

DO CORRUPT BEHAVIOURS ALWAYS SPUR THE NORMALISATION OF POWER DISTANCE?: REACTIONS OF RELIGIOSITY AND ORGANISATIONAL CULTURE FROM SOCIAL CAPITAL THEORY

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Abstract

This study examines the reverse logic of whether corrupt behaviour can lead to the normalisation of power distance. It explores how this relationship is influenced by factors such as religiosity and organisational culture. Unlike prior research, which predominantly asserts that power distance fosters corruption, this study treats such a conventional perspective by testing the opposite scenario. A structured questionnaire with a five-point Likert scale was distributed to employees involved in administrative and governance processes in local governments in East Java. After processing by PLS-SEM, the results indicate a negative correlation between corruption and religiosity, a positive correlation between religiosity and organisational culture, and a positive correlation between organisational culture and power distance. Then, we found that religiosity mediates negatively the relationship between corruption and organisational culture. Additionally, the study suggests that organisational culture mediates positively for the relationship between religiosity and power distance. The study provides groundbreaking insights into the dual mediating role. This dual mediation framework, which has not been previously explored, advances the understanding of how social capital constructs evolve in environments affected by corruption.

Keywords : *Corrupt Behaviour; Local Government; Normalisation Of Power Distance; Organisational Culture; Religiosity.*

JEL Classification : H73, D23, Z12, M14, D91

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INTRODUCTION

Indonesia's score in the Corruption Perceptions Index stands at 34 out of 100 in 2025, with a global position of 109 out of 182 countries, which reflects persistent

corruption pressures within public institutions¹. The recent three-point decline since 2024 signals a continuing governance challenge that requires deeper understanding of organisational dynamics inside government agencies.

According to Maulidi (2024), corruption in Indonesian local governments closely relates to the concept of power distance. In many local government settings, hierarchical structures encourage strong respect toward authority, which gradually strengthens the acceptance of unequal power relations. Research by Putra and Sihombing (2024) explains that deeply rooted social norms shape this acceptance and allow authority figures to exercise broad control over decisions. Unfortunately, within local governments, decision processes often remain less transparent, and officials in lower positions tend to follow directions from superiors. According to Maulidi (2024), it is a main situation that supports practices such as bribery, embezzlement, and favouritism.

Even though numerous studies have examined the effects of power distance, fewer have explored how to reduce its prevalence or mitigate its negative consequences (Putra and Sihombing, 2024; Prabowo, 2024; Eryanto et al., 2022). For instance, studies by Pertiwi and Ainsworth (2021) and Sari et al. (2021) focus on the institutional factors enabling corruption but stop short of addressing how hierarchical power structures themselves can be reformed. Similarly, research by Changwatchai and Dheera-aumpon (2023) on organisational theory emphasises the importance of decentralisation and participatory decision-making as ways to increase transparency and accountability. However, these suggestions remain largely conceptual, with limited empirical validation in the Indonesian context. Furthermore, local studies, such as those by Prabowo (2024), Silitonga et al. (2023) explore power dynamics in provincial governments. They highlight the pervasive influence of patronage systems and elite capture. However, their recommendations are often reactive. They focus on punitive measures rather than preventive intrinsic reforms. To our knowledge, this persistent gap in the literature is particularly troubling given the urgency of addressing the systemic nature of power distance, which continues to undermine governance reforms and perpetuate a cycle of inefficiency, collusion, and abuse of power.

Therefore, the aim of the current study is to examine whether corrupt behaviours actively contribute to the normalisation of power distance. Existing literature highlights a cyclical relationship between power distance and corruption, where hierarchical structures foster opportunities for unethical practices, and these practices, in turn, reinforce hierarchical norms (Eryanto et al. 2022; Yilmaz et al., 2022; Faisal et al., 2023). However, the specific mechanism through which corruption perpetuates and legitimises power distance remains underexplored. Our study seeks to address this gap by investigating how corrupt behaviours become embedded in organisational culture. The research also aims to explore how these behaviours shape attitudes among subordinates that affect their willingness to challenge authority. In this study, particular attention is given to the interplay of religiosity and organisational culture in shaping reactions to the normalisation of power distance through corrupt behaviours.

To provide a fresh perspective on the nexus between corruption, power distance, religiosity, and organisational culture in Indonesian local governments, this study adopts social capital theory as its theoretical framework. Social capital, as conceptualised by scholars like Gannon and Roberts (2020), refers to the networks, norms, and trust that facilitate cooperative action within a society or organisation. Although traditionally

¹ this data is taken from a website of Corruption Perceptions Index which is available at <https://www.transparency.org/en/cpi/2025>

viewed as a mechanism for fostering social cohesion and collective efficacy, social capital can also be co-opted to reinforce hierarchical power dynamics and perpetuate corrupt practices. In a local government context, we agree with some scholars that the informal networks underpinning social capital often overlap with patronage systems that foster loyalty-based relationships for personal gain over institutional integrity (Jiménez et al., 2014; Meza and Pérez-Chiqués, 2021). In this sense, corruption is a central force. As this practice becomes routine, it strengthens power distance by embedding unequal authority relations into the cultural and operational patterns of local governments.

This study is the first study of its kind that positions corruption as a potential root cause of power distance. This perspective moves away from the conventional view that places power distance as the starting point of corruption and instead explores how corrupt practices may strengthen hierarchical power structures within organisations. Though existing literature often emphasises how hierarchical cultures foster corrupt behaviours (see also Fürstenberg et al., 2023; Yilmaz et al., 2022; Maulidiyah, 2024; Faisal et al., 2023), the current research tests this unidirectional view. We perceive that the SCT provides a critical lens for understanding this process. It highlights how informal networks and relational dynamics are co-opted to legitimise corrupt practices and hierarchical authority. Research by Ashforth and Anand (2003) illustrates how corruption becomes normalised through routinisation, institutionalisation, and socialisation. Such a study helps us to understand how it fosters a culture where unequal power dynamics are accepted as natural.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Social Capital Theory

Social Capital Theory (SCT), as an intellectual framework, seeks to illuminate the profound interrelationships among individuals within a collective and the consequent emergence of cooperative networks that contribute to the generation of shared benefits (Gannon and Roberts, 2020). In the context of local governments, SCT becomes particularly salient when examined through the lens of power distance, a cultural dimension that reflects the extent to which less powerful members of a society accept and expect the unequal distribution of power. Social capital, often typified by trust, norms of reciprocity, and social networks, is deeply influenced by the power dynamics embedded within these local governance structures (Caïs et al., 2021; Gelderblom, 2018). We believe that, in societies characterised by high power distance, individuals within local governments are more likely to engage in hierarchical relationships, where decisions are made by elites, and subordinate groups may have limited opportunities for participation in decision-making processes. Such centralised control may undermine the potential for the development of trust and the robust relational ties that SCT posits as essential to the creation of collective resources.

