WOMEN AS VITAL HUMAN RESOURCES TO INCREASE FOREIGN DIRECT INVESTMENT: A MEDIATED MODEL THROUGH CORRUPTION AND HEALTHCARE

A Dissertation

by

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ABSTRACT

Since 2001, researchers have concluded women may be less corrupt than men. Although adequate research about women and corruption was identified for this study, a gap linking women in government, corruption, and foreign direct investment (FDI) existed. This cross-sectional, nonexperimental study examined the effect of the number of women in government on FDI through corruption and national expenses on healthcare. Structural equation modeling using two mediated path models was used to test relationships between observable variables.

Results included statistically significant relationships between the number of women in governments and lower levels of perceived corruption, between lower levels of perceived corruption and greater expenses on healthcare, and between greater expenses on healthcare and increased FDI countries received. Although no statistically significant direct relationship was identified between the number of women in governments and FDI, significant study results included a fully mediated, indirect relationship between them. That is, as the number of women increased within governments, levels of perceived corruption decreased, national expenses on healthcare increased, and FDI in turn increased.

This research treated women in government as the independent variable. In other words, it treated women as vital human resources – potential solutions for increasing FDI – not just beneficiaries from assistances.

Ultimately, this study provided empirical results on which professionals and institutions can base and financially justify investments to improve gender equity within

governments. To apply this research, recommendations were made to the U.S. Agency for International Development's Strategy on Democracy, Human Rights, and Governance. These recommendations included recognizing women as vital human resources, not merely beneficiaries of programmatic activity.

This research provides empirical results on which human resource development (HRD) professionals can base practice decisions. National HRD practitioners who craft gender-specific interventions to vertically integrate human resource development may not only reduce gender inequalities, but also contribute to reducing corruption, increasing the allocation of governmental resources to healthcare, and ultimately improving FDI.

ACKNOWLEDGEMENTS

This dissertation would not have been possible without the support from so many and it is a pleasure to thank those who made it possible. First and foremost, I would like to thank my husband, Keith, who tirelessly read and edited every paper I wrote throughout my doctoral journey. He knew he had more "work" to do that night when he came home from his legitimate employment to find, placed in his favorite comfy chair, a freshly written paper, a glass of wine, and a red pen.

I am grateful to my committee for both holding me accountable, inspiring me, and giving me a loose leash. Larry Dooley, my committee chair, advocated for me every step of the way. Judy Sandlin, my methodologist, spent hours helping sort out the data. Elsa Murano, Director of the Borlaug Institute for International Agriculture, helped me flesh out my practice applications at each step. Ben Welch and Robert Strong provided heart-felt encouragement and asked thought-provoking and tough questions.

I am also indebted to my parents-in-law, Bryan and Wanda Cole. Bryan made himself available from the day I decided to apply to the doctoral program. His words of wisdom throughout my studies were invaluable. His support did not end there. As tradition has it in the Educational Administration and Human Resource Development department, faculty ring a bell for you upon your successful defense. Bryan, a former faculty member, not only showed up to ring the bell for me, he and Wanda gifted me my own bell. It is inscribed "Dr. Catherine Cole, Ph.D., EHRD, May 2016."

NOMENCLATURE

ACFE	The Association of Certified Fraud Examiners
CPI	Corruption Perceptions Index
DRG	USAID's Strategy on Democracy, Human Rights, and Governance
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HDR	Human Development Report
HRD	Human Resource Development
SEM	Structural Equation Modeling
TI	Transparency International
USAID	U.S. Agency for International Development
UNDP	United Nations Development Programme

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CHAPTER I

INTRODUCTION

Corruption is a pervasive threat to performance in governmental agencies (Holtfreter, 2005). It steals resources from the neediest, undermines justice and economic development, and destroys public trust in governmental leadership (Transparency International, 2014). The Association of Certified Fraud Examiners (ACFE), in their *Report to the Nations on Occupational Fraud and Abuse* (2014), reported corruption is the most frequent scheme affecting government and public administration. Even a review of the academic literature "finds that stories of fraud, mismanagement, and abuse have become almost commonplace" (Carman, 2011, p. 433).

Sir Paul Collier (2007) who directed the World Bank's Development Research Group from 1998 to 2003 discussed corruption in his groundbreaking work *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It*. Undermining honest government, increasing the cost of infrastructure projects, and reducing poor countries' growth rates are all results of corruption.

Particularly important for developing countries, foreign direct investment (FDI) creates an inflow of needed financial resources (Buchanan, Le, & Meenakshi, 2011, Delgado, McCloud & Kumbhakar, 2014; Moran, 1998; Van Vuuren, 2002). In most societies, corruption is perceived as unethical and operationally problematic. Not only does corruption take resources from the world's most vulnerable people, it also creates avoidance in foreign investors to finance future ventures in those countries (Habib & Zurawicki, 2002). Ultimately, corruption may discourage needed FDI.

Even though corruption impacts the world's most vulnerable worst (Transparency International, 2014), it also impacts taxpayers from the U.S. In an opinion piece, Vice President of the United States Joe Biden (2015) discussed asking the U.S. taxpayers to fund a $1 billion assistance package to help fight the economic challenges facing El Salvador, Guatemala, and Honduras. While some countries in the Americas have improved, these countries lag behind. Biden attributed this to several challenges including institutional corruption and lack of foreign investments.

News of corrupt politicians abounds. On September 3, 2015 CNN reported the arrest and incarceration of the former president of Guatemala, Pérez Molina who is accused of receiving bribes in exchange for lowering taxes for companies seeking to import products into Guatemala (Romo & Botelho). As this dissertation was being finalized, the lower house of the Brazilian congress voted to impeach President Dilma Rousseff. The charges against her include accusations she disguised a national budget deficit during her 2014 reelection (Lyons & Luhnow, 2016, April 23-24). Corruption is a current, pervasive, and expensive problem, not just for the poor, but also for the international community.

Background

Corruption is not new. Proverbs 29:4 (New International Version) said "by justice a king gives a country stability, but those who are greedy for bribes tear it down." Although corruption has existed since biblical times, economic research on corruption is relatively new. It was recently identified as "one of the most important obstacles to development" (Danon, 2011, p. 252).

Corruption can steal from the poorest of individuals. One example of this occurred in Liberia, a country ranked corrupt by Transparency International's (TI) Corruption Perceptions Index (CPI) (2014). In 2007 at the end of a two-year publically funded grant, two Liberian nationals were accused of stealing food from "the most vulnerable of the vulnerable." (Cole, 2013, p. 25). They stole 90% of the donated food promised to hungry rural Liberian women and children. Instead of delivering the donated food, it was sold on local markets for the personal gain of a few managers (Cole, 2013).

Countries perceived as more corrupt have longer-term economic challenges. For example, Gyimah-Brempong (2002) found that corruption had a statistically significant negative impact on income growth rates in African countries. Blackburn, Bose, and Haque (2006) found "overwhelming evidence of a significant negative relationship between the incidence of corruption and economic growth (p. 2449). Ultimately, corruption has a longer-term, negative impact on both internal economic growth and FDI (Buchanan, Quan, & Le, 2012; Dell'Anno & Teobaldelli, 2013; Tabish & Jha, 2012, Van Vuuren, 2002). Without adequate FDI, developing countries may not have access to needed "advanced technologies, management practices, and research and development" (Delgado, McCloud, & Kumbhakar, 2014, p. 298).

Theoretical Framework

The ACFE, a nonacademic professional association, is considered to be the world's largest anti-fraud organization, providing training, education, and certification (ACFE, 2013). Their website reports they have approximately 70,000 members. The

ACFE "has become the most authoritative and widely quoted body of research on occupational fraud" (ACFE, 2012, p. 2). The ACFE relies on the *fraud triangle* theory to help explain corruption. Although not applicable to this study, a brief overview of this theory related to corruption is presented. Afterward, a more applicable explanation is offered: human capital theory.

The Fraud Triangle

In his 1953 book, *Other People's Money,* Cressey conducted a qualitative study documenting interviews he led with inmates convicted of fraud. These inmates are referred to as "businessmen" (Cressey, 1953). Although never explicitly stated, it is assumed, because of this verbiage and the time in history, his sample was made up of incarcerated White men.

Ultimately, Cressey (1953) developed three elements for criminal violations of trust or explanations for fraudulent behavior. These included financial difficulties, access and opportunity for fraud, and the capacity to deny their fraud was criminal. Later, this developed into what is commonly referred to as the Fraud Triangle (Dorminey, Fleming, Kranacher, & Riley, 2012) embraced by ACFE. Because this theory does not address fraud from a human resource development perspective, and because it was developed from a study sample that excluded women, it will not inform this research.

Human Capital Theory

Although "officially established in 1960" the field of human capital theory had rich beginnings (Sweetland, 1996, p. 345). For example Adam Smith, an eighteenth

century Scottish philosopher and economist, confidently included all skills and abilities of people within a country as a part of capital (Schultz, 1961). In the nineteenth century, economist and agriculturalist H. von Thumen maintained the concept of calculating human contributions to capital was not to "degrade him or impair his freedom and dignity" (Schultz, 1961, p. 2). Irving Fisher, an American economist of the twentieth century, also formulated a concept of human capital (Schultz, 1961). However, at this point, human capital was not considered in economic growth calculations (Schultz, 1961).

In his 1961 article, *Investment in Human Capital*, Schultz, a 1979 Nobel Prize winner, advocated treating "human resources explicitly as a form of capital" (p. 3). He discussed investments including education, training, and migration of young people. All of these long-term investments pertained to rich countries. On the contrary, however, poor countries are unable to use large amounts of financial capital (Schultz, 1961). Schultz (1961) noted that this phenomenon is in direct opposition to the belief that "additional capital is truly the key to their more rapid economic growth" (Schultz, 1961).

In 1964, economist Gary Becker published his book *Human Capital*. Becker, as well as Schultz, built upon Smith's observation that spending on human development yields returns (Shackleton, 1993). A 1992 recipient of the Nobel Prize for Economics, Becker looked at nontraditional economic topics such as discrimination and human development (Shackleton, 1993).

Human capital theory attempts to explain the relationship between the investment in human development and the resulting financial benefit. Related to this study, human

capital theory may help to explain why investments in female human capital pay off with improvements in corruption and FDI and provide justification for further financial investment in the recruitment and equipment of women to serve in governments. Therefore, human capital theory informed this research.

Problem Statement

After a preliminary literature review, researchers who concluded women may be less corrupt than their male counterparts were identified (Chen, 2013; Dollar, Fisman, & Gatti, 2001; Frank, Lambsdorff, & Boehm, 2011; Ionescu, 2011; Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006; Swamy, Knack, Lee, & Azfar, 2001). Other researchers have argued against that conclusion indicating women's lower participation in corruption may be due to other contextual issues including the lack of access to unchecked social capital (Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara, 2009; Goetz, 2007); Ionescu, 2011; Sung, 2003). For cases reported to the ACFE (2014), women's participation in corruption is substantially less than men's participation, 20% and 47% respectively.

Although adequate research about women and corruption was identified, a gap in studies examining the effects of women in government on corruption and FDI existed. This study examined variables explaining the effects of women on corruption and FDI. Therefore, the overarching purpose of this three-manuscript, journal-ready dissertation is to contribute to the literature by examining the effects of women on corruption and FDI.

Significance of Research

Several features of this research differentiated it from previous studies. First, it added to scholarly literature by linking women, corruption, national expenses on healthcare, and foreign direct investment. This research begins to address a gap in the literature by looking at economic challenges through an HRD lens.

In addition, this research builds on previous efforts to study corruption through an improved CPI. In recent years the CPI has grown more robust, currently scoring 175 countries. Therefore this study looked at a data set population, versus a limited sample as done in previous research.

Most importantly, however, it treated women as a vital human resource: a potential solution for increasing foreign direct investment, not just receivers of benefits. That is, potential solutions for an economic challenge – increasing foreign direct investment – can be addressed from a HRD perspective: investing in the development of the female workforce to facilitate economic improvements.

Ultimately, this study culminated by providing potential applications for this research. This included recommendations for U.S. Agency for International Development's (USAID) Strategy on Democracy, Human Rights, and Governance. These recommendations included recognizing women as vital human resources, not merely receivers of assistances.

As the field of HRD globalizes, opportunities exist for professionals to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). More broadly, this research provided empirical

results on which experts can base practice decisions. National HRD practitioners who craft gender-specific interventions to vertically integrate human resource development may not only reduce gender inequalities, but also contribute to reducing corruption, increasing the allocation of resources to healthcare, and ultimately impact foreign direct investment.

Definitions

Corruption

Historically, reported Danon (2011), corruption was a question of morality. It later involved judicial, sociological, and economic explications. Walton (2014) defined corruption in context of developing countries. This included abuse of public office for personal gain and the general abuse of power. More specifically, Habib and Zurawicki (2002) defined corruption as comprising bribes, bureaucratic inefficiencies, and political instability.

The AFCE (2014) included conflicts of interest, bribery, illegal gratuities, and economic distortion in their definition of corruption. Blackburn, Bose, and Haque (2006) defined public sector corruption as "the abuse of authority by bureaucratic officials who exploit their powers of discretion, delegated to them by the government, to further their own interests by engaging in illegal, or unauthorized, rent seeking activities"(p. 2448). For the purpose of this study, Vijayalakshmi's (2008) definition was used: "the misuse of authority and public resources for private gain" (p. 1262).

Foreign Direct Investment (FDI)

Delgado, et al. (2014) describe FDI as "the investments of large multinational corporations." It is through these investments that developing countries may have access to "advanced technologies, management practices, and research and development' (Delgado, et al., 2014, p. 298). Because HRD has evolved from a primary focus on the corporate world to include international development (McLean, 2015), it makes sense that FDI may enable progress. Specifically, foreign direct investors may provide development and training for local employees (Delgado, et al., 2014).

Some ambiguity exists in differentiating foreign aid from FDI (Selaya & Sunesen, 2012). Foreign aid arguably may also contribute to the development of local employees in a similar way. However, because foreign aid may actually strengthen corruption (Ionescu, 2011), it was excluded from this study. The definition for FDI as reported by the United Nations Development Programme (UNDP) (2014) was used: the "sum of equity capital, reinvestment of earnings, other long-term capital and short-term capital, expressed as a percentage of GDP" (Malik, p. 211).

Assumptions

Accepting secondary data on *corruption*, it is assumed the CPI is a valid and reliable index. Although researchers including Van Vuuren (2002) have questioned the validity of the index, it was recently improved by TI. In fact, a report issued by the European Commission Joint Research Centre stated the index, while not perfect, "may be more reliable than each source taken separately" (Saisana & Saltelli, 2012). The CPI is also the most frequently cited index in the academic literature (Atalas, et al., 2009;

Gyimah-Brempong, 2002; Habib & Zurawicki, 2002; Ralston et al., 2006; Swamy et al., 2001; and Tabish & Jha, 2011).

Limitations

Although the CPI is widely cited by scholars, Gyimah-Brempong (2002) pointed out its limitations. Chiefly, corruption itself is near impossible to measure and not easily quantifiable. Therefore researchers are left with measurements of *perceived* corruption. In addition, CPI scores did not include African countries until after 1997 (Gyimah-Brempong, 2002). For this study, CPI scores were used and accepted as an exogenous, observable variable (CPI).

To represent the number of women in government, the Human Development Report (HDR) was used. It reported the number of women in government as *share of seats in parliament.* This percentage is reported within the *Gender Inequity Index* and is defined as the "proportion of seats held by women in the national parliament, expressed as percentage of total seats (p. 175)." For countries with bicameral legislative systems, the share of seats is calculated based on both houses" (p. 175). Although an observable variable, countries may vary in their definitions of government positions. For the purpose of this research the number of women in government is comprised of elected legislators.

Furthermore, the databases used in this study (the CPI and HDR) did not report the same number of countries. Reporting entities have differed on what geopolitical areas are considered *countries*. For example, in this study Palestine was not disaggregated from Israel and Kosovo was not disaggregated from Serbia. This limits

available disaggregated data. Also, these databases were macro in nature. They included all countries and all regions of the world. Interpretations about specific regions or countries should be made with caution.

Statistically, structural equation modeling (SEM) was used. SEM has previously been referred to as causal modeling, but this term is outdated. Furthermore, the results of an SEM analysis cannot generally be interpreted as causal effects (Kline, 2011). The models tested were simple path models, and the primary analysis was regression. Readers should be aware of the limitations of interpretation in regards to causation.

