

## Investor Protection Evaluation based on Themes of Corporate Governance Civilization

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## Abstract

Protecting the interests of shareholders is considered one of the main pillars of any capital market, which, while increasing the level of financial transparency, prevents the loss of their interests to those in power in companies. Consistency of laws and regulations on the one hand and the effectiveness of the corporate governance system in supervising the financial and legal operations of the company is considered important factor in respecting contracts and supporting the investments of minority and majority shareholders of companies, which makes investors confident in protecting their investments. Governance structural keywords in the corporate governance system can lead to Investor Protection by arranging effective board oversight mechanisms and motivating investors to have confidence in the structures of capital market companies. The purpose of this study is to interpret Investor Protection under the existence of a Governance Civilization based on interpretive prioritization analysis.

In this study, theoretical screening based on similar studies was used to identify the components (Investor Protection) and research propositions (themes of corporate governance civilization). Then, in order to determine the reliability of research components and propositions through the participation of 14 experts and experts in the field of accounting and financial management, Delphi analysis was used. In the quantitative part, the components and propositions identified in the form of matrix questionnaires were evaluated by interpretive analysis by 20 managers of the top 50 companies of the Tehran Stock Exchange in 2009.

The results showed that the proposition of sociocracy is considered the most influential theme of corporate governance civilization in capital market companies, which strengthens the effectiveness of internal control as a component of protecting the interests of shareholders. This result shows that the theme of sociocracy enables corporate governance mechanisms by promoting the level of sharing and participatory discourses to increase the effectiveness of board oversight, strengthen the weaknesses of internal controls to enhance the effectiveness of control over financial performance, and enrich the capacity to build trust and confidence in the performance of companies.

**Keywords:** Corporate Governance Civilization, Investor Protection, Internal Control Effectiveness, Sociocracy.

## Introduction

Today, new concepts in the field of management are being formed and these concepts show the dynamics in the field of management and the way organizations and companies are run. The concept of civilization in the terminology of management is considered one of these new concepts that can be very effective in the functional excellence of organizations and companies, especially companies with a representative nature. Regarding the word "civilization", it should be borne in mind that civilization is a novel and new concept that requires theoretical and perceptual development in various areas of organizations and companies (Piruzmand and Khorshidi, 2020).

Civilization is very similar to concepts such as organizational excellence, organizational culture, and learning organization; while conceptually there are fundamental differences with these expressions that have caused the issue of organizational civilization to become a distinct issue from the perspective of organizational thinkers. The word civilization tries to expand the concept of excellence and make it possible to perform committed actions towards other citizens outside the organization, such as shareholders in corporate agencies or customers in private companies (Zarrinnegar et al, 2019).

The development of civilization, due to the change in the atmosphere of the organization, raises the level of moral values based on the dominant culture of the organization and creates an atmosphere based on respect and ethics. But the formation of the concept of civilization in structures with a state nature; privacy and representation can be different, as the goals and missions defined for each of these structures are different. Corporate Governance Civilization is a concept in line with the concepts of organizational civilization because pursuing the interests of stakeholders is the most important ethical priority in any organizational structure.

Simons et al consider a Corporate Governance Civilization as a set of sciences; symbols; that define the customs and traditions of a company and relies on institutionalized values of the social environment that, in the light of managerial innovations and functions, create patterns of interoperability culture within and outside the company that in this way, the level of social welfare is developed by promoting consequences such as trust and confidence. On the other hand, Frățiciu et al (2015) define civilized governance structure as a space based on a structured organizational culture that encourages order; Ethics; respect for and respect for the rights of individuals at all levels of the organization to increase the level of satisfaction of external stakeholders and respect their rights. In other words, governance civilization reinforces the

ethics and values of the culture of accountability in the company's internal and external communications this causes the performance of committed duties based on individual responsibility for the interests of people outside the company, the result of which is the observance of a company's civil rights against stakeholders as behavior that reduces agency costs (Hoor Ali, 2005). Therefore, according to the definitions provided, companies with a representative structure are able to pursue effective functions of protecting the interests of shareholders by developing the level of governing civilization. Because one of the most important challenges and issues raised by investors' concerns is the abuse of their rights by those in power in the structures of corporate agencies.

Therefore, it should be noted that Investor Protection, both structurally and ethically in capital market companies, is the basis for reducing the gap between agency costs and information asymmetry (Shafizadeh et al, 2019). Companies that follow the model of a governing civilization have ethical approaches to their operations that seek to serve the interests of the majority of stakeholders, such as their shareholders. The experience of international financial institutions, countries, and various financial markets around the world, especially in developed centers, shows that legal support to protect the interests of shareholders is one of the basic necessities of a capital market.

Because based on the findings of various studies such as Huang et al (2020); Su and Alexiou (2019); Shi et al (2015) and Yu and Ting (2012) and the lack of a coherent governance structure and the existence of institutional oversight increase the abuse of their interests, and this widens the gap in agency costs.

In other words, the inefficiency of decisions in situations where the governance structure does not have the necessary coherence; information asymmetry; abuse, and managerial opportunism are on the rise And in such an environment, the rights and interests of shareholders, especially small shareholders, cannot be expected to be well and completely and fairly observed. Therefore, in order to weaken the supervisory structures of capital market companies, this study seeks to prioritize the level of criteria for Investor Protection by developing the dimensions of corporate civilization and in this way, the level of effectiveness of corporate governance oversight in line with expectations and social change will reduce agency conflicts between the company and shareholders.

## Literature Review

### Investor Protection

Many studies have been conducted on the positive effect of shareholder protection on companies' financial performance. Proper legal protection of shareholders increases their desire to buy more financial assets such as capital and debt because most of a company's profits flow to them instead of being confiscated by people inside the company (Zivari, Kamran, and Fakhari, 2020). Instead, protecting the rights of shareholders and reducing the abuses of individuals inside the company facilitates the process of financial investment of companies outside the company and thus the development of financial markets (Ebrahimi et al, 2016).

Shareholder protection is a vital issue, as abuse of minority shareholders by major shareholders is common in many countries. The extent of abuse can take many forms depending on the weakness of corporate governance, these include the sale of assets at a lower price to major shareholders or the appointment of relatives and overpayments to them by order of major shareholders (Altaf and Ahmad Shah, 2018). The Organization of Economic Cooperation and Development (OECD) has defined shareholder rights as a set of seven components (Haidar, 2009):

The basic rights of shareholders, the most important of which include the transfer of shares, receiving relevant and important information about the company on a regular and timely basis, attending and voting in general meetings, appointing and dismissing board members, and sharing in the company's profits.

- ❖ The right to participate effectively and to vote in the General Assembly, the most important of which is to have sufficient and timely information about the time, place, and agenda of the General Assembly, to provide a good opportunity for shareholders to ask questions and requests from the board and effective participation of shareholders in decisions facilitate the key to corporate governance, such as the nomination and election of board members.
- ❖ Disclosure of capital structures that allow certain shareholders to achieve disproportionate control over ownership.
- ❖ Efficiency and transparency and governing the performance of major transactions (control blocks) of companies' shares on the stock exchange.