Moreover, in cultures with high power distance, people tend to show strong respect and obedience toward authority. This situation weakens horizontal social networks, even though SCT views these networks as important foundations for mutual trust and civic engagement (Gannon and Roberts, 2020). Furthermore, in the absence of an egalitarian ethos, social capital may become transactional rather than relational, driven by the pursuit of individual or group-specific gains rather than the collective good (Yenkey, 2018). This form of social capital may therefore fail to contribute to broader democratic governance or sustainable development in local governments (Ruiz-Palomino et al., 2023).

Conversely, in low power distance settings, the reduction of hierarchical barriers facilitates more equitable participation in governance processes. This inclusivity helps to democratise social capital.

Power Distance in Indonesia Local Government

Characterised by the acceptance of unequal power distribution, power distance in Indonesia reflects a deeply rooted cultural pattern shaped by historical, political, and social influences. Scholars like Hattab et al. (2022) explain that Indonesia's collectivist culture closely connects with high power distance, which encourages governance practices where authority concentrates at the top while subordinates show strong respect toward their superiors. This condition places many important decisions in the hands of a small group within the upper levels of the bureaucracy and gradually reduces opportunities for organisational change and innovation. One example appears in the practice of *bapakisme*. It is a paternalistic leadership style that strengthens hierarchical relationships inside organisations. In this pattern, superiors act as central figures who provide direction and solutions, which leads subordinates to rely heavily on guidance from those above them (Berenschot and Mulder, 2019). Critics such as Diamastuti et al. (2020) explain that this leadership pattern often limits participatory governance and encourages a culture of compliance instead of initiative within public institutions.

Empirical studies enrich the discussion of power distance in Indonesian local government, as shown by Sofyani et al. (2022), who highlight its implications for accountability and corruption. Maulidi (2024) expands this explanation by showing how embedded hierarchical norms enable local elites to dominate decision-making processes, which reduces opportunities for transparency in governance. In many cases, authority becomes concentrated in the hands of a small group at the top of the hierarchy, and this concentration of power encourages rent-seeking behaviour. Policies and public resources may then serve the interests of a limited circle of actors rather than broader public needs. This situation reflects what Prabowo (2024) describes as institutionalised impunity. Formal accountability mechanisms remain present within the governance system, and informal patron–client relationships continue to shape political and administrative practices. Prabowo (2024) also argues that these networks maintain strong influence over decision making and reinforce corruption risks within local government institutions.

Furthermore, Putra et al. (2024) explain that high power distance creates an organisational environment where lower-ranking officials feel strong pressure to follow their superiors. Similarly, research by Shaleh et al. (2022) also shows that citizen-driven accountability initiatives, such as public audits and participatory forums, face serious obstacles in high power distance contexts. Many individuals feel hesitant to challenge authority figures due to concerns about potential retaliation. As explained by Putra et al. (2024), it weakens the role of community participation in governance. As a result, mechanisms designed to strengthen transparency and accountability operate with limited impact. Based on these results, this situation creates a paradox in Indonesia's decentralisation agenda. Fundamentally, its decentralisation reforms aimed to strengthen local governance and encourage broader participation in decision-making. At the same time, persistent hierarchical norms continue to reinforce concentrated authority within local government structures, which restrains the growth of genuine accountability. We accept this premise that high power distance may support organisational stability and order. However, its practical consequences often contribute to governance inefficiencies.

Corruption as a Source of Organisational Behavioural Problems

Corruption in Indonesia often grows through hidden networks of patronage and favouritism. In these networks, leaders and powerful individuals strengthen their control by rewarding loyalty instead of merit. Takacs and Rašković (2021) explain that corruption usually develops in situations where a small group holds strong power and transparency. As a consequence, accountability remains weak and such a condition strengthens power distance. In this environment, loyalty becomes the main path for career progress. People in lower positions tend to adjust their behaviour to follow the interests of powerful figures so they can receive benefits or maintain their position in the organisation. Building on this situation, this pattern makes hierarchical power relations stronger and more accepted in everyday organisational practices.

According to Sarker et al. (2021) and Wang et al. (2019), leaders often use their positions to control how resources, opportunities, and privileges are shared within an organisation. These benefits usually go to people who show loyalty, and capability receives less attention in the decision process. This pattern strengthens the position of those at the top, and employees at lower levels begin to see their place in the hierarchy as something fixed and difficult to challenge. The idea of power distance explained by Soeharto and Nugroho (2017) helps clarify this situation. Their explanation shows how hierarchical structures become accepted as normal in everyday organisational life. In environments where corruption exists, unequal power relations often appear as something natural or even beneficial. It is because they follow informal rules that reward loyalty and conformity. This situation eventually shapes organisational culture (Maulidi, 2024). Accordingly, employees may feel that questioning authority or challenging unethical instructions shows a lack of loyalty to their superiors. As a result, people prefer to follow directions and maintain harmony with those in power, which further strengthens the hierarchical structure within the organisation

Corruption and Organisational Dynamics

Pertiwi and Ainsworth (2021) argue that corruption as a systemic issue can shape organisational culture and governance. It influences how people behave, how decisions are made, and how outcomes are produced inside an organisation. Takacs and Rašković (2021) explain that corruption changes routine behavioural norms in organisations. Informal practices start to guide behaviour. Silitonga et al. (2023) then explain that corruption can become institutionalised through repeated practices and shared understanding among members of the organisation. People begin to treat these practices as normal routines. This situation makes it harder to clearly separate legitimate actions from illegitimate ones. Under this point, ethical boundaries become less clear and some individuals start to see corruption as a practical way to survive or move forward in their careers.

Soeharto and Nugroho (2017) explain that corruption weakens merit-based systems inside organisations. Promotions and opportunities often go to individuals who have close personal ties or show strong loyalty to powerful figures. In contrast, competence and qualifications receive less attention in many organisational decisions. This situation affects organisational performance because capable employees receive fewer opportunities and individuals with limited capability continue to move forward due to their connections. Additionally, this condition can create a harmful organisational environment. According to Meza and Pérez-Chiqués (2021), employees who value ethics and fairness may lose motivation and reduce their engagement at work. Other studies

show a similar pattern. As argued by some scholars (Ashforth and Anand, 2003; Hattab et al., 2022), corruption can influence how organisational resources are distributed. In such an environment, employees may develop a sense of cynicism toward the organisation. As a result, corrupt behaviour begins to appear as a common practice in everyday work life, which reduces employees' willingness to report corruption or challenge questionable actions within the organisation.

Power Distance as a Cultural and Structural Phenomenon

In high power distance environments, hierarchical relationships remain strong through formal organisational structures as well as cultural values that encourage deep respect for authority (Ashforth and Anand, 2003). According to Van Prooijen and Song (2021), these contexts reflect a broad social acceptance of unequal power distribution. As a result, showing respect and obedience to authority often becomes an expected behaviour and is widely seen as a positive personal quality. In addition, cultural values that emphasise loyalty, obedience, and respect for elders or superiors further strengthen these hierarchical patterns.