Finally, this research regarding the percent of women in governments is inherently limited, as women generally make up less than 50% of governments worldwide. Exceptions to this included Rwanda and Andorra with 52% and 50% of women occupying seats in parliament respectively. Therefore, it is impossible to study the implications of female dominated governments.

Delimitations

Secondary macro-level data were used and all variables were treated as observable. Even though corruption may be thought of initially as a latent variable because of its difficulty in measurement, it was used in this study as an observable variable. This treatment of the corruption variable is acceptable (Moon, personal communication, October 8, 2015). TI's CPI is a widely cited and accepted index throughout the scholarly literature (Gyimah-Brempong, 2002), therefore scores for corruption are exclusively delimited to the CPI.

Because of time constraints, variables were delimited within simple path models testing observable variables. These variables included the number of women in government (WP), corruption scores (CPI), national expenses on healthcare (HE), and FDI per country. In addition, tested models were limited to one dependent variable was tested: FDI.

Dissertation Organization and Research Questions

The research questions guiding this dissertation served three individual studies: (a) a scoping review of the literature to identify publications related to the effects of women on corruption and FDI; (b) a statistical examination of the effects of women on corruption and FDI; and (c) a practical, evidence-based recommendations for USAID's Strategy on Democracy, Human Rights, and Governance. Within these studies respectively, research questions were asked.

1. What research existed regarding the effects of women on corruption and foreign direct investment?
2. What were the effects of women on corruption and foreign direct investment?
3. What are strategy implications for USAID's Strategy on Democracy, Human Rights, and Governance as it relates to the current research results?

Unlike the traditional five-chapter dissertation, a three-manuscript, journal-ready format was used[1]. In Chapter I, a general overview and rationale for the dissertation was presented. Chapters II, III, and IV were written as journal articles and are self-contained

[1] For this reason, the reader will find sections of the dissertation repeated several times through this document.

studies. Finally, in Chapter V a summary of conclusions across Chapters II through IV was offered.

Chapter II

Chapter II was a scoping study of the literature. Arksey and O'Malley (2005) defined scoping study as "an approach to reviewing the literature which to date has received little attention in the research methods literature" (p. 19). This method of literature review is also a good technique to identify available literature across broad disciplines (Arksey & O'Malley, 2005).

The title for Chapter II is *The Effects of Women on Corruption and Foreign Direct Investment: A Scoping Study.* A scoping study was chosen, in consultation with the Center for Systematic Reviews at Texas A&M University, because of the initially identified vacuum in the literature on the research topic and the breadth of disciplines to which corruption may be applicable.

The purpose of Chapter II was to identify all research related to the effects of women on corruption and FDI. Two research questions guided this study.

1. Is there a gap in scholarly literature on the effects of women on corruption and FDI?
2. What information existed about the effects of women on corruption and FDI?

The scoping study was initiated using EBSCO through databases including Business Source Complete, EconLit, Academic Search Complete, SocINDEX with Full Text, Public Affairs Index, PsycINFO, Public Administration Abstracts, Military & Government Collection, Political Science Complete, and Gender Studies Database.

Search terms were consistent with the initial paths in the study: WP and CPI, CPI and FDI, and WP and FDI. Initial search terms included *corruption, gender, women, foreign direct investment,* and *FDI*. The results of this study confirmed a gap in the literature regarding the research topic and identified existing information about the effects of women on corruption and FDI.

Chapter III

Chapter III was a cross-sectional, nonexperimental quantitative study examining the effects of women on corruption and FDI. The title is *Women as a Vital Human Resource to Increase Foreign Direct Investment: A Fully Mediated Model.* The purpose of Chapter III was to examine the effects of women on corruption and FDI through path models using SEM. Therefore, the research question was: What were the effects of women on corruption and FDI.

The variables included were observable variables taken from two databases: the CPI (2014) and the HDR (2014). The CPI is an index developed and maintained by TI since 1995 (Saisana & Saltelli, 2012). It is "a composite indicator that measures perceptions of corruption in the public sector" (Saisana & Saltelli, 2012). The CPI aggregates data from various respected institutions including the African Development Bank, the Economist Intelligence Unit, the World Bank, and the World Justice Project, (Saisana & Saltelli, 2012). Therefore CPI represents the variable *corruption.*

The HDR was published by the United Nations Development Programme (UNDP) (Malik, 2014). It is a composite measure including such elements such as determining life expectancy, educational attainment, and command over the resources

needed for a decent living (Malik, 2014). Components of the HDR used in this study included *seats in national parliament (WP), FDI,* and *national expenses spent on healthcare (HE).*

Mediational path models with steps consistent with the work of Baron and Kenny (1986) were used to examine the relationships between the variables CPI, WP, HE, and FDI within two models. Ultimately study results both confirmed and contradicted some previous literature. The relationship between WP and CPI was strong and significant. This result was consistent with previous studies conducted by Dollar et al. (2001) and Swamy et al. (2001). That is, as the number of women in government increased, corruption decreased. Both confirming and contradicting previous conclusions, no significant direct relationship existed between either WP and FDI or CPI and FDI. The final model - Model 2R - resulted in a fully mediated model. WP had a significant and indirect relationship with FDI, mediated by CPI and HE. In other words, as the number of women increased within governments, levels of corruption decreased, national expenses on healthcare increased, and FDI was impacted.

Chapter IV

Chapter IV, entitled *Women as Vital Human Resources to Fight Corruption: Recommendations for the U.S. Agency for International Development's Strategy on Democracy, Human Rights, and Governance* is a strategy piece containing recommendations to both acknowledge women as potential anti-corruption assets and include them in strategic anti-corruption efforts. The purpose of Chapter IV was to identify practice-specific applications from this current research. Therefore my research

question was: What are strategy implications for USAID's Strategy on Democracy, Human Rights, and Governance as it relates to the current research results.

Chapter V

Lastly, Chapter V summarized all dissertation findings. It synthesized the collective findings of Chapters II, III, and IV. The combined summary of Chapters II, III, and IV informs the reader of the collective research findings and provides a bridge from this scholarly research to concrete practice applications.

Conclusion

Prior to this study, research on the relationships between and among women, corruption, healthcare expenses, and foreign direct investment were absent. This research demonstrated higher numbers of women in government was associated with lowered corruption, lowered corruption was associated with increased national expenses on healthcare, increased expenses on healthcare was associated with higher levels of foreign direct investment, and that higher numbers of women in government was indirectly related to higher levels of foreign direct investment.

Because of this study, women can no longer be seen as just receivers of assistances. Women are a vital human resource to help national governments, not just benefit from them. Ultimately, this study provided empirical results on which professionals and institutions can base interventions. To apply this research, recommendations were made to USAID's Strategy on Democracy, Human Rights, and Governance. These recommendations included recognizing women as vital human resources, not merely receivers of assistances.

As the field of human resource development globalizes, opportunities exist for HRD professionals to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). This research provides empirical results on which professionals can base practice decisions. National HRD practitioners who craft gender-specific interventions to vertically integrate human resource development may not only reduce gender inequalities, but also contribute to reducing corruption, increasing the allocation of resources to healthcare, and ultimately impact foreign direct investment.

CHAPTER II

THE EFFECTS OF WOMEN ON CORRUPTION AND FOREIGN DIRECT INVESTMENT: A SCOPING STUDY

Corruption is a pervasive threat to performance in governmental agencies (Holtfreter, 2005). It steals resources from the neediest, undermines justice and economic development, and destroys public trust in governmental leadership (Transparency International, 2014). The Association of Certified Fraud Examiners (ACFE), in their *Report to the Nations on Occupational Fraud and Abuse* (2014), reported corruption is the most frequent scheme affecting government and public administration. Even a review of the academic literature "finds that stories of fraud, mismanagement, and abuse have become almost commonplace" (Carman, 2011, p. 433).

Particularly important for developing countries, foreign direct investment (FDI) creates an inflow of needed financial resources required by governments to provide for their citizens (Buchanan, Le, & Meenakshi, 2011; Delgado, McCloud & Kumbhakar, 2014; Moran, 1998; Van Vuuren, 2002). In most societies, corruption is perceived as unethical and operationally problematic. Not only does corruption take resources from the world's most vulnerable people, it also creates avoidance in foreign investors to finance future ventures in those countries (Habib & Zurawicki, 2002). Ultimately, corruption may discourage needed FDI for many countries.

Even though corruption impacts the world's most vulnerable hardest (Transparency International, 2014), it also impacts taxpayers from the U.S. In an

opinion piece, Vice President of the United States Joe Biden (2015) discussed asking the U.S. taxpayers to fund a $1 billion assistance package to help fight the economic challenges facing El Salvador, Guatemala, and Honduras. While some countries in the Americas have improved, these countries lag behind. Biden attributed this to several challenges including institutional corruption and lack of international investments.

News of corrupt politicians abounds. On September 3, 2015 CNN reported the arrest and incarceration of the former president of Guatemala, Pérez Molina who is accused of receiving bribes in exchange for lowering taxes for companies seeking to import products into Guatemala (Romo & Botelho). As this dissertation was being finalized, the lower house of the Brazilian congress voted to impeach President Rousseff. The charges against her include accusations she disguised a national budget deficit during her 2014 reelection (Lyons & Luhnow, 2016, April 23-24). Corruption is a current, pervasive, and expensive problem, not just for the poor, but also for the international community.

Corruption is not new. Proverbs 29:4 (New International Version) said "by justice a king gives a country stability, but those who are greedy for bribes tear it down." Although corruption has existed since biblical times, economic research on corruption is relatively new. It was recently identified as "one of the most important obstacles to development" (Danon, 2011, p. 252). Corruption affects individuals, countries, and the international community.

Corruption can steal from the poorest of individuals. One example of this occurred in Liberia, a country ranked corrupt by Transparency International's (TI)

Corruption Perceptions Index (CPI) (2014). In 2007 at the end of a two-year publically funded grant, two Liberian nationals were accused of stealing food from "the most vulnerable of the vulnerable." (Cole, 2013, p. 25). They stole 90% of the donated food promised to hungry rural Liberian women and children. Instead of delivering the donated food, it was sold on local markets for the personal gain of a few managers (Cole, 2013). Ultimately, this corruption caused Liberian women and children to go hungry.

Countries perceived as more corrupt have longer-term economic challenges as well. Gyimah-Brempong (2002) found that corruption had a statistically significant negative impact on income growth rates in African countries. Blackburn, Bose, and Haque (2006) found "overwhelming evidence of a significant negative relationship between the incidence of corruption and economic growth (p. 2449). Ultimately, corruption has a longer-term, negative impact on both internal economic growth and foreign direct investment (FDI) (Buchanan, Le, & Rishi, 2012; Dell'Anno & Teobaldelli, 2013; Tabish & Jha, 2012; Van Vuuren, 2002). Without adequate FDI, developing countries may not have access to needed "advanced technologies, management practices, and research and development" (Delgado, McCloud, & Kumbhakar, 2014, p. 298).

Theoretical Framework

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The Fraud Triangle

In his 1953 book, *Other People's Money,* Cressey conducted a qualitative study documenting interviews he conducted with inmates convicted of fraud. These inmates are referred to as "businessmen" (Cressey, 1953). Although never explicitly stated, it is assumed, because of this verbiage and the time in history, his sample was made up of incarcerated White men.

Ultimately, Cressey (1953) developed three elements for criminal violations of trust or explanations for fraudulent behavior. These included financial difficulties, access and opportunity for fraud, and the capacity to deny their fraud was criminal. Later, this developed into what is commonly referred to as the Fraud Triangle (Dorminey, Fleming, Kranacher, & Riley, 2012) embraced by ACFE. Because this theory does not address fraud from a human resource development perspective, and because it was developed from a study sample that excluded women, it did not inform this research.

Human Capital Theory

Although "officially established in 1960" the field of human capital theory had rich beginnings (Sweetland, 1996, p. 345). For example, Adam Smith, an eighteenth

century Scottish philosopher and economist, confidently included all skills and abilities of people within a country as a part of capital (Schultz, 1961). In the nineteenth century, economist and agriculturalist H. von Thumen maintained the concept of calculating human contributions to capital was not to "degrade him or impair his freedom and dignity" (Schultz, 1961, p. 2). Irving Fisher, an American economist of the twentieth century, also formulated a concept of human capital (Schultz, 1961). However, at this point, human capital was not considered in economic growth calculations (Schultz, 1961).

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In 1964, economist Gary Becker published his book *Human Capital*. Becker, as well as Schultz, built upon Smith's observation that spending on human development yields returns (Shackleton, 1993). A 1992 recipient of the Nobel Prize for Economics, Becker looked at nontraditional economic topics such as discrimination and human development (Shackleton, 1993).

Human capital theory attempts to explain the relationship between the investment in human resources and the resulting financial benefit. Related to this study, human

capital theory may help to explain why investments in female human capital payoff with improvements in corruption and FDI and provide justification for further financial investment in the recruitment and equipment of women to serve in governments. Therefore human capital theory informed this research.

Problem Statement

After a preliminary literature review, researchers who concluded women may be less corrupt than their male counterparts were identified (Chen, 2013; Dollar, Fisman, & Gatti, 2001; Frank, Lambsdorff, & Boehm, 2011; Ionescu, 2011; Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006; Swamy, Knack, Lee, & Azfar, 2001). Other researchers have countered that conclusion indicating women's lower participation in corrupt activities may be due to contextual issues (Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara, 2009; Sung, 2003). For cases reported to the ACFE (2014), women's participation in corruption is substantially less than men's participation, 20% and 47% respectively. Although adequate research about women and corruption was identified, a gap in studies examining the effects of women in government on corruption and FDI existed.

Methodology

Because previous academic research efforts yielded few results related to this area of interest, it was anticipated it would be difficult to identify research related to the effects of women on corruption and FDI. After consultation with the Center for Systematic Reviews at Texas A&M University, a scoping study was chosen. According to Grant and Booth (2009), a scoping study may be a preliminary assessment of potential

size and scope of available research. According to Arksey and O'Malley (2005), scoping studies may be used to "identify research gaps in the existing literature" base "where no research has been conducted" (p. 21). The five-stage framework by Arksey and O'Malley (2005) was used to conduct this scoping study. This included

1. Identifying the research questions,
2. Identifying the relevant studies,
3. Selecting the studies,
4. Charting the data, and
5. Collating, summarizing, and reporting the results. (p. 22)

Research Questions

As opposed to a systematic review, the research question for a scoping review should produce a wide range of references (Arksey & O'Malley, 2005). It should facilitate the identification of all research, regardless of study methodology (Arksey & O'Malley, 2005). Scoping studies "involve the synthesis and analysis of a wide range" of literature (Davis, Drey, & Gould, 2009, p. 1386). Two research questions guided this study.

1. Is there a gap in scholarly literature on the effects of women on corruption and FDI?
2. What information exists about the effects of women on corruption and FDI?

Relevant Publications

Inclusion/exclusion criteria. Selection criteria for publications included the following:

1. The publication must have been written or translated into English.

2. Because the two foundational studies mentioned above were published in 2001, included publications must have been published in 2001 or later.

3. The publications must have included all three variables in my research question: corruption, women, and FDI.

4. Technical, trade, and or government reports were eligible.

Selected Publications

The study began by conducting a search for "foreign direct investment" OR "FDI," AND women OR gender, AND corruption within all 122 databases available through the Texas A&M University library system using EBSCO*host* (see Appendix A for a complete list). Thirty-one initial publications were identified. After eliminating eight duplicates, 23 remained. Of those 23 publications, two were immediately eliminated because they were either published before 2001 or were based on data published before 2001. Ultimately, 21 publications were selected for a full-text review from the initial electronic search. All received citations were exported to RefWorks for organization and documentation.

Results

During the full-text review of 21 publications, no publication included all three study variables: women, corruption, and FDI. Therefore, the initial research question was answered: There was a gap in scholarly literature on the effects of women on corruption and FDI.

Because a gap was identified in the literature on the effects of women on corruption and FDI, variable requirements were reduced from all three to two of three. At this point, 15 were eliminated using the modified exclusion criteria. After a limited hand search, 10 additional publications were added for a supplemental full-text review. Ultimately, 16 publications were reviewed and considered eligible. See Figure 1.

