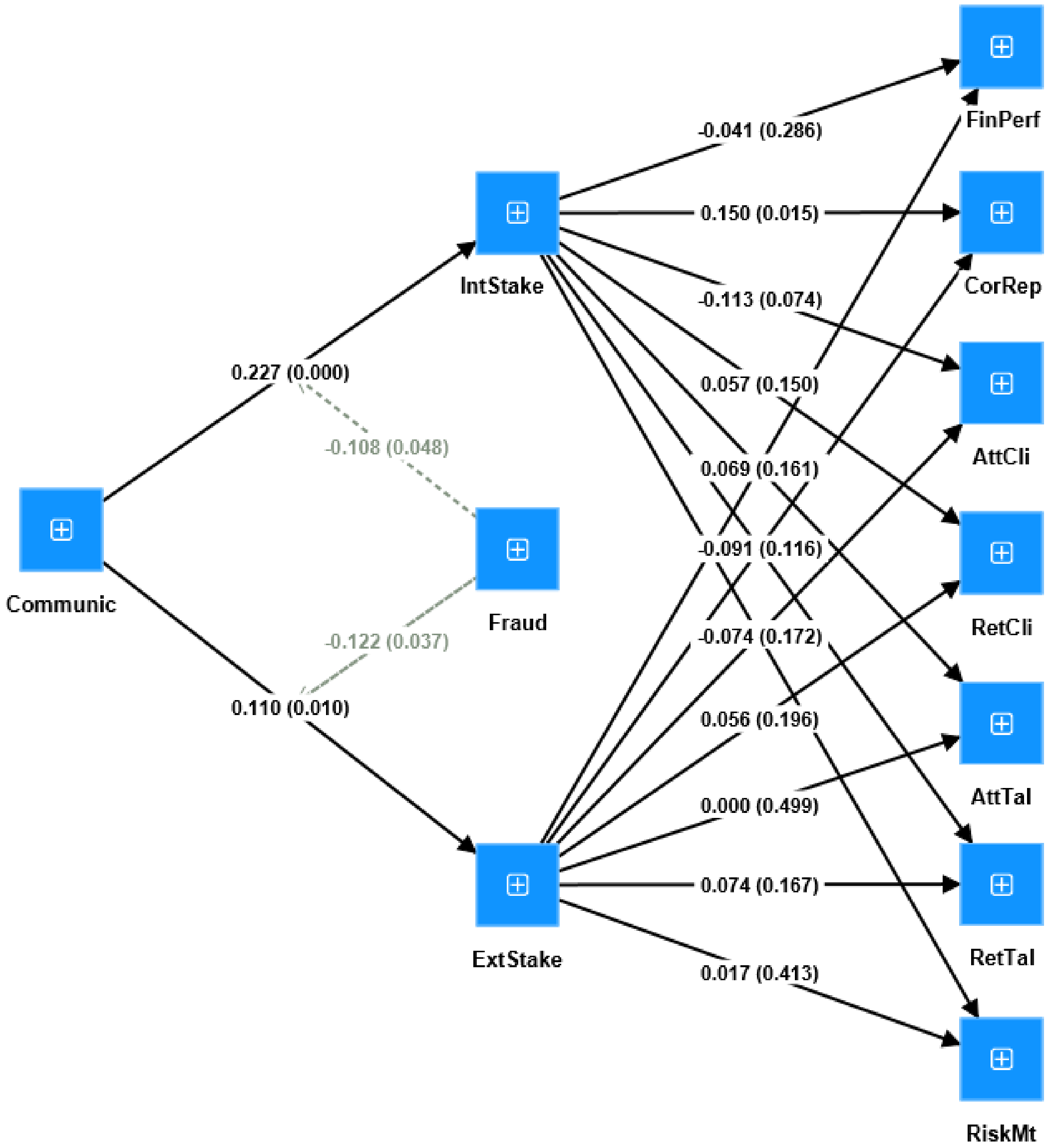

Figure 5.2-1 - Conceptual model coefficients

H1a is supported because the beta is 0.227 with a $p<0.001$ and the same occurs for H1b (b=.110, $p<.05$). Therefore, we conclude that ethical communication is effective in fostering ethical behavior in both internal and external stakeholders although the magnitude of the effect makes it stronger towards internal stakeholders.

Among the sub-hypotheses of H2, which preview positive relationships between ethical behaviors of stakeholders and benefits for the company, only the one concerning the increased corporate reputation is significant (b=.150, $p<.05$). This offers but a partial and minimal support to H2a. As regards H2b, none of the sub-hypotheses received support from the findings, thus rejecting it.