- ❖ Facilitate the conditions for the exercise of shareholders' property rights, including institutional shareholders.
- ❖ The possibility of consulting shareholders on issues related to their basic shareholding rights (Jalili and Masoumpour, 2019).

### **Tools and Solutions to Investor Protection by Leading Countries and Iran**

In its 2015 report, the World Bank Business Project, in addition to the indicators previously used to assess the status of laws and regulations in the field of micro-shareholder protection, Tools for measuring aspects of corporate governance (which are not relevant to this hypothetical transaction but are important in examining the status of micro-shareholder protection (World Bank, 2015). Previously, the micro-shareholder protection index had 18 components that measured the quality of legislation, in line with changes in the World Bank in countries with high levels of shareholder protection. With the new changes, 20 more components were added to the previous components, which measure the strength of investors' rights by three indicators.

- Extensive shareholder rights index
- Extensive ownership and control index
- Extensive corporate transparency index

These three indicators together form another general index called the "Governance Index (extent of shareholder rights, ownership and control structures, and corporate transparency sub-indexes)". In addition, another component on the distribution of legal costs related to shareholder litigation was added to the index of ease of judicial action against directors. Iran's ranking in the micro-shareholder support index has decreased by 11 steps compared to 2014 and in 2015 it has gained 154th rank. This index is measured based on three criteria:

- Range of Conflict of Interest Regulations: Iran has a score of 4 out of 10 in this area.
- Scope of shareholder Governancety: Iran's score in this index has been 4.3 out of 10.
- Power of supporting small shareholders: Iran's score in this sub-index is 4.2 out of 10.

In general, Iran's score in the index of support for small shareholders is 41.67 out of 100 and the situation is not evaluated properly. Table (1) shows the status of the micro-shareholder support index in 2015.

Table 1. The situation of Iran in the shareholder protection index (World Bank, 2015)

Average of other developed countries	2015	Review 2014	2014	Indicator
115	154	143	147	Rank
46/71	41/67	41/67	-	Points the distance to the leading economy
4/8	4	4	-	Extensive conflict of interest regulations
4/6	4/3	4/3	-	Scope of shareholder governance
4/7	4/2	4/2	-	The power to protect the rights of shareholders

Based on the current laws and regulations of the country, the accuracy of the concessions allocated to the Islamic Republic of Iran in the 2015 report of the World Bank Doing Business is evaluated. In the first and second columns of the table, the criteria of the World Bank for gaining countries 'points in support of shareholders' rights as well as the points mentioned in the World Bank report for Iran are presented based on these criteria. The third column of the table shows the real score of the country in the framework of the World Bank methodology along with providing legal reasons and documents in response to the World Bank questions and the fourth column contains suggestions appropriate to the country's legal system to improve Iran's ranking (Porseyed et al, 2017).

Based on word Bank methodology, Protecting Minority Investors measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards, and corporate transparency requirements that reduce the risk of abuse. Protection of minority investors from conflicts of interest through one set of indicators and shareholders' rights in corporate governance through another. The data come from a question-naire administered to corporate and securities lawyers and are based on securities regulations, company laws, civil procedure codes, and court rules of evidence.

The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the sum of the scores for the extent of the conflict of interest regulation index (extent of disclosure, director liability, and shareholder suits sub-indexes) and the extent of the shareholder governance index (extent of shareholder rights, ownership and control structures, and corporate transparency sub-indexes) (The World Bank, 2019).

### **Corporate Governance Civilization**

Throughout history and in related texts, civilization has sometimes been used as a synonym for culture, sometimes as a factor in creating the culture, and sometimes as a result of social values, and based on this, civilization can be considered a significant common chapter between society and culture (Kamai, 2016). In a civilized structure, the organizational climate and organizational culture encourage order; literature; ethics, and respect for the rights of stakeholders at all levels inside and outside. In a civilized organization, education and literature between individuals prevail in customary and organizational relations. Tasks are performed based on the motivations of the leadership, depending on the level of potential capabilities. Observance of civil rights is public behavior and the strong presence of social justice is possible with the observance of decency and decency (Ramzi Fard, 2012).

One of the important dimensions of organizational civilization in representative structures is Governance Civilization. In the introductory definition of a governing civilization, it is stated that the leadership system, by developing a culture based on moral values, seeks functional coherence in creating justice and behavioral equality that strengthens the possibility of peaceful communication and interaction inside and outside the company. The preservation of civility in this area as a principle causes the board and appointed directors to pay attention to the balance between human capital and social capital and make the most of this mechanism to develop civic behavior in the development of their strategies (Morgan, 2010).

In presenting the image and definition of a Governance Civilization in the context of organizational civilization, it is important to mention that the existence of moral values can be considered as the foundation of a huge building called the Palace of Civilization, which develops a set of symbols in creating a dominant culture and is social. In fact, this dominant culture becomes a basis for shaping the behaviors of managers and employees at all structural levels of the company to protect the rights of stakeholders, especially small shareholders, as a Governance Civilization needs a strong foundation of ethical values (Bingato, 2015).

In the prevailing culture, both individuals inside and outside the stakeholder structure are called citizens who seek to create a level of constructive interaction based on ethics and value-oriented behaviorism to develop sustainability and create coherent frameworks of equal value integration (Van Krieken, 2003). The consequence of such a structure is the practice of inclusive management and the common framework of a successful

and collectivist organizational culture, in order to establish the balance and interaction of citizens' interests in the organization and society.

### **Theoretical Development of Investor Protection under the Existence of Corporate Governance Civilization**

The corporate governance civilization is the dominant culture that provides the necessary ground for sustainable and purposeful sustainable development to improve service delivery and win-win benefits between internal citizens as human resources and external citizens as shareholders and investors. This confirms the company's civility in respecting the rights of stakeholders and increases the effectiveness of corporate governance mechanisms. Many problems such as information asymmetry; Behavioral utilitarianism of managers, etc. can be a manifestation of civilization away from corporate governance structures. In other words, uncivilized behaviors in companies, due to non-compliance with individual and collective rights in the internal relations between the company with human resources and outside the company with shareholders and investors, can be the basis for promoting negative and destructive behaviors in companies and cause wide the gap in agency costs (Nakamaki et al, 2018).

Designing and developing effective models for improving civility and civilizing behaviors to protect shareholder interests enables companies to achieve significant success in improving productivity indicators in attracting liquidity by strengthening the trust of shareholders and investors. The atmosphere and values resulting from such integrated structures in terms of promoting ethical values transform the company into a company that adheres to ethical principles and reduces the conflict between the company and shareholders and investors (Grine et al, 2013).