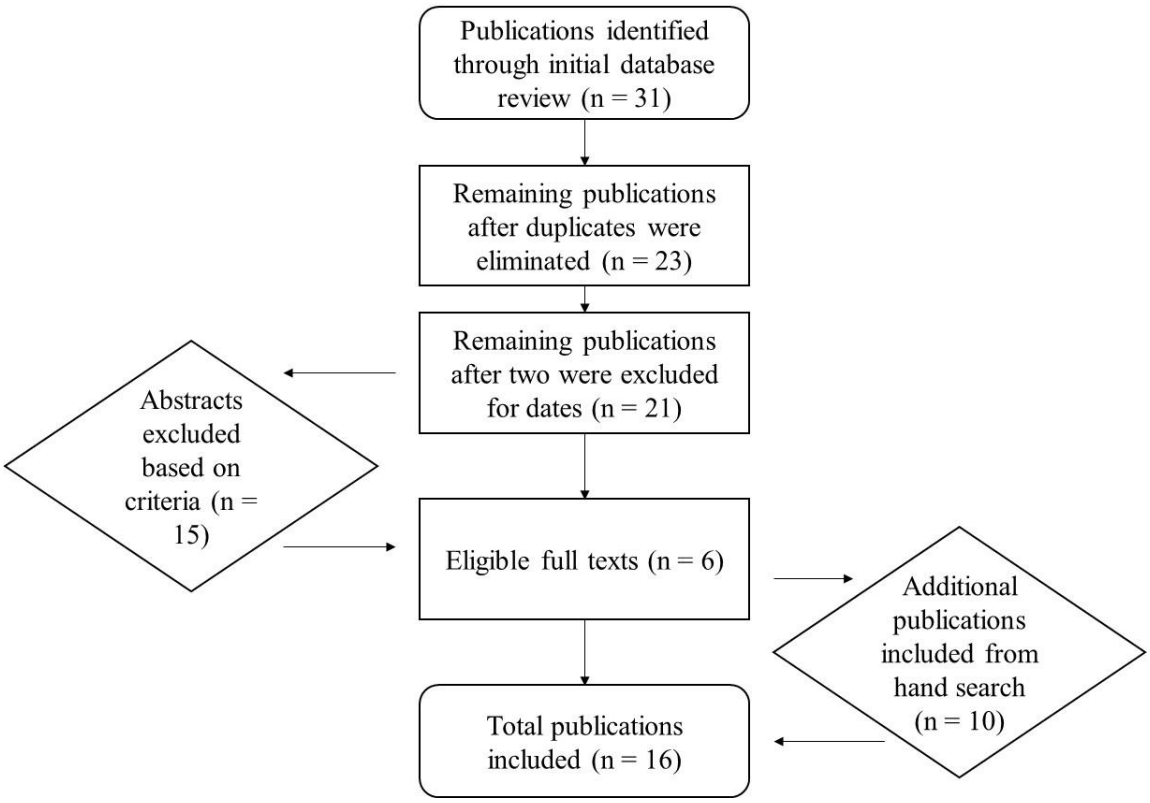

Figure 1. The publication selection process.

Data Chart

After selecting the 16 eligible publications, data was extracted. This was done by documenting elements of the publications in an Excel spreadsheet. An overview of this data is seen in Table 1.

Table 1

Extracted Data from Included Publications

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
ACFE	2014	Trade	Business	Corruption and Women	Found men participate in corruption more than women, even when controlling for management positioning
Akhter	2004	Scholarly	Business	FDI and Corruption	Economic globalization was shown to influence human development through corruption
Al-Aameri, Fu, Garcia, Mak, McGill, Reynolds, & Vinze	2012	Capstone Project	Government and Public Service	FDI and Corruption	Found corruption discourages FDI
Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara	2009	Scholarly	Economics	Corruption and Women	Reported that differences existed across countries with regard to gender differences and corruption
Banerjee, Oetzel, & Ranganathan	2006	Scholarly	Development	FDI and Corruption	Reported more corrupt countries attract more private infrastructure participation

Table 1 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
Blanton & Blanton	2011	Scholarly	Political Science	FDI and Women	Reported a significant relationship between women's rights and FDI
Chen	2013	Scholarly	Economics	Corruption and Women	Reported that more women in government lowers corruption
Danon	2011	Scholarly	Economics	FDI and Corruption	Reported corruption negatively effects FDI
Delgado, McCloud, & Kumhaker	2014	Scholarly	Economics	FDI and Corruption	Concluded developing countries may increase FDI by lowering corruption
Forsyth	2005	Reference	Development	FDI and Corruption	Found that a good investment "climate" included the absence of corruption
Frank, Lambsdorff, & Boehm	2011	Scholarly	Development	Corruption and Women	Concluded that women are more likely to break an implicitly corrupt contact

Table 1 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
Habib & Zurawicki	2002	Scholarly	Business	FDI and Corruption	Reported corruption has a negative effect on FDI
Mirjana, Isidora, & Ana	2010	Scholarly	Gender	FDI and Women	Linked the increase of women in the formal economy to attracting more FDI
PR Newswire	2014	Newspaper	Business	FDI and Corruption	Reported that the government of Vietnam intended to put in place anti-corruption initiatives due to falling FDI levels
Soper	2008	Dissertation	Technology	FDI and Women	Found that women increase investments in information, communication, and technology, which in turn increases FDI

Table 1 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
The World Bank	2014/2015	Global Monitoring Report	Development	FDI and Corruption	Reported that reforms that reduce corruption can increase the profitability and competitiveness of firms in the economy, contributing to possible growth and hiring

A gap in scholarly literature was confirmed about the effects of women on corruption and FDI. Because scoping studies do not strive to synthesize or aggregate findings, the 16 included publications were summarized (Arksey & O'Malley, 2005).

Publications Summary

Included publications varied widely. These included one capstone project, 10 scholarly journal articles, one reference document, one trade report, one nongovernmental report, one dissertation, and one newspaper article. Dates of publications ranged from 2005 – 2015. Over half of the publications $n = 9$ (56 %) included the two variables: FDI and corruption.

Of the 9 publications that included FDI and corruption, 7 (78%) agreed that corruption inhibits FDI. In a PR Newswire newspaper article (2014), Vietnam was reportedly putting in place anti-corruption initiative in response to their falling FDI. Forsyth (2005) reported good investment climates are those that had less corruption.

On the other hand, Banerjee, Oetzel, and Ranganathan (2006) stated the opposite. Focusing specifically on infrastructure investments in emerging markets, they found corruption my help investors bypass bureaucratic obstacles. Banerjee, et al. (2006) ultimately concluded more corrupt countries attract greater participation. By focusing on short-term infrastructure investments, Banerjee, et al. (2006) overlooked the deeper problem of longer-term foreign investor concerns.

Four or 25% of the publications included the variables corruption and women. This included the trade publication from the ACFE. The ACFE (2014) report concluded that men participated in corrupt activities less than women, even when controlling for management positioning. Chen (2013) concluded more women in government lowers corruption. And, Frank, Lambsdorff, and Boeh (2011) proposed women are more likely to break implicitly corrupt contracts. Not without critics, Alatas, Cameron, Chaudhuri, Erkal, and Gangadhara (2009) postulated gender differences in corruption differed across countries and cultures.

Three or 19% of the publications included FDI and women. These were two scholarly articles and a dissertation. Unanimously, these studies agree women, in some form, contribute positively to increasing FDI. Of particular interest, Soper (2008) found

women specifically increase investments in information, communication, and technology which in turn affects FDI.

Disciplines represented in my selected publications were also diverse. Business and economics both were represented by four publications each. Development was represented with three publications. The remaining were comprised of gender, political science, and government/public service disciplines.

Conclusion

Driven by the research questions, this study accomplished two objectives. First, it confirmed a gap in scholarly literature on the effects of women on corruption and FDI. Second, after confirming this gap, exclusion criteria was modified resulting in a total of 16 summarized publications. This scoping review served as conceptual starting point for the bigger discussion: what are the effects of women on corruption and FDI.

CHAPTER III

WOMEN AS A VITAL HUMAN RESOURCE TO INCREASE FOREIGN DIRECT INVESTMENT: A FULLY MEDIATED MODEL

Corruption is a pervasive threat to performance in governmental agencies (Holtfreter, 2005). It steals resources from the neediest, undermines justice and economic development, and destroys public trust in governmental leadership (Transparency International, 2014). The Association of Certified Fraud Examiners (ACFE), in their *Report to the Nations on Occupational Fraud and Abuse* (2014), reported corruption is the most frequent scheme affecting government and public administration. Even a review of the academic literature "finds that stories of fraud, mismanagement, and abuse have become almost commonplace" (Carman, 2011, p. 433).

Sir Paul Collier (2007) who directed the World Bank's Development Research Group from 1998 to 2003 discussed corruption in his groundbreaking work *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It*. Undermining honest government, increasing the cost of infrastructure projects, and reducing poor countries' growth rates are all results of corruption.

Particularly important for developing countries, foreign direct investment (FDI) creates an inflow of needed financial resources (Buchanan, Le, & Meenakshi, 2011; Delgado, McCloud & Kumbhakar, 2014; Moran, 1998; Van Vuuren, 2002). In most societies, corruption is perceived as unethical and operationally problematic. Not only does corruption take resources from the world's most vulnerable people, it also creates

avoidance in foreign investors to finance future ventures in those countries (Habib & Zurawicki, 2002). Ultimately, corruption may discourage needed FDI.

Even though corruption impacts the world's most vulnerable the worst (Transparency International, 2014), it also impacts taxpayers from the U.S. In an opinion piece, Vice President of the United States Joe Biden (2015) discussed asking the U.S. taxpayers to fund a $1 billion assistance package to help fight the economic challenges facing El Salvador, Guatemala, and Honduras. While some countries in the Americas have improved, these countries lag behind. Biden attributed this to several challenges including institutional corruption and lack of foreign investments.

News of corrupt politicians abounds. On September 3, 2015 CNN reported the arrest and incarceration of the former president of Guatemala, Pérez Molina who is accused of receiving bribes in exchange for lowering taxes for companies seeking to import products into Guatemala (Romo & Botelho). As this dissertation was being finalized, the lower house of the Brazilian congress voted to impeach President Dilma Rousseff. The charges against her include accusations she disguised a national budget deficit during her 2014 reelection (Lyons & Luhnow, 2016, April 23-24). Corruption is a current, pervasive, and expensive problem, not just for the poor, but also for the international community.

Background

Corruption is not new. Proverbs 29:4 (New International Version) said "by justice a king gives a country stability, but those who are greedy for bribes tear it down." Although corruption has existed since biblical times, economic research on corruption is

relatively new. It was recently identified as "one of the most important obstacles to development" (Danon, 2011, p. 252).

Corruption can steal from the poorest of individuals. One example of this occurred in Liberia, a country ranked corrupt by Transparency International's (TI) Corruption Perceptions Index (CPI) (2014). In 2007 at the end of a two-year publically funded grant, two Liberian nationals were accused of stealing food from "the most vulnerable of the vulnerable." (Cole, 2013, p. 25). They stole 90% of the donated food promised to hungry rural Liberian women and children. Instead of delivering the donated food, it was sold on local markets for the personal gain of a few managers (Cole, 2013).

Countries perceived as more corrupt have longer-term economic challenges. For example, Gyimah-Brempong (2002) found that corruption had a statistically significant negative impact on income growth rates in African countries. Blackburn, Bose, and Haque (2006) found "overwhelming evidence of a significant negative relationship between the incidence of corruption and economic growth (p. 2449). Ultimately, corruption has a longer-term, negative impact on both internal economic growth and FDI (Buchanan, Quan, & Le, 2012; Dell'Anno & Teobaldelli, 2013; Tabish & Jha, 2012; Van Vuuren, 2002). Without adequate FDI, developing countries may not have access to needed "advanced technologies, management practices, and research and development" (Delgado, McCloud, & Kumbhakar, 2014, p. 298).

Problem Statement

After conducting a scoping study, researchers who concluded women may be less corrupt than their male counterparts were identified (Chen, 2013; Dollar, Fisman, & Gatti, 2001; Frank, Lambsdorff, & Boehm, 2011; Ionescu, 2011; Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006; Swamy, Knack, Lee, & Azfar, 2001). Other researchers have argued against that conclusion indicating women's lower participation in corrupt activities may be due to other contextual issues (Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara, 2009; Sung, 2003). For cases reported to the ACFE (2014), women's participation in corruption was substantially less than men's participation, 20% and 47%, respectively. Although adequate research about women and corruption was identified, a vacuum in studies examining the effects of women in government on corruption and FDI exists.

Purpose of Study and Research Question

The purpose of this quantitative study was to fill a gap in the scholarly literature regarding the effects of women on corruption and FDI. Variables used included the number of women in governments (WP), corruption as represented by a perceptions index (CPI), foreign direct investment (FDI), and national expenses on healthcare (HE). The research question was: What were the effects of women on corruption and foreign direct investment.

Significance of Research

Several features of this research differentiated it from previous studies. First, it added to scholarly literature by linking women, corruption, national expenses on

healthcare, and foreign direct investment. This research begins to address a gap in the literature by looking at economic challenges through a human resource development (HRD) lens.

In addition, this research builds on previous efforts to study corruption through an improved CPI. In recent years the CPI has grown more robust, currently scoring 175 countries. Therefore this study looked at a data set population, versus a limited sample as done in previous research.

Most importantly, however, it treated women as a vital human resource: a potential solution for increasing foreign direct investment, not just receivers of benefits. That is, potential solutions for an economic challenge – increasing foreign direct investment – can be addressed from a HRD perspective: investing in the development of the female workforce to facilitate economic improvements.

As the field of HRD globalizes, opportunities exist for professionals to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). More broadly, this research provided empirical results on which experts can base practice decisions. National HRD practitioners who craft gender-specific interventions to vertically integrate human resource development may not only reduce gender inequalities, but also contribute to reducing corruption, increasing the allocation of resources to healthcare, and ultimately impact foreign direct investment.

Theoretical Basis

The ACFE, a nonacademic professional association, states it is the world's largest anti-fraud organization and provides training, education, and certification (ACFE, 2013). Their website reports they have approximately 70,000 members. The ACFE "has become the most authoritative and widely quoted body of research on occupational fraud" (ACFE, 2012, p. 2). The ACFE relies on the fraud triangle theory to help explain corruption. Although not applicable to this study, a brief overview of this theory related to corruption is presented. Afterward, a more applicable explanation is offered: human capital theory.

The Fraud Triangle

In his 1953 book, *Other People's Money,* Cressey conducted a qualitative study documenting interviews he had with inmates convicted of fraud. These inmates are referred to as "businessmen" (Cressey, 1953). Although never explicitly stated, it is assumed, because of this verbiage and the time in history, his sample was made up of incarcerated White men.

Ultimately, Cressey (1953) developed three elements for criminal violations of trust or explanations for fraudulent behavior. These included financial difficulties, access and opportunity for fraud, and the capacity to deny their fraud was criminal. Later, this developed into what is commonly referred to as the Fraud Triangle (Dorminey, Fleming, Kranacher, & Riley, 2012). Because this theory does not address fraud from a human resource development perspective, and because it was developed from a study sample that excluded women, it did not inform this research.

Human Capital Theory

Although "officially established in 1960" the field of human capital theory had rich beginnings (Sweetland, 1996, p. 345). For example, Adam Smith, an eighteenth century Scottish philosopher and economist, confidently included all skills and abilities of people within a country as a part of capital (Schultz, 1961). In the nineteenth century, economist and agriculturalist H. von Thumen maintained the concept of calculating human contributions to capital was not to "degrade him or impair his freedom and dignity" (Schultz, 1961, p. 2). Irving Fisher, an American economist of the twentieth century, also formulated a concept of human capital (Schultz, 1961). However, at this point, human capital was not considered in economic growth calculations (Schultz, 1961).

In his 1961 article, *Investment in Human Capital*, Schultz, a 1979 Nobel Prize winner, advocated treating "human resources explicitly as a form of capital" (p. 3). He discussed investments including education, training, and migration of young people. All of these long-term investments pertained to rich countries. On the contrary, however, poor countries are unable to use large amounts of financial capital (Schultz, 1961). Schultz (1961) noted that this phenomenon is in direct opposition to the belief that "additional capital is truly the key to their more rapid economic growth" (Schultz, 1961).