Furthermore, authority is often viewed as an important element of social order in these societies. Research shows that people in high power distance contexts frequently see hierarchy as a moral responsibility that helps maintain stability and structure within organisations and communities (Filatotchev et al., 2022). Because of this perspective, individuals tend to accept authority and maintain harmony within organisational hierarchies. At the organisational level, these cultural patterns also influence communication and decision-making processes. De Clercq (2023) suggests that organisations in high power distance settings often rely on top-down communication, where instructions move from leaders to employees with limited opportunities for feedback. Consequently, this system helps maintain discipline and clarify roles inside the organisation. At the same time, it can reduce opportunities for creativity and limit organisational learning.

Similarly, employees in high power distance organisations often feel hesitant to propose alternative ideas or solutions. Many employees prefer to follow instructions closely because they want to avoid negative reactions or the perception that they are challenging authority (O'Keefe et al., 2023). As a result, employees tend to focus on carrying out instructions from their superiors instead of exploring new ways to improve organisational outcomes. Interestingly, this pattern strengthens a culture of compliance, where employees show strong respect toward managers and rarely question organisational decisions even if they see opportunities for improvement (Maulidi, 2024). In addition, centralised systems in high power distance settings often lack strong oversight mechanisms. For example, Jagers et al. (2021) observe that leaders in these systems can make decisions with limited scrutiny. Consequently, corrupt practices such as favouritism, embezzlement, and nepotism may develop more easily. These practices often remain hidden behind layers of hierarchy, which makes it difficult for lower-level employees to access important information or question decisions made by those in higher positions. Then, decisions about resources may depend more on loyalty and patronage than on merit or organisational needs (Karim et al., 2023). Consequently, corruption becomes part of the system and continues to produce inefficiency and inequality inside the organisation.

Hypotheses Development

As mentioned earlier, this study concentrates on examining the relationships between the variables of corruption, religiosity, organisational culture, and power distance. These relationships are portrayed in Figure 1. The following sections present the conceptual development of the study's hypotheses.

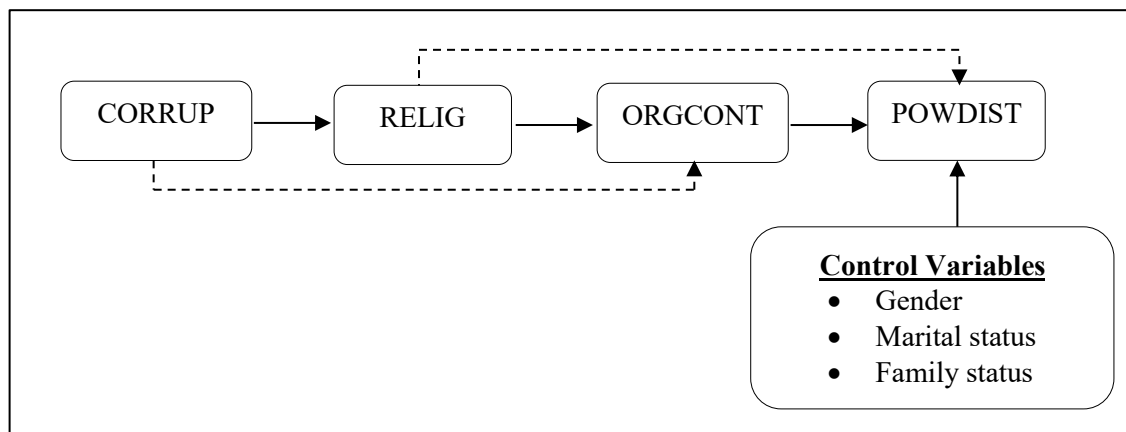


Figure 1. Research Model

Source: Created by Authors

Notes: *CORRUPT* (Corruption); *RELIG* (Religiosity); *ORGCONT* (Organisational Culture); *POWDIST* (Power Distance)

Corruption and Religiosity

From the perspective of SCT, corruption can weaken the basic elements that support trust, social networks, and shared values in society. These elements form the foundation of religiosity and help people build strong moral connections with others. According to de Villiers et al. (2022), social capital highlights the importance of trust and reciprocal norms in creating communities that are cohesive and guided by moral principles.

Furthermore, religiosity often provides moral guidance and helps maintain communal integrity in society. Earlier research by Conroy and Emerson (2004) explains that religious values can shape ethical behaviour and strengthen shared responsibility within communities. However, corruption can disrupt this role because it changes how people see ethical behaviour in everyday life. In environments with high corruption, trust in institutions and interpersonal relationships gradually declines as people begin to see self-interest as a common practice (Fürstenberg et al., 2023). In addition, this situation becomes more complex in societies where religion forms a strong part of cultural identity, such as Indonesia and other highly religious communities. In these settings, corruption creates tension between religious teachings and the real actions of leaders and institutions. Research by Jagers et al. (2021) and Karim et al. (2021) shows that systemic corruption can weaken the idea of moral leadership. People may begin to lose confidence in both religious and secular leaders if those leaders fail to demonstrate integrity in their behaviour. So that, religiosity, in this study, as a form of social capital may lose its strength. The rationale is that its ability to encourage ethical behaviour and collective responsibility becomes weaker as trust and shared moral values decline within society. Based on this discussion, the following hypothesis is proposed:

H₁: There is a negative relationship between corruption and religiosity.

Religiosity and Organisational Culture

We believe that religiosity is rooted in moral values such as integrity, accountability, and compassion. Because of these values, religiosity can provide a strong moral guide for behaviour in professional environments. Conroy and Emerson (2004) give explanation that religiosity helps individuals bring deeper moral values into their everyday decisions. In addition, employees who hold strong religious beliefs often feel an inner motivation to maintain ethical standards. Research shows that this motivation usually comes from personal conviction rather than external pressure (Hage and Posner, 2015). Because of this inner commitment, individuals who integrate religiosity into their decision-making processes often help create organisational environments where ethical behaviour becomes more visible and influential. As suggested, this behaviour can spread across the workplace and shape how other employees act.

Furthermore, religiosity can strengthen a person's ability to recognise ethical issues in daily work situations (Ward and King, 2018). Ward and King (2018) suggest that religiosity leads individuals to develop stronger moral sensitivity, which means they can identify ethical problems more clearly and respond with stronger conviction. Accordingly, moral sensitivity plays an important role in ethical decision-making because it helps people understand how their actions may affect others. It also helps individuals evaluate their decisions using ethical standards that come from their religious beliefs (Heubeck, 2024). Therefore, individuals who are strongly guided by religious values often develop a consistent habit of assessing their behaviour against clear moral principles, even in complex or uncertain situations. Based on this discussion, the following hypothesis is proposed:

H₂: There is a positive relationship between religiosity and organisational culture.

Organisational Culture and Power Distance

The concept of power distance explained by Daniels and Greguras (2014) shows how cultures with high power distance tend to accept strong authority from leaders. In these environments, people often view leaders' decisions as something that should be followed without much questioning. At the same time, scholars continue to debate the role of organisational culture in shaping power distance. Some researchers argue that certain cultural values inside organisations reduce hierarchical gaps. For example, organisations that emphasise shared values, ethical behaviour, and participative decision-making often encourage more open interaction among employees. Matusitz and Musambira (2013) explain that such organisational cultures promote inclusivity and allow employees at different levels to participate in discussions and share their ideas more freely.

