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Corruption disclosure practices of Islamic and conventional financial firms in Bangladesh: the moderating role of Big4

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Abstract

Purpose – Corporate corruption reporting (CCR) is an emerging issue of the corporation for measuring transparency, integrity and accountability to the stakeholders and society. The purpose of this paper is to examine the role of CCR and financial management responsibility regarding the issue of corruption control.

Design/methodology/approach – To explore the influences of corruption disclosure, this study considers the keywords-based content analysis of the listed financial firms of the Dhaka Stock Exchange in Bangladesh for 2012–2016. The research considers stakeholders and theoretical legitimacy lens for discussing corporate corruption disclosure. This study identified 143 self-driven keywords by classifying, analyzing and selecting the appropriate large set of keywords from the prior literature. This study examines 247 firm-year observations of all financial firms in Bangladesh using secondary data sources.

Findings – The results of the hierarchical regression analysis report that financial firms following Sharia principles have a negative and significant association with CCR, while Big4 has a positive and significant influence. Moreover, the interaction effect of Big4 on the relationship between Sharia principles and CCR is negative and insignificant. The findings reported that Islamic financial firms disclose less corruption information than conventional financial firms in Bangladesh.

Practical implications – This study findings are expected to significantly impact corporate management and policymakers of developing and highly corrupted economies to enhance corporate accountability,

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transparency and reputation. The regulatory body can consider the findings to promulgate anti-corruption reporting rules and regulations.

Originality/value – The authors believe the theoretical lens used to support the method and findings of this paper are unique and novel.

Keywords Emerging economy, Corruption, Disclosure, Islamic sharia principles, Big4

Paper type Research paper

1. Introduction

Corruption is the most discussed topic worldwide and is treated as a cancer to the economy (Wellalage *et al.*, 2018). Researchers in developed countries are extensively working on controlling corruption, while the issue is less discussed in the academia of developing countries. Moreover, recent research in developing countries is mainly focusing on corporate social responsibility (CSR), and environmental responsibility (ER) issues rather than corporate corruption (CC). Furthermore, corruption disclosure studies in developing countries are limited where most of the developing and highly corrupted economies failed to draw attention to the emergence of corporate corruption reporting (CCR) (Masud *et al.*, 2022; Masud *et al.*, 2019; Al-Shaer and Zaman, 2018; Fernández-Gago *et al.*, 2018; Baral and Pokharel, 2017; Comyns, 2016; Hoque *et al.*, 2016; Gamerschlag *et al.*, 2011). This is noteworthy that developing countries have paid less attention to the issue of CC, bribery and ethics (Blanc *et al.*, 2017; Islam *et al.*, 2017; Islam *et al.*, 2015), while no such study has been undertaken in Bangladesh context except the study by Masud *et al.* (2022) and Masud *et al.* (2019). For example, global corruption disclosure studies of Aldaz Odriozola and Álvarez Etxeberria (2021), Jaggi *et al.* (2021), Blanc *et al.* (2019a, 2019b), Lopatta *et al.* (2017), Blanc *et al.* (2017), Barkemeyer *et al.* (2015) and Islam *et al.* (2017) reported developed countries corruption disclosure motivations and determinants while they did not consider Islamic firms. On the contrary, Masud *et al.* (2022), Faisal *et al.* (2022), Sari *et al.* (2021), Masud *et al.* (2019), Agyei-Mensah (2017) and Islam *et al.* (2015) examined corruption disclosure nature of developing countries. Still, they failed to consider Islamic firms and culture. Moreover, Sencal and Asutay (2021), Yunan (2020) and Nobanee and Ellili (2020) reported corruption disclosure practices of Islamic firms and pointed out that corruption reporting is minimal and negligible. Furthermore, no study has documented conventional, and Islamic firms' corruption disclosure in Bangladesh also mandated us to explore the research gap. Masud *et al.* (2022) empirically tested Bangladeshi financial firms' anti-corruption disclosure and CSR performance but did not consider Islamic Sharia principles. Therefore, this is the first study to explore the CCR motivations of conventional and Islamic firms in Bangladesh to our best knowledge. Information disclosure is a strong weapon against corruption, bribery, informal transactions, money laundering and unethical business practices (Tuan Ibrahim *et al.*, 2020; Masud *et al.*, 2019; Masud *et al.*, 2018). Disclosing information ensures organization drives the stakeholders regarding transparency and accountability. Anti-corruption reporting enhances organization transparency, accountability and market reputation and diminishes stakeholder dissatisfaction over sustainable issues. However, the reporting practices depend not only on the firm- or bank-specific factors. Rather, it depends on the reporting countries' cultural and institutional quality factors. For example, Agyei-Mensah (2017) found that corruption level significantly impacts the risk disclosure index of the sampled sub-Saharan countries. In their recent studies, Blanc *et al.* (2019a, 2019b) found that multinational companies from more "secretive" countries practice lower levels of anti-corruption disclosure. In Islamic banks, few studies (Chowdhury *et al.*, 2016; Uddin *et al.*, 2017) reveal that socioeconomic factors, including corruption, significantly impact Islamic banks' financial performance. Bangladesh is an emerging economy that has been severely facing corruption in recent decades. According to the Transparency International (TI) corruption perception index (CPI) 2021, Bangladesh is the 13th most corrupt country among the 180 nations in the world (The Daily Star, 2022). Additionally, Bangladesh remains second highest corrupt country for the seventh consecutive year among 8 South Asian countries, while in the Asia-Pacific region, third-lowest among the 31 countries (The Daily Star, 2022). It is also noteworthy to mention that the financial sector of the country is the most irregular in terms of money laundering, loam embezzlement, informal transaction, bribes, government intervention, family control and political connection (Masud *et al.*, 2019; Muttakin *et al.*, 2018; 2015). The financial sector significantly contributes to the country's economic development; therefore, there is an urgency to control corruption and make it transparent and accountable. Disclosing ethical and anti-corruption information to diverse stakeholders is an important commitment to fighting against corruption. CCR is very emergency to the financial sector as it is the most regulated (Bae *et al.*, 2021). Moreover, the recent reputations of Islamic Financial Institutions (IFIs) and conventional financial Institutions (CFIs) are necessary to investigate because financial sector controversy in money laundering, family control and government control over IFIs and CFIs weaken corporate governance.

Shariah and non-shariah firms deal with many functions under rules, regulations, business norms and compliances. Shariah-compliant firms are guided by the Islamic religious spirit (Faizulayev *et al.*, 2021; Tahir and Ibrahim, 2020). Islamic principle belongs to the basic postulates of the Qur'an, the Prophet Muhammad's *sunna* (practice), *ijma'* (consensus) and *qiyās* (deductive analogy) (Mansour *et al.*, 2015; Khan and Mohomed, 2017). According to Islamic principles, interest (riba) is prohibited because of its injustice in business transactions. At the same time, any predetermined rate of interest or contract (*maysir* and *gharar*) is also forbidden in Islam (Chowdhury, 2020). Islamic Sharia is based on profit and loss sharing (PLS) principles that affirm justice, equality, morality and integrity. Moreover, Shariah principles strictly prohibit any socially harmful (haram) investment such as alcohol, pork, drugs and pornography (Chowdhury *et al.*, 2018; Aldulaimi, 2016; Mansour *et al.*, 2015; Saymeh and Orieqat, 2013). These symptoms and mandatory guidelines ensure that IFIs are more ethical, responsible, moral and accountable to the stakeholders. Therefore, IFIs should provide more transparency and accountability disclosure to confirm that the shariah principles strictly guide them. On the contrary, CFIs are regulated by a different set of human-made rules and regulations to be responsible corporations. Nobanee *et al.* (2020) found that anti-corruption disclosure has a negative and significant impact on the profitability of conventional banks, whereas Islamic banks have an insignificant effect on the performance. However, the overall anti-corruption disclosure practices are relatively low in both conventional and Islamic banks in UAE (Nobanee *et al.*, 2020).