In 1964, economist Gary Becker published his book *Human Capital*. Becker, as well as Schultz, built upon Smith's observation that spending on human development yields returns (Shackleton, 1993). A 1992 recipient of the Nobel Prize for Economics,

Becker looked at nontraditional economic topics such as discrimination and human development (Shackleton, 1993).

Human capital theory attempts to explain the relationship between the investment in human resources and the resulting financial benefit. Related to this study, human capital theory may help to explain why investments in female human capital pay off with improvements in corruption and FDI and provide justification for further financial investment in the recruiting and equipping of women to serve in governments.

Methodology

Driven by the research question – what are the effects of women on corruption and FDI – a quantitative method was chosen to complete a cross-sectional, nonexperimental study. A quantitative method allowed the study variables, represented by databases, to be tested and reported in an empirical way. Informed by human capital theory, this design was operationalized in five steps for two path models.

1. An overview was explained including data, the statistical procedure, sampling, study assumptions, and definitions.
2. Because relationships between and among variables were of interest, structural equation modeling (SEM) was chosen.
3. Model 1
    a. A conceptual framework was developed. Based on the literature, the framework was constructed with directional relationships between and among the variables: women in government, corruption, and foreign direct investment.

b. Based on the research question and the conceptual framework, hypotheses were developed and presented.
c. Per hypotheses, relationships between variables were tested using SEM.
d. Model 1 results were presented.

4. Model 2
    a. The initial conceptual framework was modified based on literature, findings from Model 1, and inclusion of an additional variable: national expenses on healthcare.
    b. Based on the research question and the modified conceptual framework, Model 2 hypotheses were developed and presented.
    c. Per hypotheses, direct and indirect relationships between variables were tested using SEM.
    d. Model 2 results were presented.
5. Model 2 was revised (Model 2R).
    a. The Model 2 framework was revised based on empirical findings.
    b. Based on the research question, the revised conceptual framework, and empirical findings, hypotheses were developed and presented.
    c. Per hypotheses, direct and indirect effects between variables were tested using SEM.
    d. Model 2R results were presented.

Overview

Data. This study investigated data extracted from datasets from the CPI and the Human Development Report (HDR), both published in 2014.

Corruption perceptions index (CPI). The CPI is an index developed and maintained by TI since 1995 (Saisana & Saltelli, 2012). It is "a composite indicator that measures perceptions of corruption in the public sector" (Saisana & Saltelli, 2012). It ranked 175 countries from one to 174, with 1 as least corrupt. It also scored countries scores from 92 to eight, with 92 as least corrupt. The CPI aggregated data from various respected institutions including the African Development Bank, the Economist Intelligence Unit, the World Bank, and the World Justice Project, (Saisana & Saltelli, 2012).

The CPI country scores were used as a mediating variable. It is important for the reader to be aware that the higher the CPI score, the lower that country's perceived levels of corruption were. For the purpose of this study, the term *corruption* is used to communicate the concept and *CPI* is used to identify the variable (higher scores reflected lower levels of perceived corruption).

Human development report (HDR). The HDR is published by the United Nations Development Programme (UNDP) (Malik, 2014). It is a composite measure determining life expectancy, educational attainment, and command over the resources needed for a decent living, among others (Malik, 2014). Elements of the composite index used included *seats in national parliament* (WP) and FDI. In Model 2 *national expenses on healthcare* (HE) was added. For both FDI and HE, adjustments had to be

made to the original data to minimize variance. FDI and HE were divided by 10 and 100 respectively.

For the variable, the number of women in government (WP), the HDR operationally accounts the number of women in government as *share of seats in parliament.* This percentage is reported within the *Gender Inequity Index* and is defined as the "proportion of seats held by women in the national parliament, expressed as percentage of total seats. For countries with bicameral legislative systems, the share of seats is calculated based on both houses" (p. 175). Although an observable variable, countries may vary in their definitions of government positions. For the purpose of this research WP is comprised of elected legislators.

Statistical procedure. The hypothesized, directional relationships were tested using Mplus Version 7. Observations, $N = 183$, were tested using two independent variables (WP and CPI) and one dependent variable (FDI)[2]. In the second model, an additional mediating variable was used: HE[3]. The maximum likelihood estimation model (ML) was used. Kline (2011) described ML as the "motor" of SEM (p. 12).

Sampling. This study examined data from all available countries worldwide. No sampling was used. Data were extracted from two databases: the HDR and the CPI. These databases differed in reported countries (both in names and in numbers of countries). Therefore, for the purposes of this study, the names of countries listed on the

[2] Note FDI was adjusted for variance. Therefore, figures taken directly from Mplus report adjusted FDI as AFDI.
[3] The variable representing national expenses spent on healthcare (HE) was adjusted due to variance and appears in tables printed from Mplus as AAHE.

HDR (the source of the independent or exogenous variable WP) were used. Countries listed on the CPI were manually merged with it using an Excel spreadsheet, (N = 197).

The HDR contained information on WP for 183 countries. The cases without data on WP were not included in the analysis. This reduced the population by seven cases, (N = 190). In addition, the data included seven more cases where all information except WP was missing. These cases were not included in the analysis. This reduced the population to N = 183.

The ultimate number of cases or observations tested was 183, just under the typical sample size expected for SEM (N = 200) (Kline, 2011). However, this population is limited in nature, as there are less than 200 countries in the world. Justification can also be made that the population size tested is adequate because both models tested were simple. In addition, Kline (2011) also reported that a ratio can be applied to determine adequacy of sample size. This included accepting a minimum size in terms of the cases (N) to the number of model parameters that are estimated (q). Kline (2011) stated an ideal size-to-parameters ratio is 20:1. In this study parameters estimated were 3 and 4. Therefore, for Model 1, q = 3 and 3 x 20 = 60. For Model 2 and Model 2R, q = 4 and 4 x 20 = 80. For both models sample size (N = 183) exceeded recommended ratio minimums, 60 and 80 respectively.

Assumptions. Accepting secondary data on corruption, it is assumed the CPI is a valid and reliable index. Although researchers including Van Vuuren (2002) have questioned the validity of the index, it was recently improved by TI. In fact, a report issued by the European Commission Joint Research Centre stated the index, while not

perfect, "may be more reliable than each source taken separately" (Saisana & Saltelli, 2012). The CPI is also the most frequently cited index in the academic literature (Atalas et al., 2009; Gyimah-Brempong, 2002; Habib & Zurawicki, 2002; Ralston et al., 2006; Swamy et al., 2001; and Tabish & Jha, 2011).

Additionally, it is assumed women are less corrupt than men. Although there is ample trade and scholarly evidence to support this (ACFE, 2014; Alatas, Cameron, Chaudhuri, Eral, & Gangadharan, 2009; Hudson, Ballif-Spanvill, Caprioli, & Chad, 2012), no one really knows why. The ACFE (2014) stated "it is not clear why men seem more likely to engage in corruption" (ACFE, 2014, p. 51).

Conceptual definitions. Conceptual definitions of corruption and FDI are presented.

Corruption. Historically, reported Danon (2011), corruption was a question of morality. It later involved judicial, sociological, and economic explications. Walton (2014) defined corruption in the context of developing countries. This included abuse of public office for personal gain and the general abuse of power. More specifically, Habib and Zurawicki (2002) defined corruption as comprising bribes, bureaucratic inefficiencies, and political instability.

The AFCE (2014) included conflicts of interest, bribery, illegal gratuities, and economic distortion in their definition of corruption. Blackburn, Bose, and Haque (2006) defined public sector corruption as "the abuse of authority by bureaucratic officials who exploit their powers of discretion, delegated to them by the government, to further their own interests by engaging in illegal, or unauthorized, rent seeking

activities" (p. 2448). For the purpose of this study, the following definition is used: "the misuse of authority and public resources for private gain" (Vijayalakshmi, 2008, p. 1262).

Foreign direct investment (FDI). Delgado, McCloud, and Kumbhaker (2014) describe FDI as "the investments of large multinational corporations." It is through these investments that developing countries may have access to "advanced technologies, management practices, and research and development' (Delgado, et al., 2014, p. 298). Because human resource development (HRD) has evolved from a primary focus on the corporate world to include international development, it makes sense that FDI may enable progress (McLean, 2015). Specifically, foreign direct investors may provide development and training for local employees (Delgado, et al., 2014).

Some ambiguity exists in differentiating foreign aid from FDI (Selaya & Sunesen, 2012). However, because foreign aid may actually strengthen corruption (Ionescu, 2011), it is excluded from this study. The definition of FDI from the UNDP (2014) was used: the "sum of equity capital, reinvestment of earnings, other long-term capital and short-term capital, expressed as a percentage of GDP" (Malik, p. 211).

Structural Equation Modeling (SEM)

For the purpose of this study, SEM software was chosen to test observed variables. This is a type of path analysis. Although both regression analysis and path analysis are based on linear statistical models, they differ. Path analysis is highly flexible. For example, in path analysis variables have additional flexibility at times to be

exogenous and endogenous. Lastly, path analysis also is better at examining relationships between and among variables.

SEM tests models based on strong theoretical or empirical foundations (Bowen & Guo, 2012). Bowen and Guo (2012) defined SEM as an "'umbrella' encompassing a set of multivariate statistical approaches to empirical data" (p. 5). It also is defined as "a class of statistical techniques that concern hypotheses about summary statistics of observed data" (Yoon, 2015, p. 2). SEM does not refer to a single statistical technique, but refers to a "family" of statistical terms including covariance structure analysis, covariance structure modeling, and analysis of covariance structures (Kline, 2011, p. 7). Variable definitions used for this path analysis are defined.

Exogenous variable. An exogenous variable is an independent variable. It is a variable not affected by another variable (Kline, 2011). Unlike regression models but like structural equation models, independent variables can be both causes and effects of other variables in path modeling (Kline, 2011). Partial coefficients are calculated using only the independent variables in a direct path to the endogenous variable. For this study the exogenous variable is the number of women in government (WP).

Endogenous variable. An endogenous or dependent variable is one effected by another variable (Kline, 2011). For this study the endogenous variable is FDI.

Mediator variable. A mediator variable is an observable variable that has an indirect effect. That is, a variable that is affected, and in turn effects another variable. It is a variable measuring indirect effect of an exogenous variable on an endogenous variable (Kline, 2011). For this study, the mediator variable was corruption in Model 1

and included the additional mediator variable national expenses spent on healthcare (HE) in Model 2 and Model 2R.

Observable variable. One of two broad classes of variables in SEM, an observed variable is one that can be directly observed. It directly represents data. Also referred to as manifest, observed variables can be categorical, ordinal, or continuous (Kline, 2011). Although corruption is not directly observable, it is represented by the CPI, a data set. For this study, all variables are treated as observable including WP, CPI, and FDI.

Results

Descriptive Statistics

Descriptive statistics are generally used to organize the characteristics of a data set (Salkind, 2014). Using Excel, the mean, median, and standard deviations (*SD*) were calculated for WP, CPI, HE, and FDI. WP is a percentage of women to men, CPI is a score, and HE and FDI are reported as real dollars. Table 2 contains all descriptive statistics for all models.

Table 2

Descriptive Statistics for all Models

Variable	Number	Mean	Median	Standard Deviation
WP	190	20	19	11
CPI	175	43	38	20
HE	175	$ 4,593,200,890	$ 369,731,168	$ 22,790,462,208
FDI	177	$ 1,218,305,626	$ 196,494,769	$ 4,058,102,249

Note. Although FDI and FDI were adjusted for variance during testing (shown as AFDI and AAHE on Mplus-generated tables), the above figures represent real dollar values.

Model 1

Conceptual framework. In developing a conceptual framework, a path diagram based on the literature was constructed. The model consisted of three directional relationships between observable variables. The variables were the percent of women in national governments (WP), the levels of perceived corruption per country (CPI), and the amount of foreign direct investment each country received (FDI). WP is an exogenous or independent variable, CPI is an exogenous and mediating variable, and FDI is an endogenous or dependent variable. This model is illustrated in Figure 1.

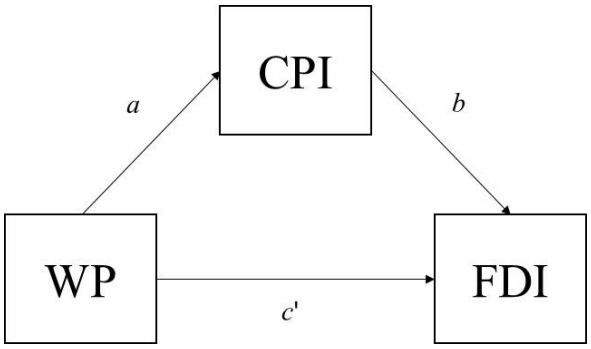

Figure 2. The conceptual framework illustrated through a simple mediational model – Model 1. This path model illustrates the three hypothesized directional relationships: WP and CPI, CPI and FDI, and WP and FDI.

Hypothesized relationships identified. Model 1 is based on previous research on women, corruption, and FDI. Three hypothesized relationships were proposed based on literature and the corresponding empirical foundations. These included WP and CPI, CPI and FDI, and WP and FDI.

Hypothesized relationship 1: WP and CPI. As corruption began to capture the attention of the business community, the ACFE was established in 1988 (ACFE, 2014). Releasing its first *Report to the Nations on Occupational Fraud and Abuse* in 1996, the ACFE has continued to capture and report fraud cases worldwide (ACFE, 2014). Consistently, the ACFE has found that males caused higher fraud losses than females. This prompted the ACFE to examine losses at each authority level. The thought was that males made up higher positions of authority, and perhaps had more access to commit fraudulent activities. However, even when compared to equivalent levels of

authority, males committed fraud at higher levels of loss. In fact, for those cases reported to the ACFE (2014) female participation in corruption was substantially less than their male counterparts, 20% and 47% respectively. The ACFE is unclear as to why males apparently commit corruption at higher rates than females do (ACFE, 2014).

Prior to 2001 research existed supporting that there were "differences in behavioral characteristics across gender" (Dollar, et al., 2001, p. 424). However, equitable gender representation in government was driven more by social justice issues and less by the desire to improve performance (Vijayalakshmi, 2008). For example, the United Nations Conference on Women held in Beijing in 1995 mandated the promotion of women's rights, not necessarily because they contributed to improved governments, but because it was the right thing to do (Chen, 2013). At this time, little research had been piloted to assess the idea that "increased female participation leads to more honest government" (Dollar, et al., 2001, p. 424).

In 2001, two crucial quantitative studies were conducted hypothesizing women are less corrupt than men. The first study was conducted by Dollar, Fisman, and Gatti (2001) sponsored by the World Bank. Using regression, the researchers concluded that the "presence of female parliamentarians" had a significant and negative effect on corruption (Dollar, et al., 2001), p. 427).

Also in 2001, Swamy, Knack, Lee, and Azfar analyzed three sets of data: women's likelihood to condone corruption, women manager's likelihood to be involved in bribery, and the relationship between number of women in government and the levels of corruption. Researchers concluded that women are less likely to condone corruption,

less likely to participate in bribery, and reduced country-level corruption (Swamy et al., 2001). Other academic work since these two pivotal studies continue to emerge finding women may be less corrupt than their male counterparts (Chen, 2013; Dollar, Fisman, & Gatti, 2001; Frank, Lambsdorff, & Boehm, 2011; Ionescu, 2011; Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006; Swamy et al., 2001).

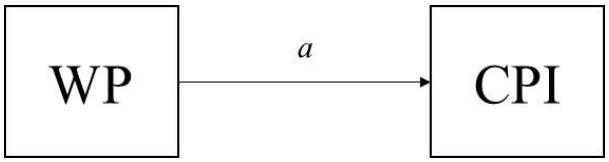

Figure 3. The hypothesized directional relationship between the number of women in government and the levels of perceived corruption per country – Model 1.

Hypothesized relationship 2: CPI and FDI. Researchers have concluded global investments can have a positive effect on human development (Akhter, 2004). Most researchers reviewed supported lowering corruption as a way to attract FDI. Although naysayers exist. Banerjee, et al. (2006) went as far to say corruption may even temporarily improve private investments. However, most researchers reviewed have concluded corruption is a significant obstacle for FDI. Danon (2011) found FDI is particularly vulnerable to corruption.