Therefore, by ignoring the concept of Corporate Governance Civilization, it is not possible to achieve sustainable development, especially in the field of ethics; Spirituality and civility had a systemic view, and in this situation, the atmosphere of the company suffers from the erosion of moral value, and inappropriate social relations to protect the interests of shareholders due to the promotion of ethical perversions such as profit management; Tax avoidance; Failure to reflect the news in a timely manner and ... causes an increase in distrust in companies (Zarinnegar et al, 2019).

Certainly, negative behaviors are not in line with the nature and goals of companies with a representative structure and can lead to the continuation of negative attitudes of investors towards capital market companies. The Corporate Governance Civilization, as one of the effective monitoring

processes in the framework of developing dynamic interaction with shareholders and investors, seeks to improve the level of behavioral responsibility and self-leadership in the first place by strengthening intra-structural motivations, and in the next step, by increasing the level of transparency and effective functions in order to feedback the company's decisions to stakeholders, especially its shareholders, while expressing support for their interests, help to create a transparent culture in the competitive market. Increase confidence in the capital market (Kaur & Sharma, 2014).

In other words, the existence of a civilized approach in corporate governance will cause the rights of shareholders, even small shareholders, to be considered and take important steps to advance the goals and strategies of the company by reflecting the facts to them. Because shareholders are the main owners of the company and the dynamic corporate governance system will be able to meet the level of their needs and expectations by developing effective oversight through the Governance Civilization (Shafizadeh et al, 2019).

With reference to the 20-year vision document as well as the communication of general policies with objectives such as economic indicators; Comprehensive reform and strengthening of the country's financial system; Expanding and deepening the financing system and expanding the share of the capital market can be considered the important role of the Governance Civilization in the need to pay attention to the rights of investors and from the vision document as one of the important consequences of capital market development in order to stabilize the economy, he said that the level of protection of shareholders' interests should be strengthened by developing solutions at the level of corporate governance. According to the explanations given, the following questions are asked to perform the analysis processes:

- ❖ The first research question what are the propositions of the governing civilization of capital market companies?
- ❖ The second research question what are the components of protecting the interests of shareholders of capital market companies?
- ❖ The third research question what are the most effective components of protecting the interests of shareholders under the propositions of the governing civilization of capital market companies?

## **Research Review**

In this section, with reference to current world research on the concept of integration, an attempt is made to provide coherent support of experimental

research, in order to increase the awareness of the research areas, and at the same time to cite the results in the last section. However, the study of property civilization in international research is associated with the terms corporate empathy and corporate integrity, and conducting such research can help to create perceptual and theoretical coherence. Wan et al (2020) Research entitled "Does a culture of corporate integration affect social responsibility? Evidence from China. This research was conducted in the period of 2008 to 2016 with a number of observations of 5149 years-company.

This study first examined the Effect of corporate integration culture on the corporate social responsibility behavior of Chinese capital market companies and then examined the implications of corporate integration culture in the form of institutional incentives to guide companies to support social responsibility. The results showed that the culture of corporate integrity has a positive and significant effect on social responsibility. However, under the duality of duty, the level of corporate integrity decreases, and this can directly reduce social responsibility. It was also found that social values as a consequence of the culture of corporate integration are a stimulus to strengthen the level of corporate social responsibility.

Al-Abrow et al (2019) conducted a study entitled "Investigating the Effect of Organizational Integrity and Leadership Behavior on Organizational Excellence in Considering the Modifying Role of Professional Identity". This research was applied and descriptive in terms of methodology and used a quantitative design (questionnaire) to collect research data. The target population was 285 banking employees in southern and central Iraq. In this study, in order to fit the desirability of the model and test the research hypotheses, the partial least squares analysis method was used. The results showed that organizational integrity not only improves leadership behavior but also has a positive and direct effect on organizational superiority.

It was also found that having a professional identity at work can help strengthen the positive Effect of organizational integration on leadership behavior and organizational excellence. Larrain et al (2018) conducted a study entitled "Investigating the Effect of Protecting Shareholders' Rights from Corporate Control". The study used data from EU companies and was reviewed from 2002 to 2014. In this study, in order to measure the protection of shareholders' rights, 4 criteria of accounting information quality, board composition, ownership concentration, and institutional ownership were used, and internal control was used to measure the control of companies. The results showed that the effectiveness of internal control has a positive and significant

effect on the protection of shareholders' rights and increases the effectiveness of companies' investments. Breguer et al (2018) conducted a study on social responsibility, protection of shareholders' rights, and equity costs. The research period was from 2000 to 2014 and 19183 observations were examined.

The results showed that social responsibility and the protection of shareholders' rights have a negative and significant effect on equity costs. In other words, with the increase in disclosure of social responsibility and protection of shareholders' rights, the cost of financing companies will decrease due to the increase in investors' trust and confidence in companies. Wang et al (2021) conducted a study entitled "Corporate Social Responsibility, Investor Advocacy, and Equity Cost: Evidence for East Asian Companies." The study, which surveyed 206 capital market companies in East Asia between 2010 and 2019, found that improving social responsibility enhances the protection of investors' interests and reduces equity costs.

Akhtarshenas et al (2021) conducted a study entitled "Designing a model of non-financial factors affecting corporate sustainability: based on the theme analysis method." The research approach is qualitative and based on theme analysis. In this research, with the help of interviews with experts using the snowball sampling method and based on the analysis of the theme from the interviews, a model for non-financial factors affecting the company's sustainability is presented. The results showed that 4 dimensions include; Structural characteristics of the company, managerial factors, business factors, and macro factors, 6 components include; Structural characteristics of the company, individual level, organizational level, business factors, social factors, and political factors, and 39 indicators affect the stability of the company.

In addition to confirming many of the factors identified in previous research, new factors such as community culture, sanctions, corporate political relations, legal requirements, organizational culture, the religious attitude of managers, green consumption, job satisfaction, and product diversity have been identified as non-financial factors affecting corporate sustainability. Zarinnegar et al (2019) conducted a study entitled "Analysis and Explanation of Organizational Civilization in Iranian Government Organizations".

The statistical population in the qualitative section is human resource experts and organizational behavior. Experts were identified by purposive sampling and snowball sampling, and according to the adequacy of the data, a total of 20 experts were interviewed. To test the model, 384 employees of government organizations participated in the study. The method of analysis was data theory foundation and structural equation approach. Data were

collected through in-depth interviews along with the distribution of a 49-item questionnaire. Based on the results, organizational civilization was identified in the causal conditions of goal setting and leadership.

The main phenomenon of organizational civilization in relation to the intervening conditions was the perfectionist organization. The prevailing context, organizational culture, and desirable actions of empowering human resource management and the main strategy of sociocracy, bureaucracy, technocracy, and meritocracy were finalized and identified. The main consequence of this model is the civilized organization and the results obtained from the partial least squares model showed the confirmation and accuracy of the relationship design.