Hypothesis H3 finds support because the interaction effect is significant and positive both in the path linking communication frequency with internal stakeholder integrity as well as with external stakeholder integrity. This is translated into the following moderation graph:

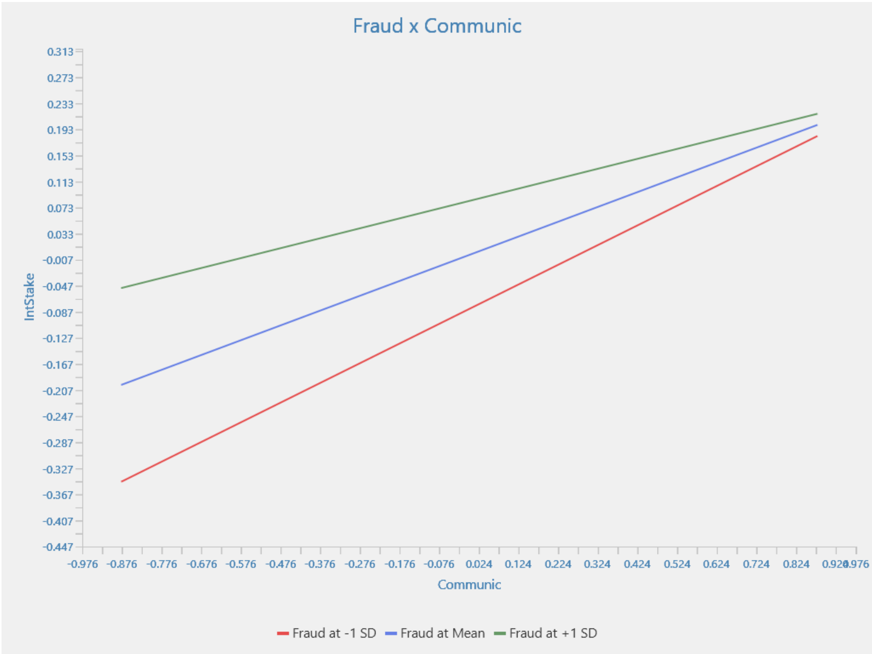

*Figure 5.2-2 - Fraud*Communication -> Internal Stakeholder Integrity*

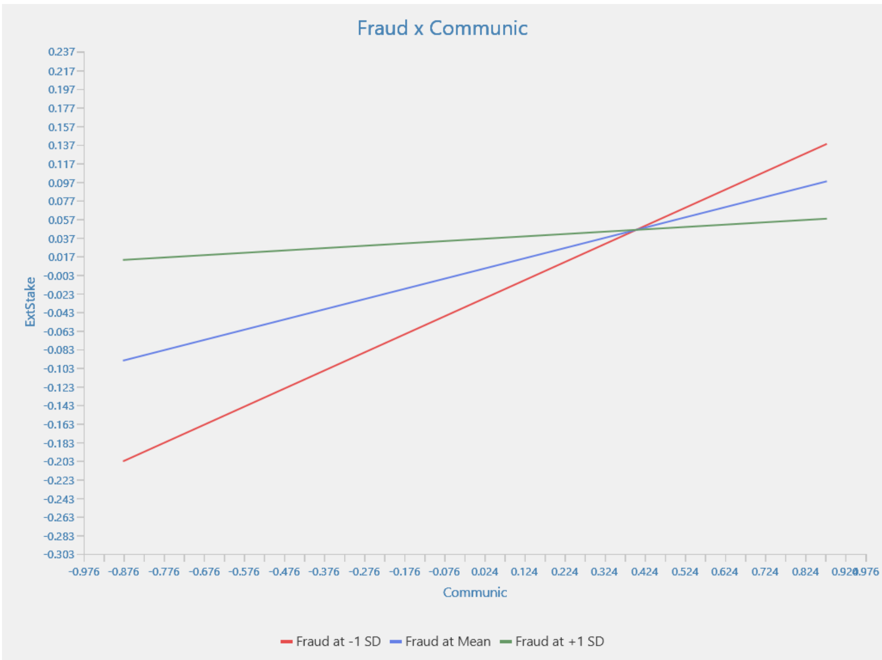

*Figure 5.2-3 - Fraud*Communication -> External Stakeholder Integrity*

According to this result, when the company has a strong commitment to ethical communication, the value of ethical behavior of internal stakeholders is perceived to be always higher regardless of whether the respondent has been a victim of fraud. However, when the company does not have this high level of ethical communication, having or not having been a victim of fraud makes a difference. Whoever has been a victim of fraud sees internal stakeholders as more ethical and therefore starts from a higher level of ethical behavior (because the respondent is also an internal stakeholder, and therefore in a subtle way is indicating his/her own level of ethical behavior). If, on the contrary, the person has never been a victim of fraud, he/she starts from a lower ethical level.

The combination of an absence of ethical communication with the absence of an experience of victimization of fraud, is the riskiest situation because it suggests a greater propensity for unethical behavior. Fraud increases awareness and ethical communication helps to maximize behavior.

6. DISCUSSION AND CONCLUSION

The establishment of trust and integrity in any society or organization is contingent upon the interrelated issues of fraud and ethical communication. Fraud entails the deceitful manipulation of information, frequently through deceptive media, with the aim of acquiring personal gain or an unjust advantage. Conversely, ethical communication is founded on the principles of transparency, honesty, and mutual respect.