Furthermore, Shen (2007) stated widespread corruption discourages FDI. It affects economic growth and income equality negatively. For example, in African

countries economic growth could be increased by reducing corruption (Gyimah-Brempong, 2002). Potential investors may be deterred from investing in countries perceived as corrupt because of the anticipated cost (Habib & Zurawicki, 2002). Furthermore, investors may be deterred from investment in developing countries due to the difference in perceived corruption levels from their country and the investment country. Because most researchers from the literature review supported corruption having a negative effect on FDI, this relationship is included.

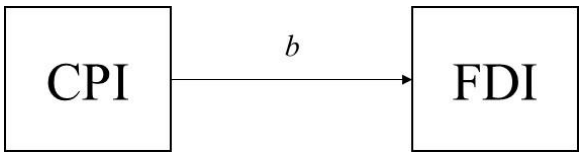

Figure 4. The hypothesized directional relationship between the level of perceived corruption in governments and the foreign direct investment each country received – Model 1.

Hypothesized relationship 3: WP and FDI. In 2008, Soper wrote a dissertation after studying FDI and women. His conclusions were women indirectly positively affected (increased) FDI by positively affecting (increasing) the investments in information, communication, and technology. Later, Mirjana, Isidora, and Ana (2010) concluded that the increase of women in the formal economy was positively related to a countries ability to attract FDI. Finally, in 2011, Blanton and Blanton studied FDI and

women from a political science perspective. They concluded there was a positive relationship between women's rights and FDI.

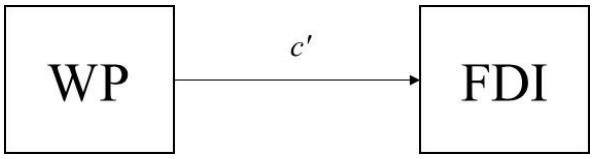

Figure 5. The hypothesized directional relationship between the number of women in governments and the foreign direct investment each country received – Model 1.

Hypotheses summary. Informed by human capital theory, based on the literature, and established through the conceptual framework, the following hypotheses were developed to test the null.

- H1: WP and corruption

  H_0: There was no statistically significant relationship between WP and corruption

  $H_{A:}$ As WP increased, corruption decreased

- H2: Corruption and FDI

  H_0: There was no statistically significant relationship between corruption and FDI

  $H_{A:}$ As corruption decreased, FDI increased

- H3: WP and FDI

H_0: There was no statistically significant relationship between WP and FDI

$H_{A:}$ As WP increased, FDI increased

Testing. Model 1 examined the effects of WP on CPI and FDI through two mediation models. The first was a simple mediation model including three variables articulated in the initial conceptual framework. In this mediation model, both the indirect ($ab = c - c'$) and direct ($c = c' + ab$) effects of WP on CPI and FDI were tested. Standardized path estimates from a maximum likelihood-based model are reported.

Results. In Model 1, paths were drawn and tested between WP and CPI, CPI and FDI, and WP and FDI.

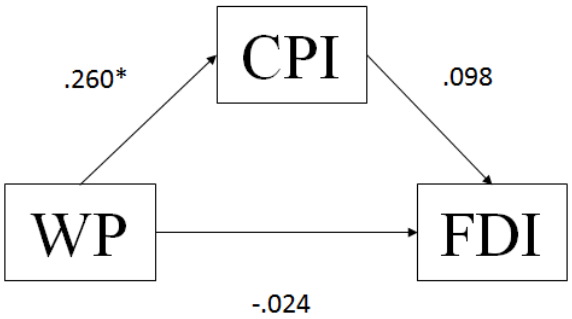

Figure 6. The standardized results including the estimates for the hypothesized relationships – Model 1. *The relationship between WP and CPI was statistically significant.

Fit statistics. A model in which every variable has a direct arrow connecting it to every other variable is a saturated model. Saturated models will always fit the data

perfectly, even when the model makes no sense (Suhr, *n.d.*). Although fit statistics are not vital for a simple regression analysis (Moon, personal communication), they are reported for reader information in Table 2. The goodness-of-fit indices for this model included $\chi^2 = 0.000$, $p = 0.000$, RMSEA = 0.000, $p = 0.000$, CFI = 1.000, and SRMR = 0.000.

Table 3

Model 1 Fit Statistics

Test	Statistic
Number of Free Parameters	7
Chi-Square Test of Model Fit	
Value	0.000
Degrees of Freedom	0
P-Value	0.0000
RMSEA (Root Mean Square Error Of Approximation)	
Estimate	0.000
90 Percent C.I.	0.000 0.000
Probability RMSEA <= .05	0.000
CFI	1.000
SRMR (Standardized Root Mean Square Residual)	
Value	0.000

Estimates. The relationship between WP and CPI is the only statistically significant result at the $a < .05$ level ($p = 0.000$). This is, when WP increased by one *SD* from its mean, CPI increased by 0.260 of its own *SD* from its own mean. Complete standardized results are reported in Table 4.

Table 4

Complete Standardized Estimates from Model 1

Variable	Estimate	S.E.	Est./S.E.	P-Value
CPI ON WP	0.260	0.072	3.595	0.000
AFDI ON				
CPI	0.098	0.079	1.245	0.213
WP	-0.024	0.079	-0.299	0.765

Table 5 includes correlation coefficients. For the statistically significant relationship between WP and CPI, the correlation coefficient is also .260. Reflecting the amount of variability shared between WP and CPI, $r = 0.260$. Therefore, the coefficient of determination, or r^2, is 0.0676. That is, almost 7% of the variance in CPI can be explained by the variance in WP.

Table 5

Correlations Between Variables in Model 1

	AFDI	CPI	WP
AFDI	1.000		
CPI	0.092	1.000	
WP	0.002	0.260	1.000

Table 6 shows the results for the indirect relationship tested between WP and FDI.

Table 6

Indirect Results from WP to FDI for Model 1

	Estimate	S.E.	Est./S.E.	P-Value
Effects from WP to AFDI				
Total	0.002	0.077	0.024	0.981
Total indirect	0.026	0.022	1.164	0.244

Note. No statistically significant indirect effects between WP and FDI through corruption were identified.

Ultimately, the only hypothesis upheld was H1: As WP increased, corruption decreased. The null hypothesis was rejected. H2 and H3 were not upheld. The null hypotheses were retained. Because the relationship between WP and CPI was

significant, and because the literature on which the conceptual framework was strong, a second model was constructed.

Model 2

As Kline (2011) stated, it is rarely the case when the scope of research is narrow enough to accept or reject one model based on its correspondence to the data. This was the case with this research. Model 1 was rejected because it was not completely supported by the data. Based on both conceptual and empirical considerations, an alternative model – Model 2 – was developed and tested.

Conceptual framework. Model 2 is based on previous research on women, corruption, and FDI. HE was added to the model as a mediator variable because of its potential to contribute to the indirect relationship between WP and FDI. Six hypothesized relationships were proposed based on literature and the recent empirical findings. These included WP and CPI, WP and HE, CPI and HE, CPI and FDI, HE and HDI, and WP and FDI. In developing a modified conceptual framework, the original path diagram based on the literature and data was reconstructed. It is a mediational model, as was Model 1, with the addition of the variable HE.

Therefore the variables tested in Model 2 were the percent of women in national governments (WP), the levels of perceived corruption per country (CPI), the amount spent nationally on health care per country (HE), and the amount of foreign direct investment each country received (FDI). WP is an exogenous or independent variable, CPI is an exogenous and mediating variable, HE is an exogenous and mediating

variable, and FDI is an endogenous or dependent variable. Model 2 is described per the six hypothesized relationships. This model is illustrated in Figure 7.

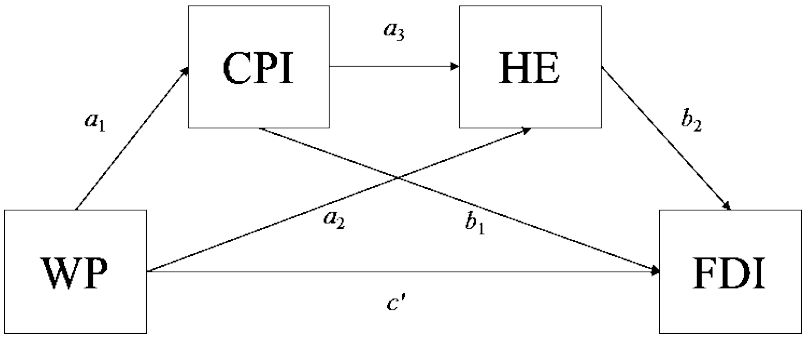

Figure 7. A multiple-step, multiple mediator model – Model 2. Note all variables have paths drawn to all other variables making this a saturate model.

Hypothesized relationships identified. Six hypothesized relationships were proposed based on literature and the corresponding empirical foundations. Model 2 included relationships to be tested. These comprised WP and CPI, WP and HE, CPI and HE, CPI and FDI, HE and FDI, and WP and FDI.

Hypothesized relationship 1: WP and CPI. This hypothesis remains consistent with Model 1.

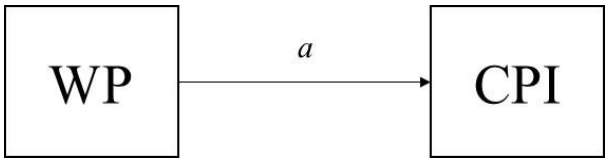

Figure 8. The hypothesized directional relationship between the number of women in government and the levels of perceived corruption per country – Model 2.

Hypothesized relationship 2: WP and HE. The variable HE was added because of expert opinion, an additional limited hand search of the literature, and previous empirical findings. Although theoretically there is no support for gender-based governmental policy choices, there is sufficient evidence that women make different policy decisions than men (Svaleryd, 2009). Women tend to value socially focused policy and allocate budget for those policies (Svaleryd, 2009). Women and men have different biases regarding economic matters (Migheli, 2014). Mavisakalan (2014) found higher numbers of women in governments was associated with higher public health spending.

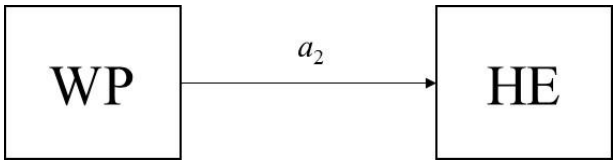

Figure 9. The hypothesized directional relationship between the number of women in government and national expenses on healthcare – Model 2.

Hypothesized relationship 3: CPI and HE. The variable HE was added because of expert opinion, a limited hand search of the literature, and previous empirical findings. Corruption impedes development (Collier, 2007). Healthcare, one of the 15 sub-indices measured by the HDR, is particularly at risk for mismanagement. As Collier (2007) recounted, a 2004 financial survey of healthcare clinics in Chad revealed only 1% of funding actually made it to the rural clinics. Given its susceptibility to corruption and its importance to women, it was included here as a potential mediating variable.

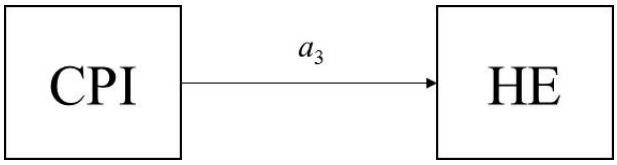

Figure 10. The hypothesized directional relationship between the level of corruption per country and national expenses on healthcare – Model 2.

Hypothesized relationship 4: CPI and FDI. Although many researchers have concluded that corruption can have a negative effect on FDI (Akhter, 2004), the relationship between CPI and FDI was not significant in Model 1. For the purposes of Model 2, no significant relationship is anticipated.

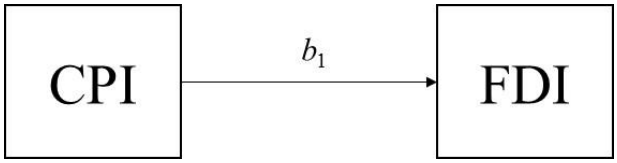

Figure 11. The relationship between the level of corruption in governments and the foreign direct investment each country received – Model 2. Anticipated to be a nonsignificant relationship, it was included here to construct and test a mediated model.

Hypothesized relationship 5: HE and FDI. The variable HE was added because of expert recommendation, a limited hand search of the literature, and previous empirical findings. Both important to women and susceptible to corruption, HE is also associated with FDI. As reported in the HDR (2014), national expenses on healthcare included external borrowing and grants. Because national expenses on healthcare parallels FDI in that countries receive at least part of it from outside investors and/or donors, HE was added as a potential mediating variable.

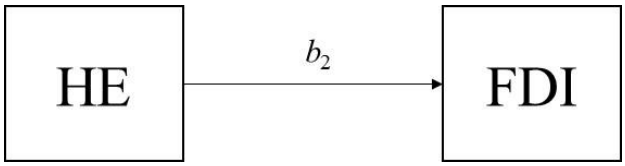

Figure 12. The hypothesized directional relationship between the national expenses on healthcare and the foreign direct investment each country received – Model 2. HE was added to the model because of its potential to mediate the relationship between WP and FDI.

Hypothesized relationship 6: WP and FDI. Although some researchers concluded WP influences FDI, this was not validated by the results from Model 1.

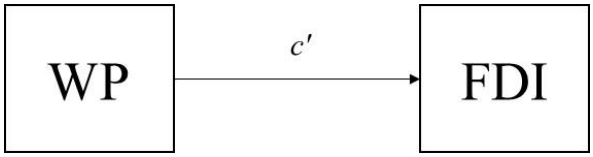

Figure 13. The relationship between the number of women in governments and the foreign direct investment each country received – Model 2. Although conceptually supported, the relationship between WP and FDI was insignificant in Model 1. It was retained to illustrate a mediated model and to test an indirect effect of WP on FDI.

Hypotheses summarized. With the addition of the variable HE, hypotheses tested included the following:

- H1: WP and corruption

  H_0: There was no statistically significant relationship between WP and corruption

  $H_{A:}$ As WP increased, corruption decreased

- H2: WP and HE

  H_0: There was no statistically significant relationship between WP and HE

  $H_{A:}$ As WP increased, HE increased

- H3: Corruption and HE

  H_0: There was no statistically significant relationship between CPI and HE

  $H_{A:}$ As corruption decreased, HE increased

- H4: CPI and FDI

  H_0: There was no statistically significant relationship between CPI and FDI

  $H_{A:}$ As corruption decreased, FDI increased

- H5: HE and FDI

  H_0: There was no statistically significant relationship between HE and FDI

  $H_{A:}$ As HE increased, FDI increased

- H6: WP and FDI

  H_0: There was no statistically significant relationship between WP and FDI

  $H_{A:}$ There was an indirect relationship between WP and FDI

Results. In Model 2, paths were tested between WP and CPI (a_1), WP and HE (a_2), CPI and HE (a_3), CPI and FDI (b_1), HE and FDI (b_2), and WP and FDI (c'). Both the direct and indirect effect of WP on FDI were tested ($c = c' + a_1b_1 + a_2b_2 = a_1a_3b_2$).

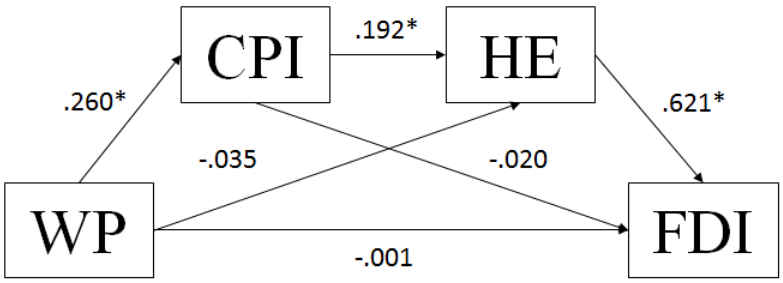

Figure 14. Results from regression and indirect relationship testing – Model 2. *The relationships between WP and CPI, CPI and HE, and HE and FDI were all statistically significant, at $p = 0.000$, $p = 0.013$, and $p = 0.000$, respectively.

Fit statistics. Although fit statistics are not vital for simple regression analysis (Moon, personal communication), they were reported for reader information in Table 6. The goodness-of-fit indices for this model included $\chi^2 = 0.000$, $p = 0.000$, RMSEA = 0.000, $p = 0.000$, CFI = 1.000, and SRMR = 0.000. A model in which every variable has a direct arrow connecting it to every other variable is a saturated model. Saturated models will always fit the data perfectly, even when the model makes no sense (Suhr, *n.d.*).