In practice, this type of culture often appears in local governments that emphasise transparency and mutual respect in their daily operations. These values encourage employees to communicate openly and express constructive feedback toward their leaders. However, a different situation can emerge in organisations that lack strong ethical standards. In these environments, hierarchical authority may become more dominant, and leaders may use their positions to pursue personal interests. Employees may hesitate to question questionable decisions because they fear negative consequences or believe that challenging authority would bring little change. Research by Qi et al. (2020) shows that such organisational environments create favourable conditions for corruption and mismanagement because accountability mechanisms remain weak and organisational control becomes less effective.

Similarly, several scholars explain that the absence of an ethical work culture creates conditions where corruption gradually becomes part of the organisational system. Studies by Yeganeh (2014) and Scholl and Schermuly (2020) show that weak ethical values inside organisations allow powerful actors to strengthen their control and reinforce hierarchical structures in local governments. Furthermore, Mornah and Macdermott (2018) explain that this creates a setting where individuals in power can easily use their positions to pursue personal or political interests. In local government institutions, this situation often strengthens existing hierarchical structures because elites gain greater control over policies and resources.

Empirical evidence also shows that decentralisation without strong ethical safeguards can increase corruption risks. For example, Lassou et al. (2021) find that local elites in decentralised systems may operate with limited oversight. These actors gain greater freedom to influence decisions and control public resources. Consequently, officials at higher levels of local government may use their positions to secure personal benefits and maintain control over important resources. At the same time, employees in lower positions often follow these practices to protect their careers or maintain their place in the organisation. From the above discussion, we propose that:

H₃: There is a (negative/positive) relationship between organisational culture and power distance.

The Mediating Role of Religiosity

In organisations that emphasise ethical behaviour, accountability, and shared moral values, religiosity often becomes an important force that strengthens these principles in everyday work. Research by Hage and Posner (2015) describes that religiosity can complement organisational ethics because it encourages individuals to bring their moral beliefs into workplace decisions and interactions. Through this process, employees may develop a stronger sense of personal and collective responsibility toward ethical conduct.

Furthermore, religiosity often acts as a moral compass that guides how individuals evaluate their actions. Ward and King (2018) argue that religiosity strengthens moral sensitivity, which allows individuals to recognise ethical issues more clearly and respond to them with stronger conviction. In this point, employees may approach ethical dilemmas with greater clarity and confidence. When employees internalise moral values through their religious beliefs, these values become part of their daily behaviour. Consequently, individuals become more consistent in maintaining ethical standards even in challenging situations. We expect that this pattern strengthens organisational norms that discourage corrupt practices and encourage responsible behaviour.

We agree with some scholars that the influence of religiosity does not appear in the same way in every organisation. For example, Conroy and Emerson (2004) argue that religiosity becomes more effective when organisational leaders demonstrate ethical behaviour in their daily actions. In such environments, employees feel that their moral values are respected and consistent with organisational expectations. In organisations where religiosity emphasises the inherent value of every individual, decision-making often becomes more inclusive. We assume that employees at different levels receive opportunities to share their perspectives and participate in discussions. As a result, relationships inside the organisation tend to develop in a more horizontal way instead of following rigid hierarchical patterns. Additionally, Heubeck (2024) explains that religiosity can strengthen intrinsic motivation for ethical behaviour. Individuals develop stronger moral reasoning, which allows them to question justifications that are often used

to defend corrupt actions. Through this process, employees and leaders gradually build a shared commitment to ethical standards in their daily work. From the above discussion, we propose that:

H₄: Religiosity mediates the relationship between corruption and organisational culture.

The Mediating role of Organisational Culture

Research by Sulaiman et al. (2022) explains that religious values usually emphasise respect for authority, discipline, and the importance of fulfilling one's role. When these values become part of organisational culture, they can strengthen hierarchical structures because employees learn to respect leaders and follow organisational roles more strictly. In this situation, power distance may become more visible in daily organisational practices (Qi et al., 2022). In addition, religious values sometimes portray leadership as morally guided or connected to higher moral principles. This perspective can create a belief that hierarchical relationships carry moral justification. Karim et al. (2022) mention that this belief may encourage employees to see leadership authority as legitimate and worthy of strong respect. Similarly, Obregon et al. (2020) show that religiosity can give leadership roles a form of legitimacy that goes beyond formal authority. In many collectivist societies, religious beliefs often connect with cultural traditions that place strong value on respect for authority figures. So, leaders may receive greater recognition and influence within organisational structures.

Within this framework, leadership becomes closely associated with moral responsibility, and employees may see obedience to leaders as a moral commitment rather than simply a professional duty. This point is also supported by Wijesinghe et al. (2022) who suggest that religiosity-inspired leadership can develop ethical behaviour in organisations. Leaders are perceived as morally grounded and employees tend to interpret instructions and expectations through an ethical lens. As a result, obedience is no longer driven purely by job requirements or organisational rules. However, it is by a deeper sense of moral connection and personal conviction. Clearly, employees may feel that following their leaders is the right thing to do. Instead of simply something they are required to do (Maulidi, 2024). At the same time, this dynamic may place leaders in positions where their authority receives strong acceptance. In this framework, leaders are portrayed as moral exemplars, whose authority is grounded in their perceived alignment with religious principles. In this framework, leadership becomes synonymous with ethical stewardship, and subordinates are conditioned to view compliance as a moral obligation rather than a professional duty. As such, we suggest that this dynamic can create a culture of dependency, where subordinates defer to leaders as moral guides rather than engaging critically with organisational decisions. From the above discussion, we propose that:

H₅: Organisational culture mediates the relationship between religiosity and power distance.

From the above discussion, the primary hypotheses are summarised in Table 1.

Table 1
Main Hypotheses

Hypotheses	Predictions
Corruption -> Religiosity	Negative correlation
Religiosity -> Organisational Culture	Positive correlation
Organisational Culture -> Power Distance	Negative/positive correlation

Hypotheses	Predictions
Corruption -> Religiosity -> Organisational Culture	Negative correlation
Religiosity -> Religiosity -> Power Distance	Positive correlation

Source: Created by Authors

RESEARCH METHODOLOGY

Data and Research Procedure

We analysed 179 fully completed questionnaires. The sample was dominated by male respondents (128), with fewer female participants (51). In terms of family background, most respondents came from joint families (129), and 50 were from nuclear families. Regarding marital status, 108 participants were single or divorced, and 71 were married.

To collect the data, we distributed a structured questionnaire to civil servants working in two regional governments in Indonesia. The questionnaire design followed the perspectives of SCT and Indonesian power distance, which guided the context of the study and the development of the measurement items. Before respondents began answering the questionnaire, we first provided clear information about the study. Specifically, the first page explained the purpose of the research, its scope, and its possible implications. Because of this explanation, participants could clearly understand the study before deciding whether they wished to take part. In this way, respondents could make an informed decision about their participation, which reflects ethical research principles that emphasise autonomy and voluntary involvement.