The Big4 audit firms play a vital role in disclosing authentic and ethical information as they have good faith in the customers and various market forces. With a few exceptions, Islam and Hossain (2017) in their study found that banks audited by Big4 companies comply with better disclosure practices in Bangladesh compared to those audited by non-affiliates. This study is also designed to draw attention to Big4 firms' credibility in Bangladesh in fighting against CC. There needs to be more research on CC reporting in Bangladesh, while only a few studies covering CCR practices of IFI and CFI to the best of the researchers' knowledge. The most recent study by Masud *et al.* (2019) empirically tested corruption disclosure practices of the financial sector in Bangladesh and the role of board expert members in control of corruption. Still, they did not distinguish between IFI and CFI. Hence, this study will likely be the first empirical study to explore CFI and IFI's role in corruption reporting and Big4 firms' information credibility. Bangladesh, as a Muslim-dominant country, we like to believe that IFIs are more ethical than CFIs. But what is the reality? Are the IFIs more ethical than CFIs? To know the issue, the study set the research question of whether IFIs produce more corruption information than CFIs. Based on the research question and literature gap, the study's objective is to investigate the level and quality of CCR between IFI and CFI in the Bangladeshi financial sector. To provide empirical evidence, the study considered the listed financial sector 53 firms and 247 firm-year observations for 2012–2016. The study has significant theoretical and managerial contributions in the line of Islamic disclosure literature, policy regarding control of corruption and developing CC resistance model.

The structure of the paper is designed as follows: Section 2 will cover the theoretical discussion, literature review and hypothesis development; Section 3 will be methodology; after that result and analysis in Section 5, and finally discussion and conclusion in Section 6.

2. Theoretical discussion, literature review and hypothesis development

Prior studies have extensively used different theories in the disclosure literature. This study is designed to cover stakeholder (Freeman, 1984; Fernández-Gago *et al.*, 2018) and legitimacy theoretical (Suchman, 1995; Comyns, 2016) understanding to explain the CC disclosure of the financial firms. Whenever the discussion covers ethical issues, the relativity of the stakeholder engagement and expectations are crucial, while the legitimacy of the business with the society is inevitable. Stakeholder theory vividly explains the motivation behind transparency and accountability of business management to diverse stakeholders (Bae *et al.*, 2021). Quality information disclosure assures internal and external stakeholders that it enhances trust and reputation and diminishes negative impressions (Khan *et al.*, 2020). Prior disclosure studies extensively used stakeholder theory to explain how information disclosure effectively increases the transparency and accountability of the organisation. Moreover, Prior studies by Masud *et al.* (2022), Masud *et al.* (2019), Mahmood *et al.* (2019), Fernández-Gago *et al.* (2018), Masud *et al.* (2018), Comyns (2016) and Keig *et al.* (2015) used stakeholder theoretical setting to explain disclosure motivation. On the contrary, legitimacy theory explains the relationship between business and society. Society expects a sound relationship from the management by following social norms, regulations and ethics. Quality reporting sends a positive and honest signal to the diverse stakeholders in society to gain society legitimacy (Bae *et al.*, 2018). Prior studies of Islam *et al.* (2022), Faisal *et al.* (2022), Dhanda and Malik (2020), Mahmood *et al.* (2019), Masud *et al.* (2018), Islam *et al.* (2018), Agyei-Mensah (2017) and Islam *et al.* (2015) broadly used legitimacy theoretical understanding to explain the motivation behind reporting. Therefore, this study incorporates stakeholder and legitimacy theory to explain CCR in Bangladesh.

2.1 Sharia principles and corporate corruption reporting

Islamic banks are considered more ethical than conventional banks because of the shariah principles of regulation and management (Aldulaimi, 2016; Rashid *et al.*, 2020). Shariah principles define that financial systems are valued by the PLS concept instead of the traditional Profit and Loss Bearing concept (Belal *et al.*, 2015; Saqib *et al.*, 2016). PLS is driven by the moral and ethical sense of "bearing each other's burden." In sharia-based banking, interest is prohibited by Islamic banks, while interest is the prime source of income for traditional banks. It is also expected from Islamic society that corporate leaders are not involved in corruption and unethical practice because it is strongly prohibited by the Quran and Sunnah (Hudaib, 2020). It is mentioned in the Hadith: "Allah cursed the one who pays a bribe, the one who takes it and the mediator between the two" (Sahih Muslim) and in the

Quran (11:85): *And O my people! Give full measure and weight in justice and reduce not the things that are due to the people, and do not commit mischief in the land, causing corruption.*

Moreover, general business or sustainability reporting fully complies with the shariah principles because they have equity, justice, fairness and social and environmental objectives (Rizk, 2014; Binmahfouz, 2012). Shariah compliance is also incorporated with the social and environmental policies that are highly motivating factors for Islamic banking and finance (IBF) and IFIs to be more transparent and accountable as they do business in society. IBF and IFIs should not be highly motivated by profit maximization like conventional financial firms; instead, they ought to be highly concerned with providing an ethical, social and moral value proposition to the diverse stakeholders.

Therefore, Islamic and traditional firms' expectations are entirely different in terms of ethics, morality, transparency, responsibility and accountability (Tuan Ibrahim *et al.*, 2020; Aldulaimi, 2016; Haniffa and Hudaib, 2007). As a socially responsible, shariah compliance and religious-based service organization, IBF and IFIs deliberately promote corruption disclosure showing accountability and responsibility to the stakeholders. Shariah firms are based on ethical value propositions; therefore, the violations of shariah compliance and involvement in unethical business activities send a negative and disobedient signal to the market, society and stakeholders.

Moreover, an unethical service of IBF and IFIs creates a substantial legitimacy threat to the firms and society as it violates the direction of *the Quran and Sunnah*. Minimal prior research addresses the CCR, while most studies report that ethical disclosure accelerates Islamic firms' performance (Belal *et al.*, 2015; Binmahfouz, 2012; Warde, 2013). Tuan Ibrahim (2020) found that higher Zakat disclosure improves the incredible financial performance of Malaysian Banks. Belal *et al.* (2015) conducted a case study of a Bangladeshi Islamic bank and found that the bank is providing ethical disclosure but failing to show strength in every category. Williams and Zinkin (2010) reported that UNGC's "ten principles" and Shariah principles have no differences in ethical responsibility and accountability. Sharmeen *et al.* (2019) and Ahmad and Hassan (2007) argue that Islamic banks in Bangladesh performed better ethical disclosure (e.g. CSR, green and ethical) compared to conventional banks. Sharmeen *et al.* (2019) posit that IBF and IFIs have more robust coverage of assets and profitability compared to conventional banks. Moreover, Masud and Kabir (2016) documented that Islamic banks' CSR and ethical policy implementations are superior to conventional banks.

