

PRESENTING A MODEL OF ORGANIZATIONAL CULTURE AFFECTING INTERNAL CONTROLS OF IRANIAN PUBLIC SECTOR NON-PROFIT ORGANIZATIONS (GROUNDED THEORY APPROACH)

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A study was conducted in 2020 at Supreme Audit Court of the Islamic Republic of Iran aiming at explaining the organizational culture model affecting the internal control systems of non-profit organizations in the public sector of Iran. It was also intended to recognize the contextual factors affecting the internal control system, as well as to develop a theoretical framework to scrutinise organizational culture and its role on internal controls in the above-mentioned organizations. This study has employed mix-method which is a research strategy designed to collect and analysis qualitative and quantitative data. Employing qualitative research strategy, grounded theory technique was applied by using a sample of experts of Supreme Audit Court, academics and officials who were active in the non-profit organizations. The ultimate goal of this research was to investigate causal conditions, context, intervening conditions, action/interactional strategies and consequences of implementing desirable internal control in non-profit organizations.

Quantitative research strategies were used via a five-choice Likert scale questionnaire as well as factor analysis and TOPSIS techniques to (a) identify various organizational cultural components and (b) evaluating their importance in affecting internal control system in the non-profit organizations. In this

study, ATLAS.TI, STATA and EXCEL software were used for coding and analysing data. Based on the findings of this study, it was observed that the organizational culture were important at three levels: managerial level (including managerial style, perspective, motivation and practical commitment to the rules), employees' level (including behavioural characteristics, motivation and employees' perspective) and organizational level (including organizational tangible culture, organizational work culture, hierarchical structure of the organization, institutional culture of the organization, and the status of individual and collective interests in the organization).

It was also suggested that considering the context and intervening conditions could be among the causal factors that affected the quality of internal control in the non-profit organizations in Iran. In addition, the results of the second phase of the study indicated that three cultural components, i.e., a) management's view of internal controls in the non-profit organizations; b) employees' behavioural characteristics; and c) employees' view of internal controls were three important cultural priority factors affecting the quality of internal control systems in the non-profit organizations in Iran.