At the same time, we placed strong attention on protecting the confidentiality of all responses. For this reason, every dataset was anonymised so that individual participants could not be identified. In addition, personal or professional details were separated from the data to ensure that responses could never be traced back to specific individuals or positions within the regional governments. Through these procedures, all collected information remained secure and used strictly for research purposes. Furthermore, anonymity remained a key principle throughout the research process. The questionnaire did not request names or any identifying information from respondents. As a result, participants' identities were never recorded or disclosed at any stage of the study. Because of this approach, respondents could share their views more openly and honestly without concern about possible negative consequences. In addition, participation remained entirely voluntary. We clearly informed respondents that they could decline participation or withdraw from the study at any time. Importantly, this decision would carry no penalties or negative repercussions. This assurance was particularly important because the respondents worked within hierarchical government institutions.

Measurement

In this study, we used a 5-point Likert scale to measure all variables. This scale allowed us to capture different perceptions and attitudes that appear in organisational settings. As a result, respondents could express the extent of their agreement with each statement in a clear and simple way.

To begin with, corruption serves as a key variable in this study. We measured corruption using indicators based on the corruption schemes identified by the Association of Certified Fraud Examiners (2024). Through this approach, the measurement captures different forms of corrupt behaviour that may appear in organisations. In turn, this

approach provides a clearer view of how corrupt practices develop and continue within organisational systems. Next, power distance represents another important variable that shapes organisational relationships. We measured this construct using the scale developed by Luo et al. (2020). This scale captures employees' perceptions of hierarchy, authority, and the distribution of power within organisations. At the same time, it also reflects the cultural values that influence how individuals view authority and organisational roles.

In addition, organisational culture plays an important role in shaping ethical behaviour in organisations. For this reason, we adopted the well-known framework developed by Hofstede et al. (1990). This framework allows researchers to understand how shared values, norms, and beliefs influence behaviour within organisations. Consequently, it provides a clearer picture of how cultural values shape ethical decision-making in organisational life. Finally, we measured religiosity using an adapted version of the scale developed by Alshehri et al. (2019). This adaptation ensures that the measurement remains relevant for contemporary organisational settings. We believe that the scale still reflects the core ideas of religiosity as a construct that shapes moral values and ethical behaviour. Details of the measurement items are provided in the Appendix.

Data Analysis

We used Partial Least Squares Structural Equation Modelling (PLS-SEM) as the main analytical method. This approach follows the guidelines suggested by Hair et al. (2019) for analysing complex research models. PLS-SEM was selected because it works well for studies that involve several variables and multiple measurement indicators (Hair et al., 2019). In addition, PLS-SEM is suitable for organisational research that often uses moderate or relatively small sample sizes. According to Hair et al. (2019), this method allows researchers to analyse complex relationships between constructs while still producing reliable results. Because of this advantage, PLS-SEM fits the needs of this study.

Furthermore, this method allows researchers to examine both the measurement model and the structural model at the same time (Hair et al., 2019). The measurement model evaluates the reliability and validity of the indicators used to measure each construct. Meanwhile, the structural model examines the relationships between the variables proposed in the research framework. Operationally, through the use of PLS-SEM, we examined both the direct and indirect relationships between corruption, power distance, organisational culture, and religiosity. This analysis allowed us to observe how these variables interact and influence power distance within local government institutions. In addition, these features allowed us to test the proposed hypotheses carefully and assess the strength of the relationships within the conceptual model. Therefore, through this process, the analysis provides a clearer understanding of how the theoretical model operates.

RESULTS AND DISCUSSION

Results

Descriptive Statistics

Table 2 presents the descriptive statistics for the latent variables in this study, such as corruption (CORRUP), organisational culture (ORGCONT), power distance (POWDIST), and religiosity (RELIG).

Table 2
Descriptive statistics - Latent Variable

Variables	Median	Min	Max	Excess Kurtosis	Skewness
CORRUP	0.134	-2.040	1.072	-0.520	-0.649
ORGCONT	-0.038	-1.443	1.712	-0.893	0.440
POWDIST	0.035	-2.652	1.702	-0.444	0.174
RELIG	-0.071	-1.151	1.601	-1.161	0.461

Source: Processed by Authors

As reported in Table 2, the median values are close to zero. It indicates that responses are relatively balanced around the central point of the scale. In terms of variability, power distance shows the widest range (Min = -2.652; Max = 1.702). The other variables also show reasonable variation, with corruption ranging from -2.040 to 1.072, organisational culture from -1.443 to 1.712, and religiosity from -1.151 to 1.601. In addition, the skewness values are relatively small, with corruption slightly negatively skewed (-0.649) and the other variables showing mild positive skewness. These mean that the distributions remain fairly balanced. Then, the negative excess kurtosis values across all constructs (-0.444 to -1.161) suggest flatter distributions with responses spread across the scale. Therefore, these results indicate that the data demonstrate acceptable distribution patterns and sufficient variability for further analysis.

Furthermore, Table 3 presents the correlations between the latent variables. These results provide an initial picture of how the variables relate to each other before further analysis through the structural model. As reported in Table 3, corruption shows a negative relationship with organisational culture (-0.220) and religiosity (-0.260). This result indicates that stronger organisational culture and higher religiosity relate to lower levels of corruption. In contrast, corruption shows almost no relationship with power distance (0.000). This result suggests a very weak direct association between the two variables at the descriptive level. In addition, organisational culture shows a strong positive relationship with religiosity (0.793). This result indicates that organisations with stronger cultural values often show stronger religious values as well. Furthermore, organisational culture shows a moderate positive relationship with power distance (0.254), whereas religiosity shows a smaller positive relationship with power distance (0.161).

Table 3
Latent Variable Correlations

Variables	CORRUP	ORGCONT	POWDIST	RELIG
CORRUP	1.000	-0.220	0.000	-0.260
ORGCONT	-0.220	1.000	0.254	0.793
POWDIST	0.000	0.254	1.000	0.161
RELIG	-0.260	0.793	0.161	1.000

Measurement Model Assessment

Table 4 presents the construct reliability and validity for the variables. As reported in Table 4, all constructs show high reliability, as indicated by the Cronbach's Alpha values above 0.80. Specifically, corruption records a value of 0.924, organisational

culture 0.827, power distance 0.923, and religiosity 0.932. The rho_A values also remain high, ranging from 0.875 to 0.937, which further confirms the internal consistency of the constructs. In addition, the composite reliability values exceed the recommended threshold of 0.70, with values between 0.885 and 0.949, which indicates strong construct reliability. Then, the average variance extracted (AVE) values range from 0.661 to 0.788, which are above the minimum threshold of 0.50. This result indicates that the indicators capture a substantial portion of the variance of each construct. Therefore, these results confirm that all constructs demonstrate acceptable levels of reliability and convergent validity.