Islamic principles belong to Islamic ethics that express the equity, equilibrium and responsibility of all aspects of life (Naqvi, 1981; Mansour *et al.*, 2015). Contrary to Islamic principles, conventional firms also disclose transparency and accountability in various business forms. Traditional firms follow a set of human-made rules and regulations and disclose information to society and stakeholders as a part of transparency and accountability (Mansour *et al.*, 2015). In the disclosure practice, it is proven that traditional firms receive tremendous pressure from the societal and stakeholder aspects and disclose as much social, environmental and ethical information as possible. Prior studies also reported a significant relationship between the good intention of traditional firms and firm performance, governance and ethical responsibility. As a part of social responsibility, most of the reputed and visible firms follow a different set of guidelines, for example, UNGC rules of anti-corruption, OECD anti-bribe guidelines, green reporting initiative (GRI) guidelines of CSR reporting and ISO 26000 guidelines of corporate responsibility report.

Moreover, the prior studies also argued that many Islamic banks are not entirely ethical according to the Sharia principles as they violate shariah compliance (Suzuki *et al.*, 2020; Rashid *et al.*, 2020; Mansour *et al.*, 2015; Nienhaus, 2011; Balz, 2010; Khan, 2010; Naqvi, 1981). They also documented that IBF and IFIs charged interest in different names (e.g. markup). Mansour *et al.* (2015) reveal that Islamic banks used predetermined interest rates and interest-based benchmarks such as the London Interbank Offered Rate (LIBOR). Based on the above discussions and mixed results, it is believed that there is a significant difference between CFIs and IFIs' corruption reporting because of Sharia principles. Therefore, we propose the following hypothesis:

H1. Sharia-compliant financial firms disclose more corporate corruption reporting (anti-corruption disclosure) than conventional financial firms.

2.2 Big4 and corporate corruption reporting

Quality information is the determinant of effective decisions. Quality and verified information and report have enough credibility than a non-verified report. Many researchers explored the importance and influence of audit quality and information disclosure (Al-Shaer and Zaman, 2018; Belal *et al.*, 2017; Khan *et al.*, 2016). Quality reports extensively increase the earning quality of the business as it has responsibility, reliability and accountability to the stakeholders. Moreover, Big4 firms have huge expectations from customers and stakeholders (Masud *et al.*, 2018; Khan *et al.*, 2016). Therefore, the Big4 audit firms have a sound professional environment and experience-based human resources that lead them to provide trustworthy and timely reporting of the customer's events and transactions. It is also evident that a transparent, accountable and responsible firm likes to join reputed and recognized auditing and assurance-providing firms because of increasing legitimacy, visibility and credibility to the different interested and potential users. Barrett *et al.* (2005) stated that it "links the global and the local in a dialectical manner" (p. 1) while there is no domination of each other. Samsonova (2009) examined the audit regulation in the context of Russia and concluded that:

> Representation of globalization as an impersonalized power ruling the world fails to convey the increasingly transnational nature of the present-day world order where, apart from the nation-states, cross-border activities of various private and public actors and organizations with transnational jurisdiction increasingly shape national practice localities. (p. 528)

Belal *et al.* (2017) conducted an interview-based study of Big 4 audit firms in Bangladesh and concluded that the accountant mainly influences local societal factors. They also reported that Big 4 firms have no total pledges services in the country while correspondent firms offer restricted services only. They also mentioned the Big 4 audited firms' better performances in governance, profitability and quality reporting. Al-Shaer and Zaman (2018) reported that in the UK, the credibility of sustainability reporting depends on the trustworthiness of the assurance providers (reports were assured by the Big 4 audit firms or not). Prior studies prominently argued that credible information disclosure highly depends on the quality of the auditor or audit firms. Hence, the following hypothesis is proposed:

H2. Big4 audit reporting has a significant relationship with CC reporting (anti-corruption disclosure).

2.3 Interaction among Sharia principles, Big4 and corporate corruption reporting

Generally, a moderator or interaction variable is treated as a third variable (*Z*) that is used to explain the changing relationship between a predictor variable (*X*) and an outcome variable (*Y*) (Ajili and Bouri, 2018; Fairchild and McQuillin, 2010). We like to test the role of Big4 firms in the association between Shariah principles and CCR. Shariah-compliant firms are highly engaged for higher CCR as their counterpart firms because of increased social, legal, moral and religious value propositions. Worldwide Big4 audit firms have an excellent reputation for examining information. Big4 is an influential variable in determining the quality of the information (Al-Shaer and Zaman, 2018; Belal *et al.*, 2017; Khan *et al.*, 2016). It is believed that information and report audited by Big4 are more authentic and reliable. Big4 firms confirm the authenticity, credibility, reliability and transparency of the firm's (customer) financial and non-financial events, transaction and information through a rigorous auditing process. Because of Big4 firm's strong acceptability in the marketplace, it is necessary to know the difference between IFIs and CFIs' disclosure creditability to diverse stakeholders. Therefore, Sharia-based financial firms are better than conventional firms in the CCR because of the mixed and additional scrutiny mechanism (Tahir and Ibrahim, 2020). Salem *et al.* (2021) documented that the audit quality of Sharia-based firms is better than conventional firms in MENA countries and also pointed out the credibility of Sharia firms' CCR. We expect that Sharia compliance IFIs deliberately disclose more CCR because of the Big4 connection than CFIs. IFIs following Islamic Sharia regulation and Big4 will provide better CCR than CFIs. The moderating role of Big4 will determine the indirect role of IFIs in the CCR practices than CFIs. Masud *et al.* (2019) examined the moderating role of political connections between board experts and corruption disclosure in Bangladesh. They reported that politicians negatively and significantly moderate law experts on a board working against CCR.

Furthermore, Khan *et al.* (2016) examined the moderating role of Big4 audit firms between political firms and agency costs of Bangladeshi listed firms. They reported that because of experiences, skills, expertise and external monitoring role, Big4 firms mitigate the agency costs of politically connected firms more than unconnected firms. Following Masud *et al.* (2019) and Khan *et al.* (2016), it is believed that Big4 audit firms significantly moderate the relationship between Sharia principles and CCR. Therefore, the following hypothesis is proposed:

H3. The relationship between Sharia principles and corporate corruption reporting (anti-corruption disclosure) is moderated by the Big4 audit firms.

From the above discussion and understanding, we design the following conceptual model (Figure 1).