Table 7

Fit Statistics for Model 2

Test	Statistic
Number of Free Parameters	12
Chi-Square Test of Model Fit	
Value	0.000
Degrees of Freedom	0
P-Value	0.0000
RMSEA (Root Mean Square Error Of Approximation)	
Estimate	0.000
90 Percent C.I.	0.000 0.000
Probability RMSEA <= .05	0.000
CFI	1.000
SRMR (Standardized Root Mean Square Residual)	
Value	0.000

Estimates. The comprehensive estimates and associated *p*-values for the various paths are provided in Table 8.

Table 8

Complete Parameter Estimates for Model 2

	Estimate	S.E.	Est./S.E.	P-Value
CPI ON WP	0.260	0.072	3.602	0.000
AFDI ON				
WP	-0.001	0.063	-0.011	0.991
AAHE	0.621	0.048	12.897	0.000
CPI	-0.020	0.064	-0.311	0.756
AAHE ON				
CPI	0.192	0.077	2.485	0.013
WP	-0.035	0.079	-0.448	0.654

Note. The hypothesized relationships between WP and HE, and CPI and FDI are not statistically significant.

Model 2R

Based on both conceptual and empirical considerations, a revised model – Model 2R – was developed and tested. Because neither WP and HE, nor CPI and FDI were statistically significant, paths between these variables were removed.

Conceptual framework. Model 2R is based on previous research on women, corruption, FDI, and HE. Four hypothesized relationships were proposed based on literature and the recent empirical findings. These include WP and CPI, CPI and HE, HE and HDI, and WP and FDI. In developing a revised conceptual framework, the modified path diagram based on the literature and data was revised. Model 2R is a

mediational model, as was Model 2, without the hypothesized relationships between WP and HE and CPI and FDI.

Therefore the variables tested in Model 2R were the percent of women in national governments (WP), the levels of perceived corruption per country (CPI), the amount spent nationally on health care per country (HE), and the amount of foreign direct investment each country received (FDI). WP was an exogenous or independent variable, CPI was an exogenous and mediating variable, HE was an exogenous and mediating variable, and FDI was the endogenous or dependent variable. Model 2R is described per the four hypothesized relationships in Figure 15.

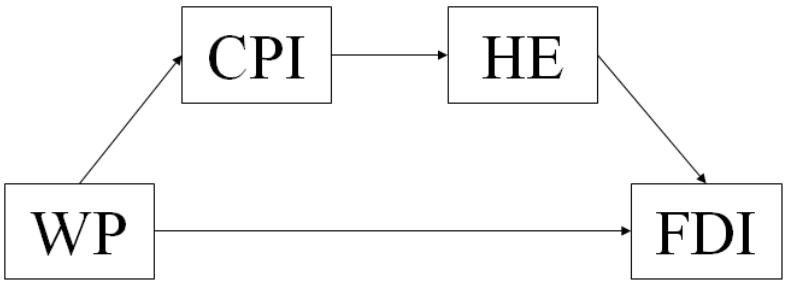

Figure 15. Model 2R without paths from WP to HE and CPI to FDI.

Hypothesized relationships identified. With the removal of paths between the nonsignificant relationships, including WP to HE and CPI to FDI, hypotheses tested in Model 2R included the following.

Hypothesized relationship 1: WP and CPI. This hypothesis remains consistent with Model 1.

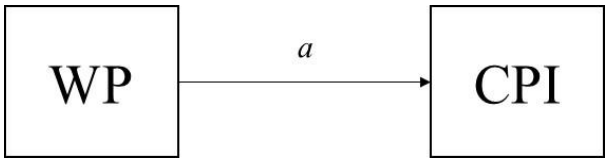

Figure 16. The hypothesized directional relationship between the number of women in government and the levels of perceived corruption per country – Model 2R.

Hypothesized relationship 2: CPI and HE. The variable HE was added because of expert opinion, a limited hand search of the literature, and previous empirical findings. Corruption impedes development (Collier, 2007). Healthcare, one of the 15 sub-indices measured by the HDR, is particularly at risk for mismanagement. As Collier (2007) recounted, a 2004 financial survey of healthcare clinics in Chad revealed only 1% of funding actually made it to the rural clinics.

There is sufficient evidence that women have different policy preferences and make different policy decisions than men (Svaleryd, 2009; Chen, 2010). Women tend to value socially focused policy and allocate budget for those policies (Svaleryd, 2009). Women and men have different partialities regarding economic matters (Migheli, 2014). Mavisakalan (2014) found higher numbers of women in governments was associated

with higher public health spending. Given its susceptibility to corruption and its importance to women, it was included here as a potential mediating variable.

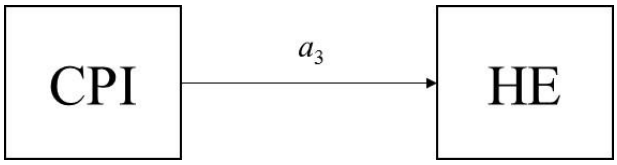

Figure 17. The hypothesized directional relationship between the levels of corruption per country and national expenses on healthcare – Model 2R.

Hypothesized relationship 3: HE and FDI. The variable HE was added because of expert recommendation, a limited hand search of the literature, and previous empirical findings. Both important to women and susceptible to corruption, HE is also associated with FDI. As reported in the HDR (2014), national expenses on healthcare included external borrowing and grants. Because national expenses on healthcare parallels FDI in that countries receive at least part of it from outside investors and/or donors, HE was added as a potential mediating variable.

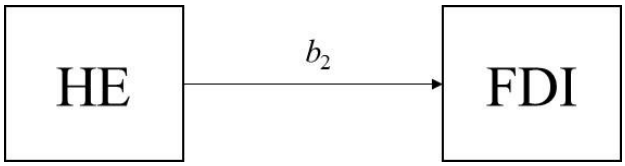

Figure 18. The hypothesized directional relationship between the national expenses on healthcare and the foreign direct investment each country received – Model 2R. HE was added to the model because of its potential to mediate the relationship between WP and FDI.

Hypothesized relationship 4: WP and FDI. Although some researchers concluded WP influences FDI, this was not validated by the results from Model 1.

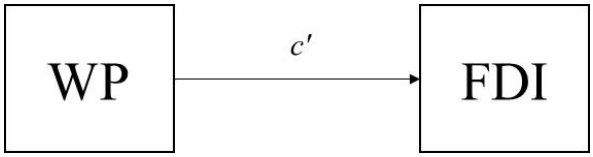

Figure 19. The relationship between the number of women in governments and the foreign direct investment each country received – Model 2R. Although conceptually supported, the relationship between WP and FDI was insignificant in Model 1. It was retained to illustrate a mediated model and to test an indirect effect of WP on FDI.

Hypotheses summarized.

- H1: WP and corruption

  H_0: There was no statistically significant relationship between WP and corruption

  $H_{A:}$ As WP increased, corruption decreased

- H2: Corruption and HE

  H_0: There was no statistically significant relationship between corruption and HE

  $H_{A:}$ As corruption decreased, HE increased

- H3: HE and FDI

  H_0: There was no statistically significant relationship between HE and FDI

  $H_{A:}$ As HE increased, FDI increased

- H4: WP and FDI

  H_0: There was no statistically significant relationship between WP and FDI

  $H_{A:}$ There was an indirect relationship between WP and FDI

Testing. In the Model 2R, paths were tested between WP and CPI, CPI and HE, HE and FDI, and WP and FDI. The indirect effect of WP on FDI was tested. Model 2R results are illustrated in Figure 20.

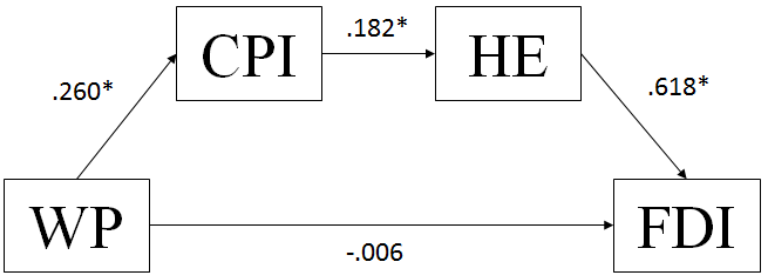

Figure 20. The results from Model 2R. *The relationships between WP and CPI, CPI and HE, and HE and FDI were all statistically significant, $p = 0.000$, $p = 0.014$, and $p = 0.000$, respectively.

Fit statistics. Because this model was not saturated, fit statistics were examined. The revised Model 2 revealed a model fit, $\chi^2 (2) = 0.295$, $p > .05$. According to Suhr (*n.d.*), a chi-square value close to zero with a probability level greater than 0.05, indicates little difference between expected and observed covariance matrixes.

RMSEA = 0.000, lower bound = 0.000 and upper bound = 0.077. Ideal thresholds for RMSEA, according to Kline (2007), include an estimate value close to zero, lower bound confidence intervals at zero, and upper bound lower than 0.100. Additionally, the RMSEA results are consistent with each other. That is, all values indicate a good fit, even with a less-than-ideal $N = 183$. In addition, CFI = 1.000. Hu and Bentler (1999) concluded a CFI value of 0.90 or greater is acceptable. SRMR = 0.011. Ideally at zero (Kline, 2007), this statistic is a measure of the mean absolute correlation residual. That is, the overall dissimilarity in the observed and expected correlations. Fit statistics for Model 2R are reported in their entirety in Table 9.

Table 9

Model 2R Fit Statistics

Test	Statistic
Number of Free Parameters	10
Chi-Square Test of Model Fit	
Value	0.295
Degrees of Freedom	2
P-Value	0.8629
RMSEA (Root Mean Square Error Of Approximation)	
Estimate	0.000
90 Percent C.I.	0.000 0.077
Probability RMSEA <= .05	0.910
CFI	1.000
SRMR (Standardized Root Mean Square Residual)	
Value	0.011

Covariance coverage. Mplus recognizes patterns of missing data. The amount of data used to generate each input covariance for the analysis is reported. From Table 10, 0.874 is the lowest reported coverage, well above the requirement of 0.100.

Table 10

Covariance Coverage

	AFDI	CPI	AAHE	WP
AFDI	0.945			
CPI	0.874	0.929		
AAHE	0.940	0.874	0.945	
WP	0.945	0.929	0.945	1.000

Correlation statistics. For the original statistically significant relationship between WP and CPI the correlation coefficient remained 0.260. Reflecting the amount of variability shared between WP and CPI, $r = 0.260$. Therefore, the coefficient of determination, or r^2, is 0.0676. That is, 7% of the variance in CPI can be explained by the variance in WP. Correlations for all variables are presented in Table 12.

Table 11

Correlation Statistics for Model 2R

	AFDI	CPI	AAHE	WP
AFDI	1.000			
CPI	0.093	1.000		
AAHE	0.618	0.183	1.000	
WP	0.003	0.260	0.015	1.000

Estimates. The comprehensive estimates and associated *p*-values for the various paths are provided in Table 12.

Table 12

Complete Standardized Results from Model 2R

	Estimate	S.E.	Est./S.E.	P-Value
CPI ON				
WP	0.260	0.072	3.598	0.000
AFDI ON				
AAHE	0.618	0.047	13.137	0.000
WP	-0.006	0.061	-0.101	0.920
AAHE ON				
CPI	0.182	0.074	2.451	0.014

Estimates are reported per hypothesis.

H1: WP and CPI. Consistent with results from Model 1, the revised Model 2 resulted in a statistically significant relationship between WP and CPI[4] ($p = 0.000$). The null hypothesis was rejected. That is, as the number of women in government increased, perceived corruption decreased. Ultimately, when WP increased one *SD* unit from its mean, CPI increased by .260 *SD* unit from its mean.

H2: CPI and HE. A statistically significant relationship was identified between CPI and HE ($p = 0.014$). The null hypothesis was rejected. That is, as CPI increased, HE increased. Ultimately, when CPI increased by one *SD* unit from its mean, HE increased by .182 *SD* units from its mean.

H3: HE and FDI. A statistically significant relationship was identified between HE and FDI ($p = 0.000$). The null hypothesis was rejected. That is, as HE increased, FDI increased. In other words, when HE increased by one *SD* unit from its mean, FDI increased .618 *SD* from its mean.

H4: WP and FDI. A statistically significant indirect relationship was identified between WP and FDI ($p = 0.049$). The null hypothesis was rejected. That is, WP was found to exert an effect on FDI through CPI and HE. Therefore this model is fully mediated. Complete indirect effects are reported in Table 13.

[4] The CPI data scores countries from 1 to 100, with higher scores indicating lower corruption.

Table 13
Indirect Results from WP to FDI

	Estimate	S.E.	Est./S.E.	P-Value
Total	0.003	0.077	0.041	0.967
Total indirect	0.004	0.051	0.077	0.939
Specific indirect				
AFDI				
CPI				
WP	-0.005	0.017	-0.310	0.757
AFDI				
AAHE				
WP	-0.022	0.049	-0.448	0.654
AFDI				
AAHE				
CPI				
WP	0.031	0.016	1.968	0.049
Direct				
AFDI				
WP	-0.001	0.063	-0.011	0.991

Note. Although no direct relationship was identified between WP and FDI, a statistically significant indirect one existed ($p = 0.049$).

Discussion

Findings from this study both confirmed and contradicted previous researcher's conclusions. Because this study was foundational in nature, linking the effects of the number of women in government to levels of perceived corruption with economic

indicators including national healthcare expenses and FDI, it began to fill a gap in the body of scholarly literature. This study identified relationships among very complex variables. Given this complexity, results are discussed below per variables.

As the Number of Women in Governments Increased, Corruption Decreased

Swamy et al. (2001) and Dollar et al. (2001) may not have known how right they were concluding women may be less corrupt than men. Although naysayers existed (Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara, 2009; Goetz, 2007; Sung, 2003), most researchers after 2001 agreed that women tend, for whatever reason, to engage in corruption less. This research was no exception. It built on previous research with a more robust CPI, and resulted in similar findings. This included a statistically significant direct relationship between the number of women in government and the perceived levels of corruption.

Corruption and Foreign Direct Investment

Several researchers studying foreign direct investment concluded that the level of perceived corruption effects individual countries' ability to attract FDI (Danon, 2011; Delgado, et al., 2014; Forsyth, 2005). While indeed this makes sense, it was not fully supported by this study. Surprisingly, neither model tested in this research resulted in a significant direct relationship between corruption and foreign direct investment.

Although this study identified a role of corruption on FDI, it challenges the conventional wisdom that levels of perceived corruption have a direct effect on the FDI countries receive. For countries desiring to attract additional foreign direct investment, tackling the perceived levels of corruption may not be enough.

National Expenses on Healthcare

The lack of a statistically significant direct relationship between the number of women in governments and national expenses on healthcare was unexpected. Because women tend to prioritize programmatic healthcare, it was hypothesized that the higher the number of women making budgetary allocation decisions within governments would be a direct influence on healthcare expenses.

Having argued that, the point is further complicated because healthcare expenses were mediated by levels of perceived corruption. To put it another way, the number of women in government affected corruption, and corruption in turn affected the amount of resources allocated to healthcare. Perhaps the interpretation of expenses on healthcare should be closer to one of a financial indicator versus programmatic. That is, the lower perceived corruption is, the greater amount of resources a country can both allocate and attract to be spent on healthcare. In addition, health affects productivity (Padgett & Warnecke, 2011). In this logic, it make sense that expenses on healthcare was significantly related to FDI.

Women and Foreign Direct Investment

Traditionally seen as beneficiaries from interventions (Chen, 2013), this study found higher numbers of women in government contributed indirectly but significantly to higher levels of foreign direct investment. That is, as the number of women increased within governments, levels of corruption decreased, national expenses on healthcare increased, and FDI was in turn affected in a positive, albeit, indirect way.

What is at stake here is widening the conversation about women. No longer should women be seen as just receivers of assistances. Above all, this research requires readers to acknowledge women as vital, although often untapped, human resources.

The finding that women indirectly affect foreign direct investment should be of interest to governments worldwide because the investment in local women may lead to greater foreign investments for that country. Furthermore, this finding should be of interest to donor countries as well. With empirical evidence women affect corruption national expenses on healthcare, and FDI, donor countries may encourage recipient countries to build on their strengths. Namely, donor countries may consider recipient countries' policies and proactive investments in women as conditions for further assistance.

Implications

In direct opposition to the pervasive belief that "additional capital is truly the key to their more rapid economic growth," Schultz (1961) noted poor countries are unable to effectively use large amounts of financial capital. The complex relationships among the tested variables in this study validate human capital theory. That is, improving economic indicators may be much more complicated than simply "throwing money at the problem." Improving financial gains requires financial investment in people.