Table 4
Construct Reliability and Validity

Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
CORRUP	0.924	0.925	0.944	0.771
ORGCNT	0.827	0.875	0.885	0.661
POWDIST	0.923	0.928	0.939	0.720
RELIG	0.932	0.937	0.949	0.788

Source: Processed by Authors

Table 5 presents the outer loadings and descriptive statistics of the measurement items used in this study. Table 5 suggests that all items show strong factor loadings, with most values above 0.80 and several exceeding 0.90. The corruption items range from 0.759 to 0.944, organisational culture from 0.649 to 0.870, power distance from 0.816 to 0.892, and religiosity from 0.795 to 0.932. These results confirm that the indicators represent their respective constructs well. In terms of descriptive statistics, the mean values for corruption items range from 2.106 to 2.447, whereas organisational culture, power distance, and religiosity show higher mean values, mostly around 3.7 to 4.1, which suggests generally positive responses from participants. In addition, the standard deviation values remain relatively moderate, which indicates reasonable variation in responses. The skewness values remain small, with several items showing slight negative or positive skewness, which indicates balanced distributions. Furthermore, the excess kurtosis values are negative across most items, which suggests flatter distributions with responses spread across the scale. These results it confirms that the measurement items demonstrate good indicator reliability and acceptable distribution patterns.

Table 5
Outer Loadings and Descriptive

Items	Factor Loading	Mean	Median	Min	Max	SD	Excess Kurtosis	Skewness
CRPT1	0.936	2.346	2.000	1.000	3.000	0.687	-0.766	-0.578
CRPT2	0.944	2.447	3.000	1.000	3.000	0.702	-0.494	-0.884
CRPT3	0.759	2.106	2.000	1.000	3.000	0.829	-1.526	-0.202
CRPT4	0.907	2.380	2.000	1.000	3.000	0.686	-0.693	-0.659
CRPT5	0.832	2.257	2.000	1.000	3.000	0.785	-1.221	-0.490
OCul2	0.870	3.849	4.000	3.000	5.000	0.766	-1.257	0.265
OCul3	0.845	3.905	4.000	3.000	5.000	0.830	-1.536	0.180

Items	Factor Loading	Mean	Median	Min	Max	SD	Excess Kurtosis	Skewness
OCul4	0.649	4.173	4.000	3.000	5.000	0.692	-0.907	-0.246
OCul5	0.867	3.765	4.000	3.000	5.000	0.777	-1.226	0.437
PODS1	0.892	3.821	4.000	2.000	5.000	0.833	-1.024	0.055
PODS2	0.839	3.709	4.000	2.000	5.000	0.842	-1.053	0.311
PODS3	0.816	3.832	4.000	2.000	5.000	0.808	-0.980	0.060
PODS4	0.874	3.872	4.000	2.000	5.000	0.812	-0.863	-0.075
PODS5	0.828	3.827	4.000	2.000	5.000	0.783	-0.828	0.034
PODS6	0.840	3.905	4.000	2.000	5.000	0.817	-0.985	-0.071
RELI1	0.795	4.011	4.000	3.000	5.000	0.832	-1.566	-0.021
RELI2	0.885	3.765	4.000	3.000	5.000	0.806	-1.324	0.453
RELI3	0.921	3.804	4.000	3.000	5.000	0.826	-1.442	0.380
RELI4	0.932	3.793	4.000	3.000	5.000	0.817	-1.397	0.399
RELI5	0.898	3.832	4.000	3.000	5.000	0.808	-1.409	0.316

Source: Processed by Authors; SD = Standard Deviation

Table 6 presents the Fornell–Larcker criterion. It is used to assess discriminant validity among the constructs. As illustrated in Table 6, the square root of the AVE values appears on the diagonal, with values of 0.878 for corruption, 0.813 for organisational culture, 0.849 for power distance, and 0.887 for religiosity. These values are higher than the correlations between constructs. This indicates that each construct shares more variance with its own indicators than with other constructs. For example, corruption shows correlations of -0.220 with organisational culture, 0.000 with power distance, and -0.260 with religiosity, which are all lower than its AVE square root value of 0.878. A similar pattern appears for the other constructs as well. Therefore, these results confirm that the constructs demonstrate adequate discriminant validity, which means that each variable represents a distinct concept in the model.

Table 6
Fornell-Larcker Criterion

Variables	CORRUP	ORGCONT	POWDIST	RELIG
CORRUP	0.878			
ORGCONT	-0.220	0.813		
POWDIST	0.000	0.254	0.849	
RELIG	-0.260	0.793	0.161	0.887

Source: Processed by Authors

Table 7 details the cross-loadings. It provides insights into the discriminant validity of the measurement items. Each item loads highest on its associated construct compared to other constructs, confirming distinctiveness (Hair et al., 2019).

Table 7
Cross Loadings

Items	CORRUP	ORGCNT	POWDIST	RELIG
CRPT1	0.936	-0.162	0.041	-0.228
CRPT2	0.944	-0.207	-0.016	-0.235
CRPT3	0.759	-0.241	-0.045	-0.246
CRPT4	0.907	-0.182	-0.031	-0.194
CRPT5	0.832	-0.162	0.050	-0.227
OCul2	-0.179	0.870	0.211	0.568
OCul3	-0.224	0.845	0.213	0.863
OCul4	-0.169	0.649	0.119	0.470
OCul5	-0.130	0.867	0.268	0.565
PODS1	0.039	0.182	0.892	0.084
PODS2	-0.040	0.224	0.839	0.127
PODS3	0.023	0.196	0.816	0.115
PODS4	0.026	0.188	0.874	0.112
PODS5	-0.088	0.257	0.828	0.191
PODS6	0.068	0.224	0.840	0.161
RELI1	-0.241	0.612	0.151	0.795
RELI2	-0.221	0.664	0.100	0.885
RELI3	-0.236	0.729	0.117	0.921
RELI4	-0.253	0.742	0.163	0.932
RELI5	-0.206	0.757	0.180	0.898

Source: Processed by Authors

Table 8 presents the Heterotrait-Monotrait Ratio (HTMT) values, which are crucial for assessing discriminant validity. The HTMT values provide insight into the correlations between different constructs. Values above 0.90 suggest potential issues with discriminant validity, while values below this threshold generally indicate acceptable differentiation between constructs. In this case, the HTMT values are all well below 0.90. So, this supports the distinctiveness of the constructs.

Table 8
Heterotrait-Monotrait Ratio (HTMT)

Variables	CORRUP	ORGCNT	POWDIST	RELIG
CORRUP				
ORGCNT	0.245			
POWDIST	0.071	0.281		
RELIG	0.279	0.863	0.167	

Source: Processed by Authors

Hypothesis Testing

We divide the results of hypothesis testing into direct and indirect effects. In doing so, we incorporated three control variables in the hypothesis testing, such as *Gender*, *Family status*, and *Marital status*.

Table 9 presents the results of the direct hypothesis testing in this study. As suggested in the table, gender shows no significant relationship with power distance ($\beta = -0.029, p = 0.699$). This result leads to the rejection of the hypothesis related to gender. Similarly, marital status also shows no significant relationship with power distance ($\beta = 0.017, p = 0.832$), which also leads to the rejection of this path. In contrast, family status shows a significant negative relationship with power distance ($\beta = -0.196, p = 0.009$). This result indicates that family status relates to lower perceptions of power distance.