Fraud is largely acknowledged as being detrimental to societies, economy and the general well-being of people. Tone at the top is one of the emerging issues in corporate fraud, and how strongly it enables benefits to organizations has been also a recurrent topic. Still, how it links to such benefits is less clear and how much personal experience as a fraud victim impacts such relationship is yet unknown. This study is design to contribute to this topic, encompassing a sample of 200 individuals, representing a diverse range of managerial roles.

Findings noteworthy show that although 80% of respondents acknowledge corporate reputation as a benefit from integrity only 26% link it to better financial performance. This goes counter to the literature that reports a consistent positive association between corporate reputation and financial performance (Baguma et al., 2023).

Likewise, most participants stated that they had not experienced any fraudulent activities in the past few years (64%). However, a significant portion of the respondents (24.5%) expressed uncertainty regarding whether they had been victims of fraud, while 11.5% confirmed that they had indeed encountered such incidents, which is consistent with existing literature.

As far as the hypotheses are concerned, we chose to address the first hypothesis (H1), namely "Ethics Organization Communication is positively associated with stakeholder’s ethical behavior". This hypothesis is associated with two others: (H1a) "Ethics Organization Communication is positively associated with stakeholder’s ethical behavior" and (H1b) " Ethics Organization Communication is positively associated with external stakeholder’s ethical behavior". It has been observed that top management frequently engages in ethical communication, as indicated by multiple sources. Additionally, the perception of stakeholder about integrity tends to be positive, particularly among internal stakeholders according to (Anindya et al., 2019). Conversely, external stakeholders are perceived to possess a slightly lower level of integrity. Findings are in line with literature.

In addition to other hypotheses, the hypothesis H2, which states that "Stakeholder's ethical behavior is positively associated with organizational benefits from integrity" can be further divided into two sub-hypotheses. The first sub-hypothesis (H2a) suggests that "Internal stakeholder's ethical behavior is positively associated with organizational benefits from integrity" while the second sub-hypothesis (H2b) proposes that "External stakeholder's ethical behavior is positively associated with organizational benefits from integrity". In light of the search, it becomes apparent that the Benefits from integrity exhibit certain instances of correlation, implying a potential pattern of associations. The most noteworthy discovery pertains to the positive association identified, indicating that individuals perceive these benefits as mutually reinforcing rather than conflicting. Additionally, the participants recognize corporate reputation as having considerable value, followed by regulatory risks mitigation, attracting new clients, and retaining talent. Conversely, attracting talent, financial performance, and retaining new clients are among the least acknowledged benefits. An important outcome of the analyses pertains to the low explained variance, which suggests that other variables may play an important role but are not predicted in the model.

In light of the aforementioned information, Hypothesis (H3) posits that "Ethics Organization Communication has an indirect positive effect on organizational benefits from integrity via stakeholder's ethical behavior". This hypothesis is substantiated by a single significant and positive mediation effect observed through external stakeholder integrity, towards benefits from Corporate Reputation.

However, the hypotheses H4 and H5, respectively, concerning how having been a fraud victim modulates the direct and indirect effects stated above, indicate no such interaction exists in any case to the exception of the direct effect of ethical communication on internal stakeholder integrity. Overall, having experienced being a fraud victim seems not to exert an important moderating effect in the whole process.

Despite the relatively small number of effects observed in the model, and the dismaying explained variances in the dependent variable, a considerable indication that a strong commitment to ethical communication within a company leads to a consistently higher perception of ethical behavior among internal stakeholders, especially when fraud was personally experienced. This was not observed towards external stakeholders which may indicate the attribution processes of integrity are more strongly dependent on other factors than from ethical communication.

In conclusion, the combination of a lack of ethical communication and a lack of personal experience with fraud represents the riskiest situation, as it suggests a greater inclination towards perceiving less ethical behavior in internal stakeholders. Fraud serves to increase awareness, but for all the wrong reasons, because it draws attention to dishonest or deceptive actions, highlighting the negative consequences of unethical behavior (Dyck et al., 2023). While ethical communication serves to optimize behavior, it aims to inform, educate, and inspire individuals and organizations to make ethical choices, fostering trust and integrity in society and business (Alyammahi et al., 2020).

The strength of this conclusion depends on the limitations of the study, which must be acknowledged. Firstly, the interaction effect is hardly visible when the majority of the sample reports no such experience and thus there is a range restriction in variance that hampers our ability to detect interaction effects. Still, a minor effect emerged which can only suggest it is stronger in magnitude with a mor diverse sample regarding experienced fraud. The sample is also heterogeneous from the point of view of the countries. Although it is not the intention of the study to compare such realities, the different sample sizes of the segments can be taken as a limitation in the same was as merging all data into the same database without controlling for country effect. Still, the sample sizes of countries advised against using this as a control variable. Future research may benefit from tackling these limitations and explore this model with a more diverse, larger sample while simultaneously testing eventual country level effects.

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