## **Research Methodology**

Based on the three dimensions of the result; the purpose and type of research data are divided. As a result, this research is part of developmental research, because the lack of theoretical integration of concepts and theories related to this field, has led this research to seek an interpretive evaluation of Investor Protection under the existence of a Governance Civilization. On the other hand, based on the data type, this research is hybrid, because in the qualitative part through theoretical screening based on the meta-analysis method, this research seeks to identify the components of Investor Protection and propositions of Governance Civilization and then in a quantitative part through polar matrix analysis. Examine the pattern of determining the most important component of shareholder protection based on the multi-criteria decision-making method. Usually, decision-making processes are based on components and propositions that are examined in the form of matrix analysis and based on pairwise comparison, one of the best processes is the Interpretive Ranking Process (IRP) (Sushil, 2009), which is the basis of analysis in this study.

## **Statistical Population of Research**

In the qualitative part, this study, through the basis of homogeneous sampling, selected 14 specialists and experts in the field of accounting and financial management at the university level to participate in determining the components and propositions based on the theoretical approach to the research topic. Also, based on the meta-combination analysis, in this part of the research that is done in sites such as University Jihad in Iran; Iran Database of Publications; Iran Islamic Computer Science Research Center; International Sciencedirect; Emeraldinsight and OnlineLierary were used to identify

components (protection of shareholder interests) and research propositions (governing civilization). In the second phase, in order to conduct an interpretive ranking process, 20 managers of the top 50 companies in the industry in 2020 were asked to respond to questionnaires as members of the focus group after evaluating the components and statements identified in the quality department and confirming them a compiled matrix. It should be noted that since Interpretive Ranking Process (IRP) analysis is an analysis based on matrix analysis and analysis in operations, it should be done by participants based on certain criteria such as experience or expertise, which is limited in terms of sample size, according to research such as Sushil (2017); Chithambarathan et al (2015).

## Findings

The method of meta-synthesis through theoretical and research screening seeks to identify components and propositions related to the research topic. The time period for analyzing similar research has been 2018 to 2021 AD and 1397 to 1399 SH. In other words, in order to find similar articles and research and use international and domestic research databases and references, research related to the research goal was identified.

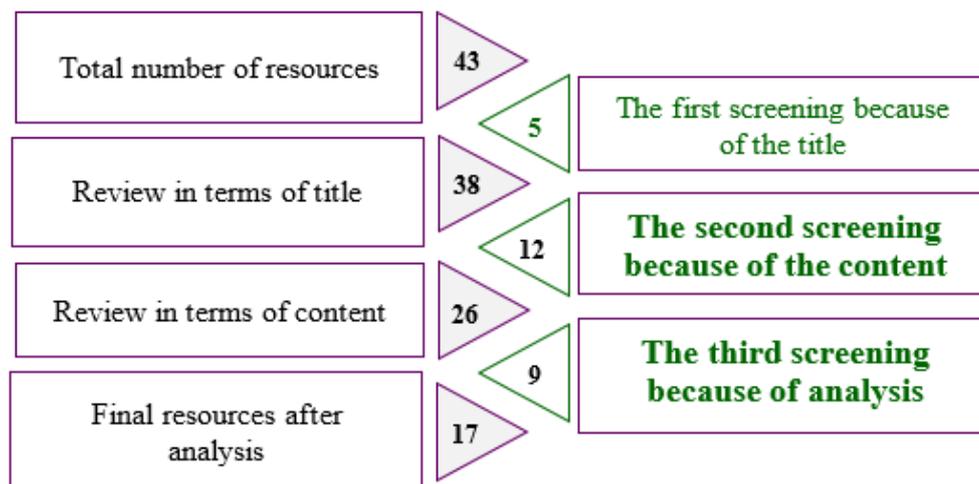


Figure 1. Screening of initial research

As shown in Figure (1), all the primary sources identified are 43. After several stages of the screening process in terms of content, title, and analysis,

finally 17 pieces of research relevant to the content, title, and analytical processes of this research that 10 kinds of research related to determining the components of Investor Protection, and 7 pieces of research related to the propositions of Corporate Governance Civilization were selected. At this stage, the concepts should be divided into components and propositions, in order to determine the most important consequences of protecting the interests of shareholders based on the Governance Civilization in the form of rating checklists. In fact, through the criterion of critical evaluation based on 10 criteria of research objectives, the logic of research method, research design, sampling, data collection, reflexivity, the accuracy of analysis, theoretical and transparent expression of findings, and research value in section a) to determine the components of shareholder protection and In section, b) the propositions of the Governance Civilization are determined.

#### A) Identify the components of Investor Protection (E)

In this section, according to the explanations given, the components of Investor Protection with the symbol (E) are identified. Table (2) evaluates how to evaluate the components based on a 50-point index in the form of scores from 1 to 5 based on the 10 criteria described.

Table 2. The process of critical analysis of screened research

Critical evaluation criteria Articles	Research purposes	The logic of the research method	Research plan	Sampling	Collecting data	Reflexivity	Ethical considerations	Accuracy of analysis	Theoretical and clear expression of findings	The value of research	Total
Akhtar et al (2021)	2	3	2	3	2	2	3	3	3	3	26
Huang et al (2020)	3	5	4	3	3	3	4	5	4	4	38
Ortiz et al (2020)	3	4	4	4	3	4	4	4	3	3	26
Brada et al (2020)	4	3	4	5	4	5	4	4	3	4	40
Su and Alexiou (2019)	3	4	4	4	3	4	4	4	3	4	37
Altaf and Shah (2018)	1	2	1	2	2	3	2	3	2	2	20
Garcia-Sanchez et al (2018)	3	2	3	2	3	2	2	2	2	3	24
Mirzayee et al (2021)	3	4	4	4	4	3	3	3	4	4	36
Ghelich (2021)	2	2	2	1	2	2	2	3	3	3	23
Shafizadeh et al (2019)	4	3	4	4	3	4	4	3	4	4	37

The scores presented based on the fashion index showed that four studies, considering that they received less than 30 out of 50 points, and according to the guidelines of the adequacy score of this analysis, the researches that have a score of 30 and above are approved, were eliminated and for this reason, they were excluded from the investigation. Next, the components of Investor Protection are extracted. Accordingly, the following scoring method is used to determine the mentioned components. Based on this method, all sub-criteria extracted from the text of the approved articles are written in the table column, and then the names of the approved research researchers are given in the row of each table. Based on each researcher's use of the sub-criteria written in the table column, the symbol "☑" is inserted, then the scores of each ☑ are added together in the sub-criteria column, and scores above the average of the research studies are selected as research components.