3. Research methodology

3.1 Sample selection and data collection

Bangladesh's financial sector comprises banking FIs (banks), non-banking financial institutions (NBFIs) and insurance companies. The country has two stock exchanges, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), and most FIs are listed in the DSE. For the study, we have selected only the listed firms of DSE. To summarize, we have

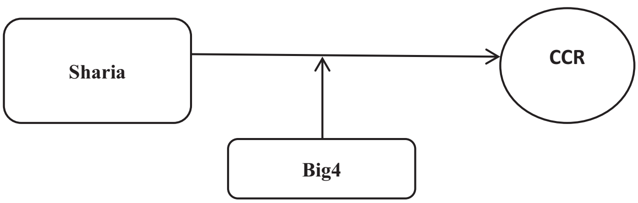

Figure 1. Conceptual framework

considered only the financial sector–listed banks and NBFI between 2012 and 2016 (Table 1). Financial sector firms' green banking/CSR regulation was first introduced in 2012, followed by both Banks and NBFIs (Khan *et al.*, 2021; Masud *et al.*, 2018). Therefore, 2012 is the appropriate year for the sample selection, consistent with Bae *et al.* (2021) and Masud *et al.* (2017). The study considered all 53 listed firms, consistent with prior studies by Masud *et al.* (2022), Bae *et al.* (2021), Khan *et al.* (2020) and Masud *et al.* (2019). Our final firm-year observation is 247, which is enough and reliable in connection with disclosure studies (Khan *et al.*, 2020). The study has collected data from secondary sources. Data from the sample firms' published annual reports and sustainability reports were used to measure different financial and non-financial variables. Economic data have been made from financial statements and corporate governance reports, while keywords have come from manual searching techniques. The study used five years of data, which is enough to predict and investigate the CCR of the financial sector of Bangladesh compared with the most recent study by Masud *et al.* (2022), Jahid *et al.* (2022) and Bae *et al.* (2021). The sample size and year are also statistically rigorous in the disclosure studies.

3.2 Content analysis

The study used keyword-based content analysis to reach the aim of the study, while content analysis is considered the most effective procedure in disclosure practices (Masud *et al.*, 2019; Boiral, 2013; Deegan and Gordon, 1996). Content analysis is the method of highlighting the texts and arguments extracted from the reports. Moreover, coding the words and sentences from the report and statement is a procedure. In this procedure, a coder coded the written text into several groups based on the research objectives. It is a frequency indication method (Gamerschlag *et al.*, 2011; Abdolmohammadi, 2005; Krippendorff, 2004). The content analysis's primary goal is to numerically collect the selected text's main message (Krippendorff, 2004; Neuendorf, 2002). Prior literature vastly used this technique in the CSR, environment, carbon, climate change, earning management, sustainability management or general disclosure studies because of its capacity to provide valid results to the extent of different items reporting (e.g. words, text, sentences, lines, pictures, messages) (Masud *et al.*, 2017; Masud *et al.*, 2018; Deegan and Gordon, 1996). Content analysis is not without limitations; prior research criticized content-based studies because of the biases, frequent nature of contents and not reported adverse events (Boiral, 2013; Deegan and Gordon, 1996). Many studies asked about the authenticity of the content formulation procedure because of the selection biasedness.

Moreover, firms are reluctant to deliver negative information or address-specific problems because of losing reputations. The most recent study by Khan *et al.* (2020) discussed the biasedness of content information as it has no exact measurement process. To solve the general limitations of content analysis, prior literature also mentioned that in keywords-based content analysis, the coder would be out of subjective judgment, and the results would be most reliable because of repeated trials or searches (Masud *et al.*, 2022;

Table 1.
Sample selection

Sources	Total sample firm	Total firm year observations
Financial sector companies	88	440
Less: non-listed	33	175
Total listed	53	265
Less: nonavailable data		18
Final sample and firm-year observations		247

Masud *et al.*, 2019; Gamerschlag *et al.*, 2011). Based on the prior literature and statistical reasoning, keywords techniques are appropriate for corruption reporting.

3.3 Keywords formulation techniques

Formulating keywords from the text is a contributing method in the empirical research that can trace the management discussion on corruption, ethics and bribes and classify firms by ethical incidents (Bodnaruk *et al.*, 2015). In the content analysis, keywords-based study possibility reduces the subjective arguments of the coder because anybody can repeatedly search or test the keyword's formation. Therefore, to avoid general contents analysis biasedness, this study used keywords-based content analysis following the prior literature of Masud *et al.* (2022), Masud *et al.* (2019), Baral and Pokharel (2017), Lopatta *et al.* (2017), Bodnaruk *et al.* (2015) and Gamerschlag *et al.* (2011) as listed in Table 2. Moreover, by classifying, analyzing and selecting the appropriate large set of keywords, this study possibly reduces the limitation of overlapping between positive and negative words because managers are consciously reluctant to disclose negative words as they reduce stock prices and benefits (Lopatta *et al.*, 2017).

4. Variables measurement

4.1 Dependent variable (corporate corruption reporting)

CCR is the dependent variable in the research. We used different keywords relevant to corporate ethics, broadly corruption and bribes. We have taken keywords for valuing ethical disclosure. Based on prior literature (Masud *et al.*, 2019; Lopatta *et al.*, 2017; Baral and Pokharel, 2017; Bodnaruk *et al.*, 2015; and Gamerschlag *et al.*, 2011), we have taken different keywords, directly and indirectly, related with corruption. Generally, prior literature on corruption and ethical disclosure mostly used TI's CPI, World Bank's (WB) country

Author and journal	Keywords	Keywords formation
Masud *et al.* (2022)	97 keywords	Most appropriate and closely related keywords collected from annual reports
Masud *et al.* (2019)	143 keywords	Considered the large set of keywords from the published report based on linguistic approach (e.g.; nouns, verbs, adjectives, and adverb)
Kim *et al.* (2018)	23 keywords	Developed five categories 23 competitive action keywords finding the moderation influence of positive and negative CSR with profitability
Baral and Pokharel (2017)	71 keywords	S & P 500 companies' mission, vision and value-added statement were analyzed to drive the most frequent keywords used
Lopatta *et al.* (2017)	200 keywords	Developed 200 anti-corruption keywords considering the linguistic approach (e.g., nouns, adjectives)
Bodnaruk *et al.* (2015)	184 keywords	Developed 184 financial constraint keywords from different firms' annual reports
Gamerschlag *et al.* (2011)	32 keywords	The study searched 8 environmental and 24 social keywords for the annual report
Zhao (2012)	Chinese 119 keywords Russian 83 keywords	Political legitimacy strategy-driven keywords regarding CSR were taken from both countries' and firms' CSR reports
Guthrie *et al.* (2008)	12 keywords (Mixed approach)	General content-based study while environmental contents were coded as like keywords

Table 2. Keywords-based literature review

corruption index (CCI), OECD combating bribery guidelines, UNCTAD *Guidance on Corporate Responsibility Indicators* (UNCTAD 2008), UN Convention against Corruption (UNCAC), UNGC guidelines and GRI guidelines (Lopatta *et al.*, 2017; Islam *et al.*, 2015; Blanc *et al.*, 2017; Islam *et al.*, 2017; Joseph *et al.*, 2016). Following the keywords formulation literature of Masud *et al.* (2019), Gamerschlag *et al.* (2011), Bodnaruk *et al.* (2015) and Lopatta *et al.* (2017), general corruption content literature by Blanc *et al.* (2017), Islam *et al.* (2015, 2017, 2018) and Joseph *et al.* (2016) and international anti-corruption institutions and guidelines of TI's CPI, WB's CCI, UNCAC 2000, UNCTAD 2008, GRI sustainability framework, UNGC anti-corruption guidelines, OECD bribery guidelines, ISO 26000 guidelines, AA 1000 standard and SA 8000 standard we develop keywords. Based on this diverse literature, we have developed 143 keywords, including nouns, verbs, adjectives and adverbs (for example, anti-corruption, anti-bribery, anti-fraud, anti-money laundering, bribe, corruption, fraud, money laundering, terrorist financing, ethical, unethical, trust). General searching techniques are used, consisting of a previous study by Masud *et al.* (2019) and Gamerschlag *et al.* (2011). Finally, we divided the firm-year keywords by the total keywords into ratios. We also classified total keywords into most-close CCR (MC_CCR) and less-close CCR (LC_CCR) for further analysis.