Furthermore, the results support the main hypotheses proposed in this study. *H1* shows that corruption has a significant negative relationship with religiosity ($\beta = -0.260, p = 0.000$), which indicates that higher levels of corruption relate to lower levels of religiosity. Next, *H2* shows that religiosity has a strong positive relationship with organisational culture ($\beta = 0.793, p = 0.000$). This result indicates that stronger religiosity relates to a stronger positive organisational culture. Then, *H3* shows that organisational culture has a positive and significant relationship with power distance ($\beta = 0.247, p = 0.002$). This result indicates that stronger organisational culture relates to higher perceptions of power distance within the organisation. Therefore, these findings confirm support for *H1*, *H2*, and *H3*, and the control variables show mixed results.

Table 9
Hypothesis testing for Direct effects

Paths	β	SD	Sig.	Notes
Gender -> Power Distance	-0.029	0.076	0.699	Rejected
Family Status -> Power Distance	-0.196	0.075	0.009	Supported
Marital Status -> Power Distance	0.017	0.081	0.832	Rejected
H1: Corruption -> Religiosity	-0.260	0.068	0.000	Supported
H2: Religiosity -> Organisational Culture	0.793	0.021	0.000	Supported
H3: Organisational Culture -> Power Distance	0.247	0.080	0.002	Supported

Source: Processed by Authors

Table 10 presents the results of the indirect effect testing. As reported in the table, *H4* shows a significant negative indirect effect between corruption and organisational culture through religiosity ($\beta = -0.206, p = 0.000$). This result indicates that corruption has a negative influence on organisational culture through religiosity. In other words, higher levels of corruption relate to lower levels of religiosity, which then relate to weaker organisational culture. Therefore, *H4* receives support.

Moreover, *H5* shows a significant positive indirect effect between religiosity and power distance through organisational culture ($\beta = 0.196, p = 0.003$). This result indicates that higher religiosity relates to stronger organisational culture, which then relates to higher levels of power distance within the organisation. Therefore, *H5* also receives support. In short, these results confirm that religiosity and organisational culture act as important mediating variables in the relationships examined in this study.

Table 10
Hypothesis testing for Indirect effects

Paths	β	SD	Sig	Notes
H4: Corruption -> Religiosity -> Organisational Culture	-0.206	0.056	0.000	Supported
H5: Religiosity -> Religiosity -> Power Distance	0.196	0.065	0.003	Supported

Source: Processed by Authors

Discussion

The findings of this study both support and differ from previous research, which offers a clearer understanding of the relationships between corruption, religiosity, organisational culture, and power distance. First, the significant effect of family status on power distance supports earlier studies that highlight the role of family background in shaping attitudes toward hierarchy and authority (Trzebiatowski and Triana, 2020). Previous research on cultural and social influences also shows that family structures often shape how individuals view authority and hierarchical relationships (Ridgeway, 2006). In contrast, the non-significant effects of gender and marital status present a different picture from several earlier studies that treat demographic factors as consistent predictors of organisational hierarchy. This result suggests that demographic characteristics may play a less important role in certain contexts. Instead, cultural values and organisational norms may shape how employees perceive authority and hierarchy within organisations, as suggested in earlier cross-cultural research (Pertiwi and Ainsworth, 2021; Maulidi, 2024).

The negative correlation between corruption and religiosity highlights the erosive impact of corrupt practices on collective moral and spiritual values. From the lens of social capital theory, religiosity can be viewed as a form of bonding social capital that fosters trust and ethical behaviour within networks. However, corruption represents an antithesis to the principles that religiosity seeks to sustain. Corruption's effects on moral capital are particularly insidious because they weaken the relational networks underpinning religiosity and actively reshape societal perceptions of morality itself. In corrupt systems, unethical behaviours often become normalised or even valorised. This is because individuals adapt to environments where survival and success depend on compliance with corrupt norms (Kubbe et al., 2024). This normalisation diminishes the moral authority of religiosity, which is often perceived as either disconnected from the practical realities of daily life or powerless to confront systemic corruption. As a result, religiosity's influence on individual and collective ethical decision-making becomes increasingly marginal. Accordingly, it allows corrupt practices to thrive unchallenged.

This finding is consistent with prior research. Several studies show that corruption weakens spiritual commitment and reduces the importance of moral principles in society because it creates environments where unethical behaviour becomes common. For example, Yeganeh (2014) shows that widespread corruption damages institutional trust, which then reduces people's reliance on moral standards often reinforced through religiosity. In a similar way, research in organisational ethics by Silitonga et al. (2023) and Pertiwi and Ainsworth (2021) shows that organisations exposed to corruption often experience a decline in ethical culture and moral accountability. However, other studies present a different perspective. Research in pluralistic societies, such as Karim et al. (2023), raises questions about whether religiosity always acts as a strong safeguard against corruption. These studies suggest that secular moral frameworks may also support ethical behaviour in contexts where religious influence is less dominant. Therefore, this difference across studies highlights the complexity of corruption, since its influence on religiosity and moral standards may vary across institutional and cultural contexts.

Furthermore, we found a positive relationship between religiosity and organisational culture. It indicates that higher levels of religiosity relate to stronger cultural values that encourage trust, cooperation, and mutual respect among employees. From the perspective of social capital theory, religiosity strengthens shared values and

social bonds within organisations. Studies by Caïs et al. (2021) and Gannon and Roberts (2020) show that religiosity can build social capital that encourages individuals to move beyond personal interests and support collective goals. In this way, religiosity provides a moral foundation that encourages shared values, ethical standards, and respect among organisational members. This result also supports earlier studies which show that spiritual values often strengthen cultural cohesion, shared vision, and a sense of purpose within organisations (Hage and Posner, 2015; de Villiers et al., 2022). In addition, Karim et al. (2022) show that religiosity strengthens ethical climates because it promotes integrity and accountability in decision-making. As a result, religiosity can support a work environment that values ethical behaviour, open communication, collaboration, and constructive ways to manage workplace conflicts.

The positive relationship between organisational culture and power distance provides important insight into hierarchical dynamics within organisations. If we look at it from the perspective of social capital theory, organisational culture acts as a mechanism that shapes shared norms and behaviours, which then influence how employees perceive authority and control. Some scholars (Ruiz-Palomino et al., 2023; Wang et al., 2019) show that organisational culture can institutionalise values and expectations that guide how individuals interact with leaders and colleagues. In contexts where collectivist values are strong, organisational culture often emphasises respect for hierarchy and authority. As a result, employees may accept hierarchical relationships more easily, which then leads to higher levels of power distance. At the same time, the relationship between culture and power is complex because the distribution of social capital within organisations can influence whether employees feel constrained or empowered in hierarchical environments (van Prooijen and Song, 2021).