Table 3. the process of determining the main components of research

Research status	Researchers	Concentration of ownership	Audit Committee Dynamics	Effectiveness of internal control	Board composition	Shareholders' voting rights	Independence of the board	Quality of accounting information	Free-floating stock	Percentage of non-executive board members
International Research	Huang et al (2020)	-	-	☑	✓	-	-	☑	☑	☑
	Ortiz et al (2020)	-	✓	-	-	☑	✓	-	☑	☑
	Brada et al (2020)	✓	-	☑	✓	☑	-	☑	☑	-
	Su and Alexiou (2019)	-	-	☑	-	☑	-	-	☑	☑
Internal	Mirzayee et al (2021)	✓	-	☑	-	☑	-	☑	-	-
	Shafizadeh et al (2019)	-	-	-	-	-	✓	☑	-	☑
Total		2	1	4	2	4	2	4	4	4

Based on this analysis, it was found that five components have the highest frequency and therefore in this study are examined as criteria for protecting the interests of shareholders. In this section, after analyzing the theoretical foundations of approved research, each of the identified components is defined according to Table (4).

Table 4. Components of Investor Protection

Definitions	Symbol	Components
Based on covering their weaknesses, companies seek to increase the effectiveness of their internal controls so that they can better align their financial performance with auditing standards. This issue can help increase the level of confidence and trust of shareholders in the company's performance (Tavangar Hamzeh Kalaei and Scafi-Asel, 2019).	E1	Effectiveness of internal control of
If companies consult shareholders' representatives in public decisions, this issue can increase the level of company interaction with shareholders, and while reducing agency costs, they can also declare their commitment to conserving shareholders' resources (Stayesh and Ebrahimi, 2015).	E2	Shareholders' voting rights
The higher the accounting information based on the disclosure of the quality of accruals, the higher the level of protection of shareholders' rights can be inferred because the company seeks to increase the decision-making power of shareholders by reducing information asymmetry (Naderi et al, 2019).	E3	Quality of accounting information
The higher the free float of companies, the more this can be inferred as the ability of the stock to be traded in the markets, indicating that the holders of those shares are not seeking ownership and that a large percentage of the shares are held by shareholders (Ide, 2001).	E4	Free-floating stock
The higher the percentage of non-executive board members, the wider the scope of oversight of the CEO's performance, and the stronger the protection of institutional shareholder rights (Zhang et al, 2017).	E5	Percentage of non-executive board members

### B) Identification of propositions of Corporate Governance Civilization (F)

As in the above steps and following the method of critical evaluation in this section, the propositions of Governance Civilization are identified. In this section, according to the explanations given, Governance Civilization is identified with the symbol (F). Table (5) evaluates how to evaluate the contents of a proposition based on an index of 50 points in the form of scores from 1 to 5 based on the 10 criteria described.

Table 5. the process of critical analysis of screened research

Critical evaluation criteria / Articles	Research purposes	The logic of the research method	Research plan	sampling	Collecting data	Reflexivity	Ethical considerations	Accuracy of analysis	Theoretical and clear expression of findings	The value of research	Total
Simons et al (2020)	3	3	3	2	3	2	3	2	2	3	27
Harris & Twomey (2020)	4	4	4	4	4	4	4	3	4	4	39
Wan et al (2020)	3	2	3	3	4	3	3	3	3	3	30
Chizema & Pogrebna (2019)	3	3	3	3	3	4	3	3	3	5	33
AL-Abrow et al (2019)	4	5	4	4	4	3	4	4	4	4	40
Piruzmand & Khorshidi (2020)	5	3	4	3	4	3	4	3	4	4	37
Zarrindegar et al (2019)	4	4	3	4	4	4	3	3	4	4	37

The scores presented based on the fashion index showed that out of a total of 7 studies related to the Governance Civilization, only one study, considering that they received less than 30 out of a total of 50 scores, and according to the guidelines of the adequacy score of this analysis, are approved, removed and therefore excluded from the review. Next, the research propositions are extracted. Accordingly, the following scoring method is used to determine the propositions of a Governance Civilization.

Table 6. the process of determining research propositions

Researcher status	Researchers	Civilization	Sociocracy	Meritocracy	Technocracy	Adhocracy	Charismatic orientation	Holographic	Psychological ownership
International researches	Harris & Twomey (2020)	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Wan et al (2020)	-	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	-
	Chizema & Pogrebna (2019)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	-
	AL-Abrow et al (2019)	-	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	-
Internal	Piruzmand & Khorshidi (2020)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	-	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	-
	Zarrindegar et al (2019)	-	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	-	<input checked="" type="checkbox"/>	-
<b>Total</b>		<b>3</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>1</b>

The results show the confirmation of the 7 propositions of the Governance Civilization based on the high frequency of distribution. In this section, after analyzing the theoretical foundations of approved research, each of the identified propositions is defined according to Table (7).

Table 7. Propositions of Corporate Governance Civilization

<b>Definitions</b>	<b>Propositions</b>	<b>Propositions of Governance Civilization</b>
One of the most important dimensions of corporate governance civilization is the promotion of social civilization and the protection of the rights of minorities against the majority of those in power in corporate structures. In other words, raising the level of civility helps to increase the effective oversight functions of corporate governance and will prevent the abuse of stakeholder rights both inside and outside companies (Harris & Twomey, 2020).	F1	<b>Civilization</b>
Sociocracy, which can be called collectivism, needs to be present in the corporate governance system to the desired extent. The superiority of socio-democracy over democracy is related to how public opinion is taken into account. Sociocracy's main effort is based on group decision-making and discourse and states that a corporate governance system can move toward a civilization that has this feature (Chizema & Pogrebna, 2019).	F2	<b>Sociocracy</b>
Meritocracy in the system of governance structure means the balance of power based on a society based on competence and merit in corporate decisions. The meritocracy approach emphasizes that in order to achieve a higher level of governing civilization, it must implement corporate governance, competency, and competency models in the structures under its control. Competencies can range from appointments to resource allocation and focus on stakeholder expectations (Mirsapasi, 2009).	F3	<b>Meritocracy</b>
Technocracy focuses on expertise and the application of knowledge in corporate governance. Corporate Governance Civilizations are very capable of applying process knowledge to carry out effective supervisory activities and try to be more capable by using up-to-date knowledge and	F4	<b>Technocracy</b>

human capital expertise, and this confirms the achievement of competitive advantage in corporate governance (Ramzi Fard, 2012).		
Adhocracy in fact confirms the structure and dynamic relationships of corporate governance. Undoubtedly, agile structures require the dynamics of interactive and effective communication inside and outside. On the other hand, coordination between departments and speed in management oversight is an issue that is very much seen in the governance of a civilized corporation and this is one of the important needs to achieve a higher level of governance civilization (Al-Abrow et al, 2019).	F5	<b>Adhocracy</b>
Holography is an approach based on combining the whole with the component. The holographic dimension in a Governance Civilization can be one of the optimal structures to fit the purpose of companies in a competitive environment. Since the organization of organizations today must be related to the components in such a way that each component can have a synergistic and interactive relationship with other components while performing its tasks independently, the holographic dimension of governance with such features creates a lot of flexibility and leads to growth and Innovations are governed by effective governance and can respond appropriately and quickly to environmental requirements and variables (AL-Abrow et al, 2019).	F6	<b>Holographic</b>