4.2 Independent variable

Sharia: Sharia principle is a dummy variable calculated by 0 and 1. Completely and consistently following Sharia regulation is treated as 1, while partially (dual) and conventional firms are considered 0, following Bae *et al.* (2021).

Big4: Big4, a dummy variable, measures published information quality. If the sample firms are assured by the world's top four auditing firms (KPMG, PWC, Deloitte and Ernst and Young), it is considered 1 and 0 otherwise, following Belal *et al.* (2015) and Khan *et al.* (2016).

4.2.1 Control variable. INTZR: Internationalization Reporting is a dummy variable measured by 0 and 1. If a company's annual/sustainable report is available in the GRI database valued at 1, and 0 otherwise. The variable measurement is consistent with Masud *et al.* (2022) and Masud *et al.* (2018).

LEV: Leverage is calculated using the total debt ratio divided by the total assets, consistent with Lopatta *et al.* (2017). High-leverage firms provide greater levels of disclosure to show transparency and accountability.

KZ_Index: Financial constraint is referred to by Kaplan and Zingales Index. The Kaplan and Zingales index are the most used measurement techniques of financial constraints. Following the prior calculation of Masud *et al.* (2022), Hong *et al.* (2012) and Lopatta *et al.* (2017), KZ_Index is calculated. The index is as follows:

Where CF = Cash Flow, DIV = Cash Dividend, CA = Cash Balances, TA = Total Assets; all over assets lagged. BLEV = Book Leverage; calculated by total debt divided by total debt plus total book value of equity. Tobin's Q is the market value of equity plus total assets minus the book value of equity divided by total assets.

SIZE: Company size is the natural log of the market value of equity following Baldini *et al.* (2016). Generally, it is considered that more prominent firm intends to disclose more corruption disclosure legitimating with society.

AGE: Natural log of the total operation year of the firm following Muttakin *et al.* (2018). Generally, it is considered that an older firm provides more corruption disclosures because of its high reputation, market visibility and commitment to the stakeholders.

ROA: Return on assets is calculated using profit after tax divided by the total assets, following Cao *et al.* (2018) and Lopatta *et al.* (2017). The prior study evidenced that profitable firms tend to offer higher levels of disclosure and transparency because this is what stakeholders expect. A list of all variables is given in Table 3.

4.3 Model specification

In model specification, we used an unbalanced panel data and hierarchical regression model to avoid possible heteroscedasticity in cross-sectional firm-year observations. The study followed the Hausman test, the results showing that our data fits with the fixed effect model. To test our hypothesis, we used hierarchical regression model and hypothesized corporate ethical disclosure and firm-specific variables. Finally, we propose the following regression models:

$$CCR = \alpha + \beta_1 Sharia + \beta_2 Big4 + \beta_3 Sharia * Big4 + \beta_4 INTZ + \beta_5 LEV + \beta_6 KZ\_Index + \beta_7 SIZE + \beta_8 AGE + \beta_9 \mathrm{ROA} + \beta_{10} \mathrm{Year} + \epsilon$$

5. Result and analysis

Table 4 displays the descriptive statistics of the study. CCR is our dependent variable, and the average value of CCR is 5.293. The mean value of CCR indicates keywords proportion is

Variables	Variable name	Symbol	Variable explanation
Dependent	Corporate corruption reporting	*CCR*	Firm-year keywords (CCR) are divided by total keywords (143) following Lopatta *et al.* (2017) and Bodnaruk *et al.* (2015)
Independent	Sharia principles	*Sharia*	Sharia is a dummy variable means completely, and consistently following Sharia regulation is 1, otherwise 0 following Masud *et al.* (2022), and Bae *et al.* (2022)
	Big4 audit firm	*Big4*	Big4 is a dummy variable measured as audited by the top four international auditing firms is 1, otherwise 0 following Bae *et al.* (2022)
Control	Internationalization	INTZ	Internationalization is a dummy variable. If sustainability disclosure/annual report is available in the GRI database 1, otherwise 0 following Masud *et al.* (2022), Bae *et al.* (2022) and Barkemeyer *et al.* (2015)
	Leverage	LEV	Leverage is calculated by diving total debt to total assets consisting with Masud *et al.* (2022), Bae *et al.* (2022), Jahid *et al.* (2022)
	Financial constraint	KZ_Index	Financial constraint is calculated by using Kaplan and Zingales Index following Kaplan and Zingales (1997)
	Firm size	Size	Firm size is calculated by natural logarithm of total assets consisting with Masud *et al.* (2022), Bae *et al.* (2022) and Jahid *et al.* (2022)
	Company age	AGE	Company age is the total year of operations following Masud *et al.* (2022), Bae *et al.* (2022), Jahid *et al.* (2022)
	Return on assets	ROA	ROA is calculating by net income divided by total assets following Masud *et al.* (2019), Bae *et al.* (2022), Jahid *et al.* (2022)
	Year	Year	Year dummy

Table 3.
Variables definition

Variables	*N*	Mean	SD	Min	Max
Dependent variable: Corporate corruption reporting					
CCR	247	5.293	3.212	1.035	14.685
Independent and control variables					
Sharia	247	0.150	0.358	0	1
Big4	247	0.348	0.477	0	1
INTZ	247	0.154	0.3615	0	1
LEV	247	0.879	0.0735	0.602	0.969
K_Z Index	247	2.7133	0.460	1.046	5.505
SIZE	247	24.905	1.354	22.374	27.204
AGE	247	22.101	8.340	12.0	45.0
ROA	247	0.010	0.0125	−0.057	0.040

Note: Refer to Table 3 for definitions of variables

Table 4.
Descriptive statistics

529, which is comparatively high compared with the study of Lopatta *et al.* (2017) and consistent with Masud *et al.* (2019). Sharia-based listed firms' mean proportion is 15% means Sharia firm-year observations are 37%. The mean participation of Bg4 firms is 35% in the study. The Big4 result indicates that, on average, 19 firms' annual reports are audited or assured by the top four international audit firms.

Table 5 shows the Pearson correlation matrix of the study. CCR positively and significantly correlates with Big4, INTZ, LEV, K_Z Index and SIZE. On the contrary, CCR is negatively but insignificantly correlated with Sharia. We also reported that the correlation between Big4 and Sharia is negative and significant. The correlation matrix wrote that the maximum correlation is between K_Z Index and LEV (0.691). However, we do not document any fair value exceeding the critical value of 0.80, which indicates no multicollinearity issues in our analysis (Judge *et al.*, 1985). Furthermore, we checked the variance inflation factors (VIF) and documented a maximum VIF not exceeding the threshold value of 4 (Nunnally, 1978), which confirms no multicollinearity issues.