Because the number of women in government clearly impacts corruption, healthcare expenses, and ultimately foreign direct investment, improving economic indicators may be more a function of human resource development versus resource allocation from developed countries to developing ones. Therefore the first implication

from this research is consistent with human capital theory: Investments in the development of women positively impact corruption, healthcare expenses, and foreign direct investment. In other words, when countries allocate resources to develop their female human resources, they may benefit from lowered corruption, resource allocation for healthcare expenses, and increased foreign direct investment.

Furthermore, countries desiring to improve corruption, healthcare, and foreign direct investment metrics, should consider a strategic national HRD effort. Unfortunately, women may not be developed equally with men throughout the world. As it applies to this research, there may not be an adequate pool of qualified women voters may choose from when electing legislators.

This means efforts to develop women (and men) must be vertically integrated. This requires governments to assess needed skills, identify anticipated shortages, and apply applicable policies (Mishra, 2014). That is, for an adequate pool of girls to enter primary education, an adequate number of girls must have had good nutrition and early educational opportunities. For an adequate pool of girls to be available for secondary school, an adequate number of girls must have successfully completed primary school. For an adequate number of women to be available for tertiary training, an adequate amount of women must have graduated from primary school, and so on.

Having said that, nothing in this research implies increasing the number of women in governments, decreasing corruption, increasing the allocation of national expenses on healthcare, and increasing FDI will be easy, fast, or cheap. Achieving vertical integration must be a strategic effort. Enter HRD professionals. The strategic

way countries can ensure an adequate amount of women are ready and prepared for elected governmental service is to embrace national HRD initiatives.

Limitations, Delimitations, and Recommendations for Further Research

Study limitations, delimitations, and recommendations for further research are identified.

Limitations

Although the CPI is widely cited by scholars, Gyimah-Brempong (2002) pointed out its limitations. Chiefly, corruption itself is near impossible to measure and not easily quantifiable. Therefore researchers are left with measurements of *perceived* corruption. In addition, CPI scores did not include African countries until after 1997 (Gyimah-Brempong, 2002). For this study, CPI scores were used and accepted as an exogenous, observable variable (CPI).

To represent the number of women in government, the Human Development Report (HDR) was used. It reported the number of women in government as *share of seats in parliament.* This percentage is reported within the *Gender Inequity Index* and is defined as the "proportion of seats held by women in the national parliament, expressed as percentage of total seats (p. 175)." For countries with bicameral legislative systems, the share of seats is calculated based on both houses" (p. 175). Although an observable variable, countries may vary in their definitions of government positions. For the purpose of this research the number of women in government is comprised of elected legislators.

Furthermore, the databases used in this study (the CPI and HDR) did not report the same number of countries. Reporting entities have differed on what geopolitical areas are considered *countries*. For example, in this study Palestine was not disaggregated from Israel and Kosovo was not disaggregated from Serbia. This limits available disaggregated data. Also, these databases were macro in nature. They included all countries and all regions of the world. Interpretations about specific regions or countries should be made with caution.

Statistically, structural equation modeling (SEM) was used. SEM has previously been referred to as causal modeling, but this term is outdated. Furthermore, the results of an SEM analysis cannot generally be interpreted as causal effects (Kline, 2011). The models tested were simple path models, and the primary analysis was regression. Readers should be aware of the limitations of interpretation in regards to causation.

Finally, this research regarding the percent of women in governments is inherently limited, as women generally make up less than 50% of governments worldwide. Exceptions to this included Rwanda and Andorra with 52% and 50% of women occupying seats in parliament respectively. Therefore, it is impossible to study the implications of female dominated governments.

Delimitations

Secondary macro-level data was used and all variables were treated as observable. Even though corruption may be thought of initially as a latent variable because of its difficulty in measurement, it is used in this study as an observable variable. The CPI was used to represent corruption and is a robust measurement. This

treatment of the corruption variable is acceptable (Moon, personal communication, October 8, 2015). TI's CPI is a widely cited and accepted index throughout the scholarly literature (Gyimah-Brempong, 2002), therefore scores for corruption are exclusively delimited to the CPI.

Because of time constraints, variables were delimited. Initially, these included only WP, CPI, and FDI. Eventually healthcare (HE) was added based on expert opinion, previous empirical results, and an additional hand search of the literature. Because of the research question, one dependent variable was used: FDI.

Recommendations for Future Research

Although this research begins to address a void in scholarly literature, future research opportunities are unlimited. To begin with, future studies may attempt to explain the unexplained variance between current variables tested. Of particular interest is the unexplained variance between the number of women in government and corruption. Although this research confirmed and built on previous research regarding women and corruption, it explained a limited amount of variance. For example, Ionescu (2011) discussed corruption and "open networks of social capital" (p. 405). Perhaps women are less likely to participate in corrupt activities because they have less access to unchecked social capital (Ionescu, 2011). Vijayalakshmi (2008) tested the relationship between educational levels and attitudes toward corruption. Future research exploring variables such as access to social networks and educational levels may identify other influences on corruption.

For example Migheli (2014), in studying gender-based preferences in economies, concluded that women prefer greater regulatory measures than men. "While women's representation in policy-making roles appears to matter, there is little agreement about what determines it" Mavisakalan, 2014, p. 301). Perhaps part of the reason the greater number of women in governments is statistically related to lowered corruption is not because women are more virtuous. Maybe it is more related to women's desire for more government regulation.

Other research may include analyzing the tested variables in different ways. These ways could include looking at different geographic regions such as Sub-Saharan Africa, Latin America and the Caribbean, Middle East and North Africa, Western Europe, and Asia independently. Additionally, the same variables may be analyzed by development level as categorized by the HDR. Analyses could be done for those countries identified as low development through higher development.

Conclusion

Women must be acknowledged as a potential contributor to national economic improvements. Because of this study, they can no longer be seen as just receivers of assistances. This research has demonstrated the higher number of women in government was associated with lowered corruption, lower corruption was associated with increased national expenses on healthcare, increased expenses on healthcare was associated with higher levels of foreign direct investment, and that higher levels of women were indirectly related to higher levels of foreign direct investment. Women are a vital human resource to help national governments, not just receivers of benefits from them.

However, for women to effectively contribute to national improvements, they must be developed. As the field of HRD globalizes, opportunities exist for practitioners to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). National HRD practitioners now have empirical evidence on which to base national HRD initiatives. Identification of the effects of gender on corruption and FDI has provided empirical results on which HRD practitioners may also base practice decisions. This may include crafting gender-specific national HRD interventions that not only reduce inequalities, but also contribute to economic development. That is, potential solutions for an economic challenge – increasing FDI – is suggested here from a HRD perspective: investing in the development of the female workforce.

CHAPTER IV

WOMEN AS VITAL HUMAN RESOURCES TO FIGHT CORRUPTION: RECOMMENDATIONS FOR THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT STRATEGY ON DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

Corruption is a pervasive threat to performance in governmental agencies (Holtfreter, 2005). It steals U.S. aid from the neediest ad wastes taxpayer dollars. Corruption undermines justice, hinders economic development, and destroys public trust in governmental leadership (Transparency International, 2014).

Corruption is not new. Proverbs 29:4 (New International Version) said "by justice a king gives a country stability, but those who are greedy for bribes tear it down." Although corruption has existed since biblical times, economic research on corruption is relatively new. It was recently identified as "one of the most important obstacles to development" (Danon, 2011, p. 252). This dissertation chapter introduces corruption as an issue, analyzes current U.S. aid strategy, and makes recommendations for future U.S. anticorruption efforts.

Issue

Corruption has diverted essential U.S. aid from the poorest individuals wasting taxpayer money. Collier (2007) discussed a 2004 survey of aid funding released by the Ministry of Finance in Chad meant for rural health clinics. Only 1% reached the clinics.

In 2007 at the end of a two-year publically funded grant, two Liberian nationals were accused of stealing food from "the most vulnerable of the vulnerable." (Cole, 2013, p. 25). They stole 90% of the donated food promised to hungry rural Liberian women and children. Instead of delivering the donated food, it was sold on local markets for the personal gain of a few managers (Cole, 2013). Better than the Chad example, yet still appalling, 10% of aid reached the beneficiaries.

U.S. taxpayers continue to be affected. In an opinion piece, Vice President of the United States Joe Biden (2015) discussed asking the U.S. taxpayers to fund a $1 billion assistance package to help fight the economic challenges facing El Salvador, Guatemala, and Honduras. While other countries in the Americas have improved, these countries lag behind. Biden attributed this to several challenges including institutional corruption and lack of investments. Corruption is not just a problem for the poor, but also for the U.S. taxpayer.

News of corrupt politicians abounds. On September 3, 2015 CNN reported the arrest and incarceration of the former president of Guatemala, Pérez Molina who is accused of receiving bribes in exchange for lowering taxes for companies seeking to import products into Guatemala (Romo & Botelho). As this dissertation was being finalized, the lower house of the Brazilian congress voted to impeach President Rousseff. The charges against her include accusations she disguised a national budget deficit during her 2014 reelection (Lyons & Luhnow, 2016, April 23-24). Corruption is a current, pervasive, and expensive problem, not just for the poor, but also for the international community.

Discussion

To develop recommendations for the U.S. Agency for International Development's (USAID) Strategy on Democracy, Human Rights, and Governance (DRG), the following sections are presented. These include background, current research, and analysis.

Background

Corruption. Corruption affects individuals, countries, and the international community. The Association of Certified Fraud Examiners (ACFE), in their *Report to the Nations on Occupational Fraud and Abuse* (2014), reported corruption is the most frequent scheme affecting government and public administration. Even a review of the academic literature "finds that stories of fraud, mismanagement, and abuse have become almost commonplace" (Carman, 2011, p. 433).

Sir Paul Collier who directed the World Bank's Development Research Group from 1998 to 2003 discussed corruption in his groundbreaking work *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It* in terms of the construction industry (2007). Undermining honest government, increasing the cost of infrastructure projects, and reducing poor countries' growth rates are all results of corruption in the construction industry. Collier (2007) further sated "aid for infrastructure makes sense, but only if it is matched by a radical tightening of the enforcement of anticorruption norms and regulations" (p. 138).

As corruption began to capture the attention of the business community, the ACFE was established in 1988 (ACFE, 2014). Releasing its first *Report to the Nations*

on Occupational Fraud and Abuse in 1996, the ACFE has continued to capture and report fraud cases worldwide (ACFE, 2014). Consistently, the ACFE has found that males caused higher fraud losses than females. This prompted the ACFE to examine losses at each authority level. The thought was that males made up higher positions of authority, and perhaps had more access to commit fraudulent activities. However, even when compared to equivalent levels of authority, males committed fraud at higher levels of loss. In fact, for those cases reported to the ACFE (2014) female participation in corruption is substantially less than their male counterparts, 20% and 47% respectively (ACFE, 2014).

Women in government. Prior to 2001 research existed supporting that there were "differences in behavioral characteristics across gender" (Dollar, et al., 2001, p. 424). However, equitable gender representation in government was driven more by social justice issues and less by the desire to improve performance (Vijayalakshmi, 2008). One example of these noble efforts was the adoption of the 1979 Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) treaty by the U.N. General Assembly. Later, the United Nations Conference on Women held in Beijing in 1995 mandated the promotion of women's rights, not necessarily because they contributed to improved governments, but because it was the right thing to do (Chen, 2013). At this time, little research had been piloted to assess the idea that "increased female participation leads to more honest government" (Dollar, et al., 2001, p. 424).

In 2001, two crucial quantitative studies were conducted hypothesizing women lower corruption. The first study was conducted by Dollar, Fisman, and Gatti (2001)

sponsored by the World Bank. Using regression, the researchers concluded that the greater the number of female parliamentarians, the lower the levels of corruption were per country (Dollar et al., 2001). That is, "increased female participation leads to more honest government" (Dollar et al., 2001, p. 424).

Also in 2001, Swamy, Knack, Lee, and Azfar analyzed three sets of data: women's likelihood to condone corruption, women manager's likelihood to be involved in bribery, and the relationship between number of women in government and the levels of corruption. Researchers concluded that women are less likely to condone corruption, less likely to participate in bribery, and reduce country-level corruption (Swamy et al., 2001). Other academic work since these two pivotal studies continue to emerge finding women may be less corrupt than their male counterparts (Chen, 2013; Frank, Lambsdorff, & Boehm, 2011; Ionescu, 2011; Ralston, Terpstra-Tong, Maignan, Napier, & Nguyen, 2006).

In light of the body of research about women in government and corruption, this current dissertation research included the hypothesis that greater numbers of women in governments worldwide was associated with lower levels of perceived country corruption. The current research was differentiated because it built on previous empirical findings, including examining the relationship of women in government to the allocation of national expenses to healthcare and ultimately to each country's foreign direct investment receipts.

Current Research

The variables tested in this dissertation study included observable variables taken from two databases: the Corruption Perceptions Index (CPI) and the Human Development Report (HDR) (2014). The CPI is an index developed and maintained by Transparency International since 1995 (Saisana & Saltelli, 2012). It is "a composite indicator that measures perceptions of corruption in the public sector" (Saisana & Saltelli, 2012). The CPI aggregates data from various respected institutions including the African Development Bank, the Economist Intelligence Unit, the World Bank, and the World Justice Project, (Saisana & Saltelli, 2012).

The Human Development Report (HDR) is published for the United Nations Development Programme. It is a composite measure determining life expectancy, educational attainment, and command over the resources needed for a decent living (Malik, 2014). Components of the HDR used in this study included the number of women in governments worldwide, and FDI.

Findings. Traditionally seen as beneficiaries from improved economic indicators (Chen, 2013), this study found the number of women in government was associated with lower levels of corruption and higher levels of foreign direct investment. A mediational model with steps consistent to the work of Baron and Kenny (1986) was used. Statistically significant results included a direct and negative relationship between the number of women in governments throughout the world and perceived corruption levels. In other words, as the number of women in governments increased, the levels of perceived corruption decreased.

Also, an indirect and positive relationship between the number of women in government and the corresponding foreign direct investment those governments received was identified. That is, as the number of women increased within governments, levels of corruption decreased, national expenses on healthcare increased, and FDI was in turn increased. These applicable results are discussed.

Women, corruption, and foreign direct investment. Previous researchers have concluded that women may be less corrupt than their male counterparts. Additional researchers have linked higher levels of women in governments to lower perceived levels of corruption. This dissertation study identified a statistically significant, inverse relationship between the number of women in governments and the perceived levels of corruption ($p = 0.000$). That is, the greater number of women in governments worldwide, the lover levels of perceived corruption that country had. This finding is consistent with foundational studies conducted by Swamy et al. (2001) and Dollar et al. (2001). Differentiating itself from previous studies, this research not only confirmed the finding that greater numbers of women in governments was associated with lower levels of perceived corruption, but also tied women in government to important economic indicators including appropriate resource allocation for national expense on healthcare and foreign direct investment.

Analysis

The DRG strategy (USAID, 2013) is a framework designed to guide the USAID strategy and the broader goals of the U.S. in achieving international social, economic, and development goals. It is considered essential to advance and sustain USAID's

development agenda. The framework consists of one goal statement: "Support the establishment and consolidation of inclusive and accountable democracies to advance freedom, dignity, and development" (USAID, 2013, p. 14). This overall goal is supported by four development objectives (DOs) and 14 sub-objectives (USAID, 2013, p. 14).

Corruption is identified as a threat to U.S. national interests, a challenge to democracy across the globe, and a constraint to economic growth and opportunity (USAID, 2013). Anti-corruption efforts are mentioned in two DOs. Therefore, for the purposes of this analysis, DO 2: "Foster greater accountability of institutions and leaders to citizens and to the law," and DO 4: "Improve development outcomes through the integration of democracy, human rights and governance principles and practice across USAID's development portfolio" were reviewed.

In DO 2, corruption is addressed from the perspective of the ability of citizens to hold their governments accountable. Sub-objective 2:2 is "Support the ability of civil society and independent and open media to provide oversight and an informed critique of government" (USAID, 2013, p. 20). That is, the USAID will support open and free media.