### **Interpretive Ranking Process (IRP)**

As described, in the qualitative part of the research, the components of Investor Protection (E) and the propositions of Governance Civilization (F) were determined. In this section, in order to affect the line "i" on column "j" or vice versa or vice versa, the processes related to this analysis are performed. Therefore, to create interactive matrices, the level of direct, symmetrical, or indirect communication must first be considered in line with the explanations. Therefore, first, the matrix questionnaire is determined in the following order:

Table 8. Matrix Interaction of the consequences of Investor Protection with Corporate Governance Civilization

Statements Components		E /F	Civilization	Sociocracy	Meritocracy	Technocracy	Adhocracy	Holographic
			F1	F2	F3	F4	F5	F6
Protect of shareholders	Effectiveness of internal control of	E1	1	1	1	1	1	1
	Shareholders' voting rights	E2	1	1	0	0	1	1
	Quality of accounting information	E3	1	1	1	0	0	1
	Free-floating stock	E4	0	0	1	0	0	0
	Percentage of non-executive board members	E5	1	1	0	0	0	1
			Corporate Governance Civilization					

The following table is presented to create an interpretation of the conflict between the components of Investor Protection and the propositions of Governance Civilization.

Table 9. Investor Protection Matrix Interpretation with Corporate Governance Civilization

F6	F5	F4	F3	F2	F1		
Holography is the basis for developing the effectiveness of internal control	Bureaucracy is the basis for developing the effectiveness of internal control	Technocracy is the basis for developing the effectiveness of internal control	Meritocracy is the basis for developing the effectiveness of internal control	Sociocracy is the basis for developing the effectiveness of internal control	Civilization is the basis for developing the effectiveness of internal control	E1	Protecting the interests of shareholders
Holography is the basis for the synergy of shareholders' voting rights	Bureaucracy is the basis for the synergy of shareholders' voting rights			Sociocracy is the basis for the synergy of shareholders' voting rights	Civilization is the basis for the synergy of shareholders' voting rights	E2	

Holography is the basis for the synergy of shareholders' voting rights			Meritocracy is the basis for the quality of accounting information	Sociocracy is the basis for improving the quality of accounting information	Civilization is the basis for improving the quality of accounting information	<b>E3</b>
			Meritocracy is the basis for the liberalization of floating stocks	Sociocracy is the basis for the liberalization of floating stock		<b>E4</b>
Holography is the basis for increasing the percentage of non-executive board members				Civilization is the basis for increasing the percentage of non-executive board members	Civilization is the basis for increasing the percentage of non-executive board members	<b>E5</b>
Corporate Governance Civilization						

According to the obtained results, in this section, the level of effectiveness of each of the propositions of Governance Civilization is evaluated. This evaluation is a scoring method based on the development of a pairwise comparison score form, the result of which is used in the following sections of the matrix prioritization analysis.

Table 10. Couple comparison of Corporate Governance Civilization propositions

Description of Effect	Description of how the Effect	Yes/No	Couple Comparison	Number
<input type="checkbox"/> <input checked="" type="radio"/> F1 Couple comparison at the level of civilization				
Interaction (polar)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 → F2	1
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ← F2	
	The interactive and effective relationship of civilization with sociocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F1 ↔ F2	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ≠ F2	

Interaction (polar)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 → F3	2
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ← F3	
	Interactive and effective relationship of civilization with meritocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F1 ↔ F3	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ≠ F3	
No definite effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 → F4	3
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ← F4	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ↔ F4	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F1 ≠ F4	
No definite effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 → F5	4
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ← F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ↔ F5	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F1 ≠ F5	
No definite effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 → F6	5
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ← F6	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F1 ↔ F6	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F1 ≠ F6	
<b>● F2 Couple comparison at the level of sociocracy</b>				
direct effect	Sociocracy is the basis for meritocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F2 → F3	6
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ← F3	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ↔ F3	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ≠ F4	
No definite effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 → F4	7
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ← F4	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ↔ F4	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F2 ≠ F4	
Indirect effect	Adhocracy is the basis for strengthening sociocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F2 ← F5	8
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ↔ F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ≠ F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 → F5	
No definite effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 → F6	9
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ← F6	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F2 ↔ F6	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F2 ≠ F6	
<b>● F3 Couple comparison at the level of meritocracy</b>				

Direct effect	Meritocracy is the basis for technocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F3 → F4	10
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F3 ← F4	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F3 ↔ F4	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F3 ≠ F4	
Direct effect	Meritocracy is the basis for adhocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F3 → F5	11
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F3 ← F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F3 ↔ F5	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F3 ≠ F5	
No direct effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 → F6	12
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ← F6	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ↔ F6	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F4 ≠ F6	
<b>● F4 Couple comparison at the level of technocracy</b>				
Direct effect	Technocracy is the basis for adhocracy	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>	F4 → F5	13
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ← F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ↔ F5	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ≠ F5	
Indirect effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 → F6	14
	Holography is the basis for technocracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F4 ← F6	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F4 ↔ F6	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F4 ≠ F6	
<b>● F5 Couple comparison at the level of bureaucracy</b>				
No direct effect		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F5 → F6	15
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F5 ← F6	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	F5 ↔ F6	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	F5 ≠ F6	

This table was presented as part of the influence of relations which shows, for example, a pairwise comparison at the level of civilization was identified as the first proposition of the F1 Governance Civilization, which means that the civilization of stakeholder interests in corporate governance practices can be the basis for sociocracy, that is, decision-making based on group discourse. To form the structural self-interaction matrix "SSIM", pairwise comparisons of research propositions are presented in Table (11). For pairwise comparisons, the  $i$ th index was compared in pairs with all elements from  $(i + 1)$  to  $n$ .

For each connection, the answer is "Y" or "N" and if the answer is yes, the reason is stated. In this case, the interpretive logic of pair relationships is presented in the form of the scientific basis of interpretive logic. In this step, the relations are entered in the form of an achievement matrix as "1" or "0", which are presented in Table (10). According to Table (10), the cells with the option "Yes" are numbered 1, and the cells with the option "No" are numbered 0. In fact, this matrix is obtained by converting its structural interaction matrix into a zero and one binary matrix.

Table 11. Access matrix

Holographic	Adhocracy	Technocracy	Meritocracy	Sociocracy	Civilization		
F6	F5	F4	F3	F2	F1		
0	1	0	1	1	1	F1	Civilization
0	0	0	0	1	1	F2	Sociocracy
0	0	0	1	1	1	F3	Meritocracy
1	0	1	1	0	0	F4	Technocracy
0	1	1	1	0	0	F5	Adhocracy
1	0	0	0	0	0	F6	Holographic

Then, in this stage, points are formed based on the interaction of the compared indicators to form the interaction achievement matrix.