Table 6 reports the hierarchical regression results. In the study, we have taken CCR as our dependent variable, and it is regressed on several explanatory variables to investigate corporate management motivation behind corruption disclosure. Model 1 shows the baseline regression of the hierarchical model while we consider all control variables with the CCR.

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
CCR (1)	1	−0.084	0.202**	0.457**	0.292**	0.175**	0.463**	0.072	0.037
Sharia (2)		1	−0.140*	0.073	0.186**	0.137*	0.191**	−0.143*	−0.105
Big4 (3)			1	0.089	0.015	−0.032	0.139*	0.045	0.152*
INTZ (4)				1	0.168**	0.070	0.301**	0.069	0.007
LEV (5)					1	0.691**	0.665**	0.007	−0.394**
K_Z Index (6)						1	0.316**	0.014	−0.568**
SIZE (7)							1	0.297**	−0.063
AGE (8)								1	0.022
ROA (9)									1

Notes: *Correlation is significant at the 0.01 level (two-tailed); **Correlation is significant at the 0.05 level (two-tailed). Refer to Table 3 for definitions of variables

Table 5.
Correlations between variables

Variables	Pred. sign	Model 1 Coeff.	Model 1 t-stat	Model 2 Coeff.	Model 2 t-stat	Full model Coeff.	Full model t-stat
				Dep. variable: CCR			
Sharia	+/−			−1.671	−3.499***	−1.511	−2.839***
Big4	+			0.678	1.893*	0.756	2.011**
Sharia*Big4	+/−					−0.783	−0.690
INTZ	+	2.861	5.812***	2.814	5.894***	2.789	5.816***
LEV	+	−7.339	−1.643*	−7.548	−1.747*	−7.438	−1.719*
K_Z Index	+	1.531	2.594***	1.576	2.760***	1.560	2.727***
SIZE	+	1.002	5.096***	1.082	5.545***	1.084	5.549***
AGE	+/−	−0.041	−1.864*	−0.057	−2.617***	−0.057	−2.608*
ROA	+	34.131	2.059**	26.239	1.622	26.087	1.611
Constant	?	−17.862	−5.439***	−19.397	−5.963***	−19.524	−5.986***
Year dummy	?			Included			
N		247		247		247	
R^2		34.3		38.6		38.5	
R^2 change		36.9		4.7		0.1	

Notes: Refer to Table 3 for definitions of the variables. The results for the dummy variables are not reported. ***, ** and * indicate significance at the 1, 5 and 10% levels, respectively (two-tailed)

Table 6. Hierarchical regression result

Model 1 explanation power is 34%, which is comparatively high in the disclosure study. According to Model 1, INTZ, K_Z Index and SIZE are positively and significantly associated with CCR at ($\rho < 0.01$), whereas ROA and CCR are positively and significantly associated at ($\rho < 0.05$) . On the other hand, LEV and AGE are negatively and significantly associated with CCR at ($\rho < 0.10$) . Model 2 inserted two independent variables, Sharia and Big4, along with all control variables. The explanation power of model 2 is 38.6%, and the R^2 change at 5% represents our model superiority. Here, we find Sharia is negatively and significantly associated with CCR ($\rho < 0.01$), whereas Big4 is positively and significantly influenced ($\rho < 0.10$).

Our full model represents all three independent and explanatory variables of the study. The full model explanation power is 38.5%, and the R^2 change is 0.1%. The superior explanation power of the model indicates the soundness of the variables that mean, on average, our model explains 38.5% of variables in the study, which is very close to the recent anti-corruption and ethical disclosure study of Masud *et al.* (2022), Masud *et al.* (2019); Wang *et al.* (2018), Cao *et al.* (2018); Hung *et al.* (2018); and Lopatta *et al.* (2017). The full model says that Sharia is negatively and significantly associated with CCR ($\rho < 0.01$). We reject *H1*. The result shows a difference between the anti-corruption reporting practices of Islamic and non-Islamic financial firms in Bangladesh. More explicitly, we say Bangladeshi Sharia financial firms fail to provide enough corruption disclosure, contrary to conventional financial firms. Our result is consistent with the argument of Suzuki *et al.* (2020), Mansour *et al.* (2015), and Belal *et al.* (2015). Mansour *et al.* (2015) argued that Islamic banking is not ethical because of failing to achieve Islam's moral values to enhance justice, equality and social well-being. They also reported that current Islamic banks practice in the same line as traditional banks without originally empowering Islam's ethical vision.

On the contrary, Belal *et al.* (2015) argued that Bangladeshi Islamic banks are somehow motivated to practice ethical banking but not in the total pledges, and ethical disclosure needs to be more satisfactory in all categories. Suzuki *et al.* (2020) argued that traditional Bangladeshi FIs are converting into IFIs because of gaining financial incentives like less reserve requirement. In the theoretical context, it is also proved that stakeholder engagement is fragile, and legitimacy-seeking power is almost absent because of regulatory and political problems (Masud *et al.*, 2022; Khan *et al.*, 2020). With enough force from the stakeholders, Islamic financial organizations are willing to provide enough corruption information. Moreover, weak and fragile corporate governance also failed to ensure transparency and accountability in the financial sector (Moudud-Ul-Huq, 2021; Mateev *et al.*, 2021). Our finding states that CFIs and IFIs' corruption reporting has no significant difference, and both are doing the same role in the name of corruption control (Yunan, 2020). It also indicates the business model of CFIs and IFIs are almost the same in terms of stakeholder engagement and market mechanisms, consistent with Faizulayev *et al.* (2021).

In the full model, our following variable is Big4, where we find a positive and significant relationship with CCR ($\rho < 0.05$). We accept *H2*. The result represents that Big4-audited firms provide better CCR than non-Big4-audited firms. The results also posit that credible information quality ensures superior CCR. Our result is consistent with the most recent study of Al-Shaer and Zaman (2018) and Khan *et al.* (2016), who reported that credible reporting ensures sound governance. Khan *et al.* (2016) stated that Big4 ensure information quality that reduces agency cost. Additionally, an interview-based study by Belal *et al.* (2017) concluded that Big4-audited firms face several cultural and professional problems in Bangladesh. Therefore, they are providing limited and restricted services in the country. Sencal and Asutay (2021) found that the Sharia-based guidelines influence the ethical disclosure level because credible audited firms like to maintain regulation that leads to more transparency information.

Our last variable is the interaction effects between Sharia and Big4, as we proposed that Islamic firms provide better CCR than conventional firms. If they are further assured by the Big4 firms, the credibility and ethical disclosure significantly affect the Sharia-based firm's management. But the result shows adverse and insignificant effects of Big4 on Sharia and CCR. We reject *H3*. It assumes that Big4-guided Islamic firms still need to provide satisfactory CCR than conventional firms. The moderation effects indicate Big4 has no indirect influencing power to motivate Islamic firms to enhance CCR. Again the finding discloses Bangladeshi IFIs' CCR practices are different from CFIs. Our argument is consistent with the statement of Khan *et al.* (2016), where they did not find any moderating role of Big4 between political firms and agency cost (expense ratio). In the theoretical context of social legitimacy, organizations report information by following social norms, values, ethics and regulation of society. In Bangladesh, firms are not facing societal pressure because of a lack of sound corporate governance, ethical policy and political pressure that leads to disclosing undocumented information (Masud *et al.*, 2022; Jahid *et al.*, 2022; Masud *et al.*, 2019; Uddin *et al.*, 2017). Masud *et al.* (2019) empirically tested that the Bangladeshi financial sector is highly influenced by the political connection for discouraging corruption reporting. Moreover, did not find any relationship between Big4 and environmental finance of Bangladeshi financial sector listed firms.