However, based on the current study, organisational culture, as a construct, is not neutral. It is shaped by the values, priorities, and ideologies of those in positions of authority. One of the key ways organisational culture perpetuates power imbalances is through the codification of implicit norms that dictate who holds authority and how decisions are made. For instance, cultures that emphasise deference to authority and conformity often discourage dissenting voices and alternative perspectives. This dynamic creates a feedback loop where the dominant group's perspectives are continuously reinforced, and marginalised groups remain excluded from meaningful participation in decision-making processes (Fürstenberg et al., 2023). We perceive that such exclusion sustains power asymmetries and institutionalises them. As such, it makes inequality appear as a natural or inevitable feature of the organisation. Therefore, when power imbalances exist, the culture tends to legitimise these inequalities by normalising hierarchical decision-making, unequal access to resources, and differential treatment based on rank or affiliation. Additionally, building on this situation, hierarchical structures become stronger and more difficult to challenge, which then reinforces power distance within the organisation.

Moreover, the mediating role of organisational culture in the relationship between religiosity and power distance highlights the important influence of culture within organisations. A strong organisational culture that reflects ethical and spiritual values can shape how authority and leadership operate in the workplace. In such environments, leadership tends to emphasise fairness, shared responsibility, and mutual respect among employees. This pattern is attributed to the premise of social capital theory, which highlights the role of trust, reciprocity, and shared values in building strong organisational relationships (Gelderblom, 2018). Through the integration of ethical and

spiritual values into organisational practices, leaders create a moral framework that encourages cooperation and collective responsibility rather than individual dominance. This cultural orientation reduces rigid hierarchical barriers and encourages more inclusive workplace interactions. Previous studies by Mornah and Macdermott (2018), Jiménez et al. (2014), and Hattab et al. (2022) also show that organisations with strong ethical cultures often promote shared goals and collective purpose rather than strict top-down authority.

In addition, we propose that the presence of spiritual values in leadership can strengthen a sense of community and moral responsibility within organisations. This result is supported by Sulaiman et al. (2022), who show that spiritual values support the development of shared vision and organisational harmony. In this context, employees tend to develop stronger connections with organisational goals and values. Evidence from Qi et al. (2020) also shows that even in societies with traditionally high power distance, ethical and value-based practices can moderate hierarchical divisions. As a result, organisational culture enriched with spiritual and ethical values becomes a dynamic force that shapes leadership behaviour, authority relationships, and collective actions within organisations. Therefore, through this process, organisations may develop stronger ethical foundations and greater resilience against the negative influence of corruption.

CONCLUSION, LIMITATIONS AND SUGGESTIONS

Conclusion

The results show several important relationships between the key variables in this study. First, the findings show a negative relationship between corruption and religiosity, which indicates that higher levels of corruption relate to lower levels of religiosity. In contrast, religiosity shows a positive relationship with organisational culture, which means stronger religious values relate to stronger cultural values within the organisation. In addition, organisational culture shows a positive relationship with power distance, which indicates that a more clearly defined organisational culture relates to higher levels of hierarchical structure within the organisation. The results also show two important mediation effects. Religiosity shows a negative mediating effect between corruption and organisational culture, which indicates that religiosity reduces the negative influence of corruption on organisational culture. Meanwhile, organisational culture shows a positive mediating effect between religiosity and power distance, which indicates that strong organisational culture strengthens the influence of religiosity on hierarchical relationships within organisations.

However, the broader application of these findings requires careful reflection. Although religiosity may support positive cultural development in organisations, its influence may differ across cultural and institutional contexts. In secular or pluralistic societies, for example, religiosity interacts with diverse belief systems, which may shape its ability to unify organisational values. In addition, in environments where corruption remains widespread or governance systems remain weak, the positive influence of religiosity and organisational culture may face limitations. These conditions highlight the importance of contextual approaches that consider cultural, institutional, and socio-economic factors when organisations attempt to strengthen ethical behaviour and leadership practices.

Managerial Implications

Beyond theoretical contributions, the findings also provide several managerial implications. First, organisations that promote religious or spiritual values may strengthen ethical awareness among employees, which can contribute to lower levels of corruption. Second, the integration of moral and spiritual values into organisational culture can strengthen ethical behaviour in daily organisational activities. Third, managers should recognise the positive relationship between organisational culture and power distance because strong cultural norms may reinforce hierarchical decision-making structures. Fourth, the integration of religious values can serve as a strategic approach to reduce the negative effects of corruption on organisational culture. Fifth, leaders should pay close attention to how organisational culture shapes the level of power distance between employees and management. Finally, a deeper understanding of the relationship between religiosity, organisational culture, and power distance can guide leaders in developing more effective organisational structures and leadership practices.

Limitations

Equally important, this study has several limitations that open up clear directions for future research. First, the data are drawn from a relatively small sample of local government employees in only two regions, which limits how far the findings can be generalised across different institutional or cultural settings. Second, the study relies on self-reported perceptions, which may be affected by social desirability bias, especially given the sensitivity of corruption-related topics. In addition, the study is heavily grounded in a single theoretical lens, which may limit how broadly the findings can be interpreted across different perspectives. Fourth, the analysis focuses on linear relationships, which may overlook more complex dynamics such as non-linear effects or interaction effects between variables.

Suggestions for Future Research

Future research can deal with these limitations in several practical ways. Next studies should involve larger and more diverse samples across different regions, sectors, and institutional contexts to improve generalisability and capture wider cultural variation. To reduce bias from self-reported data, future work could combine surveys with interviews, experiments, or secondary data so the findings are not dependent on a single source. It would also be useful to adopt multiple theoretical perspectives, rather than relying on one dominant lens, to provide a more balanced and richer explanation of how corruption and power distance interact. Finally, researchers are encouraged to move beyond linear models by testing non-linear relationships, interaction effects, or more complex model structures, which may better reflect the real dynamics of organisational behaviour in practice.

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Appendix: Measurement items

Corruption

- There are practices of giving gifts that do not comply with organisational rules.
- The organisation's financial transactions lack transparency.
- There is a habit of ignoring rules in order to achieve certain outcomes.
- Employees feel afraid to report suspected acts of corruption in the workplace.
- There is misuse of organisational funds for purposes other than their intended use.

Religiosity

- I regularly practice worship according to the teachings of my religion.
- My religious beliefs influence the way I make daily decisions.
- I strive to apply religious values in every aspect of my life.
- I feel it is important to maintain a spiritual connection with God.
- I prioritize honesty and morality based on the teachings of my religion.

Organisational Culture

- Employees in this organisation are encouraged to act ethically in their daily work.
- There is a strong emphasis on integrity and honesty within this organisation.
- Organisational values guide employees' decisions and behaviours.
- Employees are encouraged to speak up when they notice unethical practices.
- This organisation promotes transparency and accountability in its processes.

Power Distance

- Employees should always follow their supervisor's instructions without question.
- Decisions in this organisation are mainly made by top-level management.
- It is inappropriate for employees to challenge their superiors' decisions.
- Managers in this organisation expect employees to obey them strictly.
- Employees are rarely involved in important decision-making processes.

- There is a clear gap in authority between higher-level and lower-level employees.