Table 12. Achievement Matrix Transitional Relations Propositions

		Civilization	Sociocracy	Meritocracy	Technocracy	Adhocracy	Holographic
		F1	F2	F3	F4	F5	F6
Civilization	F1	1	1*	1*	0	1	0
Sociocracy	F2	1*	1	0	0	0	0
Meritocracy	F3	1*	1*	1	0	0	0
Technocracy	F4	0	0	1*	1	0	1
Adhocracy	F5	0	0	1	1	1	0
Holographic	F6		0	0	0	0	1
<b>Transitional Effect</b>				<b>Direct effect</b>			

To determine the level of direct and transferable Effect of research propositions, in the next step, the percentage percentages of the total level of Effects s are determined, which are presented in the form of Table (13).

Table 13. Percentage of points of the level of influence Corporate Governance Civilization propositions

Change reference		Direct effect	Lack of effect	Transferable effect	Interpretive effect	Overall effect	Percentage of Interpretive Effect
<b>Civilization</b>	F1	2	2	2	4	10	18/18
<b>Sociocracy</b>	F2	1	4	1	5	11	20/02
<b>Meritocracy</b>	F3	1	3	2	3	9	16/36
<b>Technocracy</b>	F4	2	3	1	1	7	12/72
<b>Adhocracy</b>	F5	3	3	0	2	8	14/54
<b>Holographic</b>	F6	1	5	0	4	10	18/18
Total		10	20	6	19	55	
Percentage		18/18	36/36	10/90	34/54		

The results showed that 18.18% of the relationship between the propositions of the Governance Civilization is direct and 10.90% have influences between the propositions of the transitional Governance Civilization. From the total influence based on the pairwise scale between the research propositions, it was found that the influence of the sociocracy proposition is higher than the other propositions, which means that the influence of the Governance Civilization is more based on the processes formed by the sociocracy proposition.

Thus, emphasizing the promotion of participatory decision-making and discourses based on safeguarding the interests of stakeholders in the structures of property civilization has a very effective role in increasing the effectiveness of corporate governance. Therefore, according to the effective role of the mentioned proposition, according to Tables (12) and (13) in the form of Table (14), the level of effectiveness of the sociocracy proposition to strengthen Investor Protection is determined. Given that the proposition simultaneously

has the highest Effect on the components of the research, the interpretive Effect of Investor Protection is examined:

Table 14. examines the interpretive Effect of the level of Investor Protection based on sociocracy

		E1	E2	E3	E4	E4
Effectiveness of internal control	E1	-				
Shareholders' voting rights	E2	1*	-			
Quality of accounting information	E3	1*	1	-		
Free-floating stock	E4	1	1	1	-	
Percentage of non-executive members	E5	1*	1*	1	1	-

As can be seen, the highest level of transferability in this proposition is based on the transfer effect of the internal control effectiveness relative to the other two components. In fact, this result shows that the existence of the proposition of socio-democracy as a basis for the Corporate Governance Civilization, while influencing other components, creates the greatest reinforcement in the component of the effectiveness of internal control. Based on the results obtained, the table below shows the rankings related to the implementation of the interpretive ranking process (IRP).

Table 15. Prioritization of the level of dependence and influence of Investor Protection

		E1	E2	E3	E4	E5	Dependency level D	D-B difference	Rank
Effectiveness of internal control	E1	-	3	2	2	3	10	3	1
Shareholders' voting rights	E2	2	-	1	2	2	7	0	2
Quality of accounting information	E3	2	2	-	3	1	8	-2	4
Free-floating stock	E4	1	1	1	-	2	5	-4	5
Percentage of non-executive members	E5	2	1	2	2	-	7	-1	3
Influence level B		7	7	6	9	8	37		

This table shows that the highest level of effectiveness of shareholder protection components is related to the effectiveness of E1 internal control, which indicates that the existence of a sociocracy dimension in the capitalist corporate governance civilization has a significant effect on strengthening corporate internal control effectiveness. Protects the interests of shareholders. On the other hand, the level of dependence as a line sum (D) of the components of Investor Protection indicates the influence of other components, which is therefore the highest related to the effectiveness of internal control. It was also

found that the highest rate of inflow is related to free float, which indicates a high level of Effect on Investor Protection. After determining the most important components of research in this section by referring to tables (11); (12) and (13) to determine the set of output indicators; Common input and elements are used to formulate the hierarchical model "TISM", ie the model of structural layers.

Table 16. a set of output indicators, inputs, and common elements of propositions

Research Proposals	Abbreviation	Output index	Input index	Common elements	Level	
Civilization	F1	1,3,5	1,2,4	1,5	IV	Forth
Sociocracy	F2	2,3,4	1,2,3,4	1,2,3,5	V	Fifth
Meritocracy	F3	1,2,3,4,6	1,2,3,4	1,2,3,4	IV	Forth
Technocracy	F4	3,4,6	1,3,5	3	III	Third
Adhocracy	F5	1,4,6	1,5	1,6	II	Second
Holographic	F6	2,4	1,3,4,5	2,4	I	First

As it turned out, the proposition of sociocracy "F2" has the most influential proposition among the other propositions of Governance Civilization. It was also found that the least effective holographic proposition is "F6", which shows that the capital market companies have little role in shaping the governing civilization, which is why a conical matrix is presented to identify the most influential criteria of governing civilization in Figure (2).