In the study, we have considered several control variables. We reported that regulated (INTZ) firms are highly motivated to disclose more corruption disclosure ($\rho < 0.01$). LEV shows a negative but significant association ($\rho < 0.10$) means liquidity crisis firms are reluctant to disclose more CCR. Next, we find KZ_Index and SIZE substantially influence the CCR, respectively ($\rho < 0.01$). The results indicate that financially constrained firms are highly motivated to disclose more corruption information to raise capital (Bodnaruk *et al.*, 2015), while large firms are naturally interested in revealing more details regarding reputation, growth and high visibility in the market (Masud *et al.*, 2018). We find a negative but significant association between AGE and CCR ($\rho < 0.10$) supported by Hung *et al.*

(2018). We do not see any association between ROA and CCR; it is also supported by Lopatta *et al.* (2017).

5.1 Robustness test and additional analysis

The study used several alternative measurement techniques to check its robustness of the study. The robustness test presents the trustworthiness and credibility of our regression result. In the disclosure studies, there are some constraints from the content-based analysis, while the keywords-based disclosure study has some limitations of probability assumption. Therefore, robustness and sensitivity analysis is necessary to check any methodological and measurement weakness. Prior study of disclosure coherently used robustness and sensitivity analysis. Following Katmon *et al.* (2019) and Bae *et al.* (2021), we have incorporated robustness tests to check the reliability and authenticity of the study. We considered both dependent and independent variables changing techniques in the robustness test. First, we changed the dependent variable of the main model (Table 7). We used Log (CCR) instead of the ratio following Masud *et al.* (2019).

Furthermore, we divided the total keywords into two types to reduce the possible biases of the content analysis. We divided all corruption keywords into the closest CCR (MC_CCR), and less close CCR (LC_CCR). In the content-based disclosure study, we divided the keywords into two groups to know the real effects of MC_CCR than LC_CCR because MC_CCR provides very common, popular and highly visible CCSR. At the same time, LC_CCR discloses unfamiliar, not commonly used and less visible CCR. Therefore, knowing the difference between the two types of keywords is necessary. At this stage, we have three types of the dependent variable (MC_CCR), (LC_CCR) and the combination of the two is called total CCR (TCCR) (see Appendix 1 and 2). We are replacing the three types of the dependent variables with the main model we find the same result in the study. Second, we replaced Tobin's Q instead of ROA (Table 8). We also followed the deduction or exclusion method (Table 8) in the robustness test. In the beginning, we excluded only KZ_Index from the main model. After that, we excluded only LEV from the main model. In both cases, we find the same result as our main model. Finally, all alternative models show no change in our main model's result, confirming that our study is robust and reliable.

	Dep. variable CCR		
Variables	Log(MC_CCR) Full model	Log(LC_CCR) Full model	Log(TCCR) Full model
Sharia	−0.240**	−0.378***	−0.288***
Big4	0.139*	0.128	0.129*
Sharia*Big4	−0.177	−0.318	−0.205
INTZ	0.406***	0.491***	0.438***
LEV	−1.378	−2.065**	−1.573*
K_Z Index	0.316***	0.343**	0.324***
SIZE	0.257***	0.372***	0.289***
AGE	−0.008*	−0.011**	−0.009**
ROA	4.346	4.193	4.402
Constant	−0.010	−3.290	−0.298
Year dummy	Included	Included	Included
N	247	247	247
R^2	42.7	47.2	46.2

Table 7. Robustness test (alternative dependent variable)

Table 8. Robustness test (alternative others variables)

		Dep. variable CCR					
		ROA = Tobins'q		Exclude KZ_Index		Exclude LEV	
Variables	Pred. sign	Coeff.	*t*-stat	Coeff.	*t*-stat	Coeff.	*t*-stat
Sharia	+/−	−1.489	−2.846***	−1.449	−2.689***	−1.468	−2.751***
Big4	+	0.822	2.237**	0.781	2.050**	0.784	2.077**
Shariah*B4	+/−	−0.846	−0.758	−0.906	−0.788	−0.855	−0.751
INTZ	+	2.470	5.121***	2.848	5.865***	2.843	5.917***
LEV	+	−6.586	−1.546	−0.439	−0.124		
KZ_Index	+	1.114	2.155**			0.977	2.113*
SIZE	+	1.261	6.533***	0.980	5.046***	0.859	5.898***
AGE	+/−	−0.071	−3.228***	−0.049	−2.205**	−0.045	−2.168**
Tobins'q	+	0.283	3.234***				
ROA				8.486	0.564	29.084	1.799*
Constant	?	−23.457	−6.739***	−18.777	−5.699***	−19.140	−5.857***
Year dummy	?			Included			
N		247		247		247	
R^2		43.6		39.9		41.1	

Notes: Refer to Table 3 for definitions of the variables. The results for the dummy variables are not reported. ***, ** and * indicate significance at the 1, 5 and 10% levels, respectively (two-tailed)

6. Discussion and conclusions

Corruption is a significant problem in developing countries and therefore is considered cancer to society. Bangladesh is facing severe problems caused by corruption. Like many other sectors, the Bangladeshi financial industry faces several challenges, such as bankruptcy, bribery, money laundering, terrorism financing, government intervention, political connection, family control and a lack of corporate governance. Corruption disclosures are considered an effective and efficient market and policy mechanism for controlling corruption and enhancing transparency and accountability. In the country, most of the population is from the Muslim religion. Therefore, Sharia-based financing is very popular among the general people. There are two types of FIs operating in the country, and there needs to be a study regarding the anti-corruption reporting practices of IFIs and CFIs. This is the first attempt to investigate Islamic and conventional financial firms' ethical and moral value propositions. The study considers Sharia and Big4 influence on the country's financial sector's accountability and transparency. To provide sound empirical findings, the study finds complete financial-sector firms between 2012 and 2016 using hierarchical multiple regression statistical techniques.

Based on the stakeholders and legitimacy theoretical understanding and discussion, firms like to disclose more ethical information to show transparency and accountability to the diverse stakeholders. Still, the study finds that Sharia principles regulated firms are reluctant to disclose more corruption information than conventional firms. More information disclosure indicates the organization's motivation regarding accountability and transparency. Accountable and responsible management wants to disclose more information to diverse stakeholders to mitigate institutional and societal pressure. Hence, reporting transparency and ethical and societal information sends a positive and obedient signal to the market forces that help to enhance reputation, visibility and financial performance. Moreover, CCR is an essential mechanism for FIs to show integrity regarding anti-corruption, anti-bribery, anti-money laundering and the absence of terrorist financing. CCR decreases the gap between businesses and diverse stakeholders as higher corruption disclosure pacifies customers, employees and other influential constituents of the company. Internal and external interested constituents of the industry like to believe the management is transparent, ethical and caring for their demand and supply. Moreover, higher corruption disclosure reduces the legitimacy threat of the business to society. As an influential part of the business, social legitimacy ensures the corporation's social, environmental, human and moral value proposition to society. Higher ethical legitimacy sends a strong and sound signal or message to society and its core components that the corporation is doing ethical, moral and transparent business and highly caring social expectations of the stakeholder. The empirical result shows that Islamic financial firms in the country are providing the same line of corruption disclosure as traditional firms. Does it rise why people believe IFIs are more ethical, accountable and Sharia-compliant? The negative relationship with the corruption disclosure of IFIs likes to believe that Bangladeshi Sharia principles regulated firms are not interested in reporting more and more corruption and transparency disclosure.

The possible reason would be a lack of stakeholder awareness, lack of sound Sharia expertise, less policy intervention, weak institutionalization, political intervention, lack of sound corporate governance and weaker moral values of the Islamic financial firms. The study also shows how Islamic financial firms' management is violating the diverse set of stakeholders' beliefs and understanding of the Sharia regulations. But, this ethical limitation of Islamic banks is not only in Bangladesh but also around the globe. The prior study also demonstrates that Islamic banks are only partially practicing the Islamic perspective of ethical and moral values. They were doing the same line of business as conventional banks and participated in interest-based dealing like LIBOR. At the same time, interest and predetermined interest rates are prohibited in Islam. The prior study also stated that Islamic banks replaced the name of services with their conventional counterpart banks. The dual nature of business (Islamic and conventional) ensures the serious violation of Sharia principles under the same leadership (same Chairman and CEO). We also find that Big4 firms significantly influence the credibility of corruption reporting. Bangladeshi financial firms are considering institutional soundness that instigates them to be more accountable. It is a matter of concern that the high corruption of the country relieves its different users from the assurance of the internationally recognized organization that the business management is accountable, responsible and transparent. Our findings also show that Big4 has no moderation effects on the Sharia and CCR. It denotes that a Sharia-compliant firm's corruption reporting does not influence Islamic moral principles.

The negative relationship affirms that Islamic firms practice less CCR than conventional banks. It is the general expectation that Sharia firms will be more ethical, moral and accountable than conventional firms because of religious value integrations but the result shows that the Sharia expectations negatively influence Islamic firms' corruption disclosure. The result is supposed to believe us that IFIs are violating Sharia compliance, like greenwashing. The economic system of Bangladesh is interesting. It raises questions about the Sharia principle's effectiveness as many financial firms are concurrently doing dual business (conventional and Islamic). Dual-mode IFIs are governed by the same management (i.e. chairman and managing director), arguing the credibility and implementation of Sharia law and supervision. Monitoring and supervision of Sharia regulation are the critical success of Sharia-based firms. The study raises questions about IFI's Sharia supervision quality and audit procedure. The empirical study has both theoretical and managerial implications. These two theories are very commonly used in the disclosure literature. Information reporting helps different sets of stakeholders to take decisions regarding the organization. On the contrary, corruption disclosure allows businesses to make a good relationship with the societal legitimation process. By disclosing more corruption, information firms like to send a strong message to society that they are against corruption and unethical practices. Therefore, stakeholder engagement is an influential task of business management. More stakeholder engagement and societal functions will help to achieve more business performance. As a keyword-based study, the paper contributes to the present stakeholder and legitimacy theory literature. The study profoundly contributes to the Islamic finance literature because it raises the question of the Islamic firm's basic postulates. The study raises the question of ethical banking or financing of IFIs. Islamic academics and researchers must come forward to investigate the concern of whether IBF and IFIs are performing under Sharia principles accordingly.

Moreover, the study also contributes to the organizational behavior and ethics literature as the control of corruption enhances the transparency and accountability of the management. The study has significant managerial implications, especially in a developing and highly corrupted country's business management regulation and policy perspectives. The study has a sound impact on the professionalism of IBF management. Islamic firms must incorporate a mechanism and instrument to be more ethical and sharia-compliant. Moreover, the professional Sharia expert can raise and solve many financial, legal and moral issues; corruption; bribery; money laundering; taxation; and audit. The country's policymakers consider the study to formulate a sound corporate governance regulation, especially for the Sharia institutions. Additionally, the Securities and Exchange Commission, Central Bank, Stock exchange listing authorities and Sharia governing bodies should overlook the Sharia issues of the financial firms. The study has another implication for corporate governance practices. How are conventional banks doing Islamic banking under the same leadership? Is that a big issue? Does Sharia supervisory board enough to maintain IFIs operations and management? Is it necessary to address this by the regulatory and policy bodies?

Despite its significant contributions, this study also has some limitations in different folds. First, the limited number of firms, year observations and the fact the study only covers financial sector firms mean it needs to provide an overall picture of the country's level of corruption. Second, the numbers of Islamic Institutions are very few, so it is not appropriate to compare with conventional firms. Third, the study did not consider dual firms. Last, but not least, time is a significant limitation needed to incorporate the most recent year's content and financial information. Therefore, future research should consider these questions by referring to all listed sectors of Bangladeshi firms to offer a more meaningful conclusion regarding CCR and implications on Sharia practice. Moreover, a cross-country or regional examination of Sharia and conventional firms would be another beneficial approach for better understanding CCR practices.

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Appendix 1

Anti-corruption	Concealment	Integrities	Scandals
Anti-corruptions	Concealments	Illegal	Secret
Anti-bribe	Criminal	Informal	Trust
Anti-bribery	Criminals	Illegal	Trusted
Anti-fraud	Contractor	Informal	Transparencies
Abuse	Contractors	Intervention	Threat
Anti-money laundering	Damage	Interventions	Trustworthy
Anti-money launderings	Damages	Lobbying	Transparency
Audit	Disciplinary	Money laundering	Threats
Audits	Donation	Money launderings	Threatening
Auditing	Donations	Nepotism	Terrorist financing
Audited	Extortion	Policy	Tax evasion
Auditor	Extortions	Policies	Tender
Auditors	Entrusted	Programme	Undue advantage
Bribe	Ethics	Programmes	Undue advantages
Bribery	Ethical	Program	Undocumented
Bias	Embezzlement	Programs	Unbiased
Biases	Embezzlements	Political	Unfair competition
Corruption	Fight against	Prosecution	Unethical
Corruptions	Fraud	Prosecutions	Unaudited
Corruption risk	Frauds	Reputation	Violation
Corruption risks	Fraudulent	Reputations	Violations
Civil society	Gift	Strategy	
Code of conduct	Gifts	Strategies	
Code of conducts	Integrity	Scandal	

Table A1.
MC-CCR Keywords

Appendix 2

Action	Correctives	Publics
Actions	CSR	Private
Accountability	Encouragement	Privates
Accountabilities	Encouragements	Public private partnership
Awareness	Fines	Penalty
Bureaucratic	Fair competition	Penalties
Breach	Fair competitions	Preventive
bad debts	Human right	Preventives
Bankruptcy	Human rights	Sanction
Communication	Loyalty	Sanctions
Communications	Loyalties	Sustainability
Confidence	Misuse	Training
Confidences	Monitoring	Trainings
Commitment	Powers	Zero tolerance
Commitments	Powers	
Corrective	Public	

Table A2.
LC_CCR Keywords