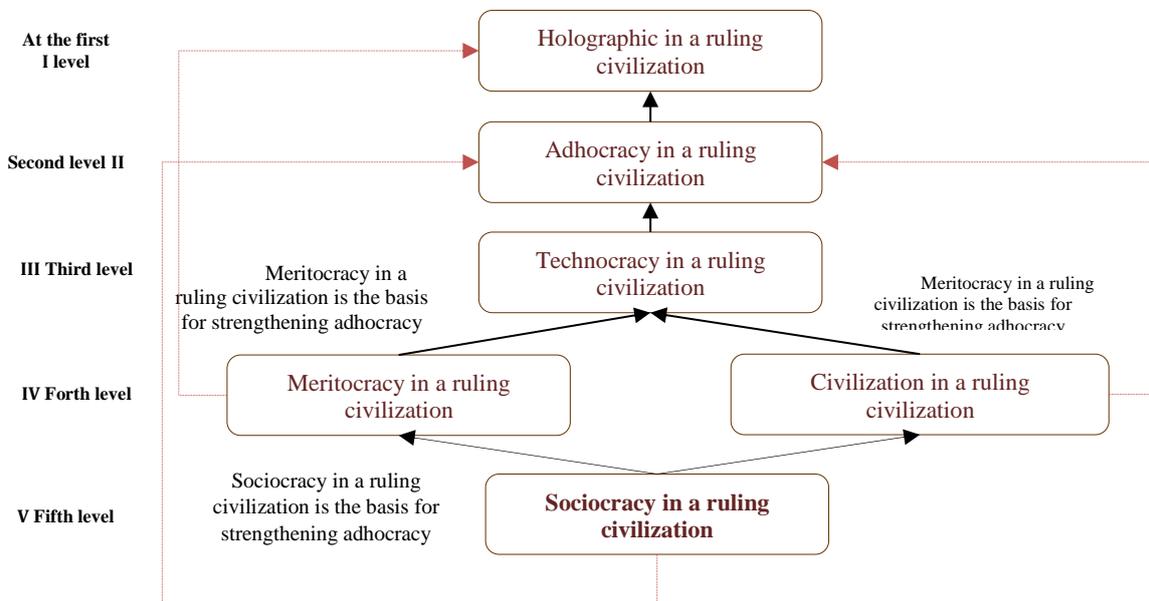


Figure 2. Layering of the Governance Civilization

As can be seen, the proposition of sociocracy in the Governance Civilization "F2" is considered the most influential component of the Governance Civilization in capital market companies, because it is located at the last level of Figure (2), ie the fifth level. Finally, with the identification of the most influential propositions of sociocracy in Governance Civilization, weights are given to each of the components of research, namely the protection of the interests of shareholders. In other words, this section seeks to determine the level of determination of the effectiveness of research propositions, which strengthens the level of Investor Protection as the goal of research.

Table 17. Selection of Investor Protection under the existence of the sociocracy proposition of

Rank	Deference D – B	Dependency level D	E5	E4	E3	E2	E1		
First	3/15	6/66	0.89	2/37	1/18	2/22	-	E1	Effectiveness of internal control
Second	0/62	5/89	1/01	0/95	2/39	-	1/54	E2	Shareholders' voting rights
Fifth	-1/94	3/87	0/39	1/16	-	1/44	0/88	E3	Quality of accounting information
Third	-0/89	3/99	1/12	-	1/19	0/93	0/75	E4	Free-floating stock
Forth	-0/94	2/47	-	0/40	1/05	0/68	0/34	E5	Percentage of non-executive members
			3/41	4/88	5/81	5/27	3/51		Penetration level B

By comparing the process of simple interpretive prioritization in Table (15) and interpretive prioritization in the table above to determine Investor Protection, most of these ratings are similar in both cases. These results can be seen in the form of adaptation in the table below.

Table 18. Adaptive Ratings for the Simple and Weighted interpretive prioritization process

	E1	E2	E3	E4	E5
Interpretive weighting ranking	First	Second	Fifth	Third	Forth
Simple interpretive ranking	First	Second	Forth	Fifth	Third

In fact, in the analysis of interpretive ranking process (IRP) weights, it should be stated that the high weight of each component indicates the higher level of the component of Investor Protection in capital market companies.

Based on this result, it should be stated that the first and most effective component of observing Investor Protection is the effectiveness of internal control, which is most strongly influenced by the propositions of the Governance Civilization.

## **Discussion and Conclusion**

Holders of capital in stock markets need two assurances to invest. The first is to ensure profitability, the second is to ensure that their interests are not violated (Nadri and Hosseini, 2016). The stability of laws and regulations, on the one hand, and the effectiveness of corporate governance in overseeing corporate financial and legal performance, are considered important factors in respecting contracts and protecting the minority and majority assets of corporate shareholders (Larrain et al, 2018). Corporate Governance Civilization is considered a structural keyword in the corporate governance system which, by organizing effective mechanisms of board oversight, can lead to Investor Protection and motivate investors to have confidence in the structures of capital market companies.

The purpose of this study is the interpretive evaluation of Investor Protection under the existence of a Governance Civilization based on interpretive prioritization analysis. Based on the analytical processes in line with the first and second questions of the research, 5 components on Investor Protection and 6 statements on Corporate Governance Civilization through meta-analysis and systematic screening of similar research texts in the period 2018-2021 were determined.

Based on a weighted interpretive analysis of each of the components and propositions in capital market companies, it was determined that the most significant proposition of corporate governance civilization is related to "F2" sociocracy, which indicates the level of participatory decision-making and increasing group discourse in capital market companies. In fact, in line with the third question of the research, it should be noted that socio-democracy, as an important dimension in the structure of corporate governance civilization, is the basis for developing the effectiveness of partnerships to develop effective oversight of corporate governance. Through such a foundation to increase the effectiveness of performance monitoring, companies seek to create a level of transparent information sharing based on reinforcing the prevailing culture in the companies under review, while enriching information flow feedback, which will enrich information-based decisions.

A leadership system based on participation in decision-making goes

through processes to prioritize the interests of all stakeholders in the company and thus be able to respond significantly to environmental changes to increase the effectiveness of governance mechanisms. It is noteworthy that the existence of sociocracy in the Corporate Governance Civilization leads to greater accountability and transparency in the competitive operations of the company to shareholders because based on the free flow of information in all structural highways of the company, liability to shareholders increases and it hears a variety of voices and alternating expectations at the regulatory level of capital market companies' performance.

On the other hand, the results of interpretive prioritization analysis show that, based on the existence of sociocracy in the Corporate Governance Civilization, the effectiveness of internal control is strengthened as an important dimension of shareholder interests. Increase synergy in corporate decisions and achieve better alignment of financial performance with accounting and auditing standards in corporate financial reporting. In other words, sociocracy, which is considered a mechanism of the dimensions of corporate governance civilization, tries to provide a more coherent form of responding to the demands and expectations of stakeholders by implementing the level of group agreements, and this issue gives more confidence and trust to participate, especially in Create a competitive market.

Socio-enrichment enriches corporate governance structures based on the free flow of information coherently to safeguard stakeholder interests by strengthening the effectiveness of internal controls. Because information and transparency are the needs of external stakeholders that are formed from the text and content of regulatory actions within the company's structures and increase their level of satisfaction, which leads to the observance of their interests by increasing the effectiveness of internal controls. Results obtained by Wan et al (2020); Corresponding Larrain et al (2018) and Zarrinagar et al (2019). Based on the obtained result, it is suggested that companies try to protect the interests of shareholders by increasing the balancing of participatory structures in the form of strengthening the culture of sociocracy in effective monitoring mechanisms on company performance as an important dimension of corporate governance, shareholder confidence, and trust.

Increase the company's financial decisions so that under these conditions the company, by developing the effectiveness of internal controls, can prevent the accumulation of bad news and its explosion as a mass of unpublished news among future shareholders through timely disclosure of information. Companies also need to develop financial strategies such as solutions such as

floating stocks in the market to help increase the level of investment incentives in the company and make shareholders consider the existence of these transparent actions as a more likely future returns than other competitors. In this way, more cash resources enter the company. These strategies even help to increase the effectiveness of financing companies to invest in future profitable projects and increase the company's participatory decision-making power based on the sociocratic structure of the Governance Civilization under the protection of shareholder interests.

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