Sub-objective 2:4 intends to "assist state institutions at all levels in delivering on the mandates of their offices, fulfilling the public trust, and providing public goods and services through transparent and responsive governance" (USAID, 2013, p. 21). That is, the USAID plans to implement anti-corruption efforts such as public accountability mechanisms, institution strengthening, and decentralization initiatives.

DO 4 emphasizes integrated programming across sectors (USAID, 2013). Examples of integrated programming include working with local economic growth teams for bankruptcy reform, through societal stakeholders to support land reform, and through capacity-building efforts to support development of financial monitoring organizations and "supreme" audit institutions (USAID, 2013, p. 25). For countries where women occupy few governmental positions, strategically including women in consultation teams at this level may improve accountability and set "the stage for women to become more active participants in their communities" (Padgett & Warnecke, 2011, p. 550).

Corruption is specifically addressed in sub-objective 4:2. It states "encourage host governments and civil society to employ legitimate and effective accountability mechanisms" (USAID, 2013, p. 25). The strategy identifies several accountability mechanisms eligible for support including citizen oversight committees.

Considered a challenge to development, the USAID strategy (2013) addresses corruption throughout the document. It is specifically addressed in two of the four DOs. Separately, the DRG strategy (USAID, 2013) identifies barriers to women's political participation as "particularly acute" (p. 11). The DRG addresses the potential need for women to receive intervention, however stops short of recognizing women as a potential contributing solution for the complex issue of corruption. Given that the number of women in national governments contributes in a positive way to lowering perceived corruption, it makes sense to incorporate women as a potential solution to governance challenges associated with corruption.

Strategy Recommendations

Although individual occurrences of pervasive corruption have been perpetrated by women, this should not deter policy makers or donors from encouraging gender-equal representation in governments. Interpreting this dissertation research as a moral judgement regarding women as better than men would be a mistake (remember President Rousseff). This research provides empirical evidence that the more gender equal governments were, the better they performed regarding corruption, the allocation of healthcare expenses, and attracting foreign direct investment.

What is at stake here is changing the perception of women from just receivers of assistances to acknowledging women as vital untapped human resources. That is, effectively combating corruption from a human resources perspective. As Hills (2006) stated "women should not just feature in the economy, they should shape it" (p. 161). Once women are no longer seen as primarily beneficiaries of interventions, the DRG strategy can move forward to fully integrate gender and support the existing systems-based approaches used by USAID. Based on previous and current research, specific strategy recommendations to optimize the positive effect of women on perceived corruption are offered.

1. The DRG strategy should begin by recognizing women as a potential contributor to anticorruption efforts. Anticorruption efforts should not be limited to regulatory augmentation, but have a duty to also address prevention from a human resource development perspective. Because previous and current research supports the positive impact of women on perceived corruption, USAID

has an obligation to recognize women as a potentially powerful anticorruption tool.

2. Because women often lack the skills needed to participate in governmental leadership, the DRG should support national strategic and integrated HRD efforts. For example, South Africa has made great strides in female representation in parliament, achieving a 44% ratio of women to men. However, the government continues to struggle to be completely gender-equitable. One significant barrier is the limited pool of women who possess the required skills (Hills, 2006). For example, "budget support can become a strong anticorruption instrument" (Ionescu, 2011, p. 402).

Just as global organizations may integrate their supply chains, human resource interventions must also strategically build on and support one another. That is, women cannot be trained to budget at the tertiary level if they did not have an adequate secondary education. Girls cannot receive an adequate secondary education without a primary education, and so on. Consistent with the DRG's commitment to cross-sector approaches, the DRG should support efforts in primary, secondary, and tertiary education to build needed human resources and promote hard skills such as budgeting.

3. As recommended by Frank et al. (2011) reforms at lower civil service levels should include a more targeted effort on involving women, not merely for equity reasons, but to reduce opportunities for fruitful corruption. As Collier (2007) stated, effects of corruption in the construction sector have increased costs and

impeded economic growth. In holding, for example, a USAID-funded infrastructure program accountable, women as well as men from the community should be involved in the oversight. Civil society organizations (CSO) should target women for meaningful membership.

Citizens who are intended beneficiaries of USAID programs should know what they are to receive (DRG, 2013). This could take the form of a beneficiary oversight committee or CSO. Arming a local CSO with the knowledge of intended receipts and gender equitable membership increases the likelihood that tax payer funds make it to the intended beneficiaries.

4. Because aid efforts have been more successful in countries where "governance and polices are already reasonable" (Collier, 2007, p. 102), USAID may have to make hard choices to invest where money actually can make a difference. "It is not just about giving these countries our money" (Collier, 2007, p. xi). The DRG should integrate an evaluation method to prioritize investments in countries who not only need aid, but have the potential to benefit from it. Although not uncontroversial (Collier, 2007), USAID can support governance conditionality. Related to corruption, this would entail incentivizing those countries already making strides recognizing and using women as an anticorruption tool. "We can do much more to strengthen the hand of the reformers" (Collier, 2007, p. xi) and to encourage countries to invest in their own female and male human resources.

Conclusion

Corruption steals U.S. aid from the neediest and wastes taxpayer dollars. It undermines justice, hinders economic development, and destroys public trust in governmental leadership (Transparency International, 2014). It was even recently identified as "one of the most important obstacles to development" (Danon, 2011, p. 252).

Previous and current researchers have concluded women are strongly related to lowered corruption. Although the DRG strategy prioritizes anticorruption efforts and addresses corruption from several aspects, it does not recognize women as a potential anticorruption resource. As the field of HRD globalizes, opportunities exist for practitioners to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). Because an increase in the percent of women in national governments positively affects corruption, gender-specific national HRD interventions that contribute to the recruitment and retention of women to serve in government may not only reduce gender inequalities, but fight corruption as well.

The finding that women affect foreign direct investment should be of interest to governments worldwide because the investment in local women may lead to greater international investments for that country. Furthermore, this finding should be of interest to donor countries as well. With empirical evidence women affect corruption and economic indicators, donor countries may encourage recipient countries to build on

their strengths. That is, donor countries may consider applicant countries' policies and proactive investments in women as conditions for further assistance.

CHAPTER V

WOMEN AS A VITAL HUMAN RESOURCE TO INCREASE FOREIGN DIRECT INVESTMENT: A CONCLUSION

Corruption is a pervasive threat to performance in governmental agencies (Holtfreter, 2005). It steals resources from the neediest, undermines justice and economic development, and destroys public trust in governmental leadership (Transparency International, 2014). Sir Paul Collier (2007) who directed the World Bank's Development Research Group from 1998 to 2003 discussed corruption in his groundbreaking work *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It.* Undermining honest government, increasing the cost of infrastructure projects, and reducing poor countries' growth rates are all results of corruption.

Since 2001, researchers have concluded women may be less corrupt than men. Although adequate research about women and corruption was identified for this study, a gap linking women in government, corruption, and foreign direct investment existed. As the field of human resource development (HRD) globalizes, opportunities exist for practitioners to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). However, HRD practitioners looking to develop female human resources internationally lacked empirical evidence related to corruption and foreign direct investment (FDI). Informed by human capital theory, the purpose of this study was to address a void in the scholarly literature

related to the number of women in government, corruption, and FDI. Examining the effects of women on corruption and FDI, this study provided empirical results on which national HRD professionals can base practice decisions.

Dissertation Synthesis

This dissertation was driven by the pervasive problem of corruption throughout the world and how to address it from a HRD perspective. This cross-sectional, nonexperimental study examined the impact of the number of women in government on foreign direct investment through corruption and national expenses on healthcare. Structural equation modeling through two mediated path models was used to test relationships between observable variables.

Results included statistically significant relationships between the number of women in government and lower levels of perceived corruption, between lower levels of perceived corruption and greater expenses spent on healthcare, and between greater expenses spent on healthcare and increased foreign direct investments countries attracted. Although no statistically significant direct relationship was identified between the number of women in government and foreign direct investment, significant study results included a fully mediated, indirect relationship between them. That is, as the number of women increased within governments, levels of corruption decreased, national expenses on healthcare increased, and FDI in turn increased.

This research was foundational in that it treated women in government as the independent variable. In other words, it treated women as vital human resources – potential solutions for increasing FDI – not just beneficiaries from and/or the receivers

of assistances. Ultimately, this study provided empirical results on which professionals and institutions can base interventions. To apply this research, recommendations were made to USAID's Strategy on Democracy, Human Rights, and Governance. These recommendations included recognizing women as vital human resources, not merely receivers of assistances.

As the field of HRD globalizes, opportunities exist for professionals to contribute to "transitioning societies" by helping to reduce existing social and economic disparities among nations (McLean, 2006, p. 3). This research provided empirical results on which practitioners can base practice decisions. National HRD professionals who craft gender-specific interventions to vertically integrate human resource development may not only reduce gender inequalities, but also contribute to reducing corruption, increasing the allocation of resources to healthcare, and ultimately impact foreign direct investment.

Significance of Research

Several features of this research differentiated it from previous studies. First, it added to scholarly literature by linking women, corruption, national expenses on healthcare, and foreign direct investment. This research began to address a gap in the literature by looking at economic challenges through an HRD lens.

In addition, this research builds on previous efforts to study corruption through an improved CPI. In recent years the CPI has grown more robust, currently scoring 175 countries. Therefore this study looked at a data set population, versus a limited sample as done in previous research.

Most importantly, however, it treated women as a vital human resource: a potential solution for increasing foreign direct investment, not just as receivers of benefits. That is, potential solutions for an economic challenge – increasing foreign direct investment – can be addressed from a HRD perspective: investing in the development of the female workforce to facilitate economic improvements.

This study was not limited to scholarly results. Eventually, it culminated by providing potential practiced-based applications, bridging the divide between scholar and practitioner. This included recommendations for USAID's Strategy on Democracy, Human Rights, and Governance.

Research Questions Answered

Because this dissertation was a journal-ready design, chapters II, III, and IV were written as journal articles and are self-contained studies. Research questions guiding this dissertation served these three individual studies: (a) a scoping review of the literature to identify publications related to the effects of women on corruption and FDI; (b) a statistical examination of the effects of women on corruption and FDI; and (c) a practical, evidence-based recommendations for the U.S. Agency for International Development's (USAID) Strategy on Democracy, Human Rights, and Governance. Within these studies respectively, research questions were answered.

1. Was there gap in scholarly literature on the effects of women on corruption and FDI and what research existed regarding the effects of women on corruption and foreign direct investment?
2. What were the effects of women on corruption and foreign direct investment?

3. What are implications for the U.S. Agency for International Development's Strategy on Democracy, Human Rights, and Governance related to the current research findings?

Answers to dissertation research questions are answered per chapter.

Chapter II: What Research Existed Regarding the Effects of Women on Corruption and Foreign Direct Investment?

Because previous academic research efforts yielded minimal results related to this area of interest, it was anticipated it would be difficult to identify research related to the effects of women on corruption and FDI. After consultation with the Center for Systematic Reviews at Texas A&M University, a scoping study was chosen. According to Grant and Booth (2009), a scoping study may be a preliminary assessment of potential size and scope of available research. According to Arksey and O'Malley (2005), scoping studies may be used to "identify research gaps in the existing literature" base "where no research has been conducted" (p. 21). The five-stage framework by Arksey and O'Malley (2005) was used to conduct this scoping study.

Ultimately, no publication included all three study variables: women, corruption, and FDI. Therefore, the initial research question was answered: There was a gap in scholarly literature on the effects of women on corruption and FDI. Because a void was identified in the literature on the effects of women on corruption and FDI, variable requirements were reduced from all three to two of three. Ultimately, 16 publications were reviewed in full. These included publications are summarized in Table 14.

Table 14

Extracted Data from Included Publications – C

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
ACFE	2014	Trade	Business	Corruption and Women	Found men participate in corruption more than women, even when controlling for management positioning
Akhter	2004	Scholarly	Business	FDI and Corruption	Economic globalization was shown to influence human development through corruption
Al-Aameri, Fu, Garcia, Mak, McGill, Reynolds, & Vinze	2012	Capstone Project	Government and Public Service	FDI and Corruption	Found corruption discourages FDI
Alatas, Cameron, Chaudhuri, Erkal, & Gangadhara	2009	Scholarly	Economics	Corruption and Women	Reported that differences existed across countries with regard to gender differences and corruption
Banerjee, Oetzel, & Ranganathan	2006	Scholarly	Development	FDI and Corruption	Reported more corrupt countries attract more private infrastructure participation

Table 14 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
Blanton & Blanton	2011	Scholarly	Political Science	FDI and Women	Reported a significant relationship between women's rights and FDI
Chen	2013	Scholarly	Economics	Corruption and Women	Reported that more women in government lowers corruption
Danon	2011	Scholarly	Economics	FDI and Corruption	Reported corruption negatively effects FDI
Delgado, McCloud, & Kumhaker	2014	Scholarly	Economics	FDI and Corruption	Concluded developing countries may increase FDI by lowering corruption
Forsyth	2005	Reference	Development	FDI and Corruption	Found that a good investment "climate" included the absence of corruption
Frank, Lambsdorff, & Boehm	2011	Scholarly	Development	Corruption and Women	Concluded that women are more likely to break an implicitly corrupt contact

Table 14 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
Habib & Zurawicki	2002	Scholarly	Business	FDI and Corruption	Reported corruption has a negative effect on FDI
Mirjana, Isidora, & Ana	2010	Scholarly	Gender	FDI and Women	Linked the increase of women in the formal economy to attracting more FDI
PR Newswire	2014	Newspaper	Business	FDI and Corruption	Reported that the government of Vietnam intended to put in place anti-corruption initiatives due to falling FDI levels
Soper	2008	Dissertation	Technology	FDI and Women	Found that women increase investments in information, communication, and technology, which in turn increases FDI

Table 14 Continued

Author(s)	Date	Type of Publication	Discipline	Included Variables	Important Results
The World Bank	2014/2015	Global Monitoring Report	Development	FDI and Corruption	Reported that reforms that reduce corruption can increase the profitability and competitiveness of firms in the economy, contributing to possible growth and hiring

A gap in scholarly literature was confirmed about the effects of women on corruption and FDI. Because scoping studies do not strive to synthesize or aggregate findings, the eight included publications were summarized (Arksey & O'Malley, 2005).

Publications Summary

Included publications varied widely. These included one capstone project, 10 scholarly journal articles, one reference document, one trade report, one nongovernmental report, one dissertation, and one newspaper article. Dates of publications ranged from 2005 – 2015. Over half of the publications $n = 9$ (56 %) included the two variables: FDI and corruption.

Of the 9 publications that included FDI and corruption, 7 (78%) agreed that corruption inhibits FDI. This may be done through governmental reforms reducing corruption and increasing profitability and competitiveness (The World Bank, 2014/2015). In a PR Newswire newspaper article (2014), Vietnam was reportedly putting in place anti-corruption initiative in response to their falling FDI. Forsyth (2005) reported good investment climates are those that had less corruption.

On the other hand, Banerjee, Oetzel, and Ranganathan (2006) stated the opposite. Focusing specifically on infrastructure investments in emerging markets, they found corruption my help investors bypass bureaucratic obstacles. By focusing on short-term infrastructure investments, Banerjee, et al. (2006) overlooked the deeper problem of longer-term foreign investor concerns. Banerjee, Oetzel, and Ranganathan (2006) also stated an opposing conclusion. Specifically related to private infrastructure investments, these researchers concluded more corrupt countries attract greater participation.

Four or 25% of the publications included the variables corruption and women. This included the trade publication from the ACFE, included in this study from my previous professional experience, and scholarly works. The ACFE (2014) report concluded that men participated in corrupt activities less than women, even when controlling for management positioning. Chen (2013) concluded more women in government lowers corruption. And, Frank, Lambsdorff, and Boeh (2011) proposed women are more likely to break implicitly corrupt contracts. Not without critics, Alatas, Cameron, Chaudhuri, Erkal, and Gangadhara (2009) postulated gender differences in corruption differed across countries and culture.

Three or 19% of the publications included FDI and women. These were two scholarly articles and a dissertation. Unanimously, these studies agree women, in some form, contribute positively to increasing FDI. Of particular interest, Soper (2008) found women specifically increase investments in information, communication, and technology which in turn affects FDI.

Disciplines represented in my selected publications were also diverse. Business and economics both were represented by four publications each. Development had 3 publications. The rest were comprised of gender, political science, and government/public service disciplines.

By conducting a scoping review of the literature, a gap in the literature was identified regarding women, corruption, and FDI. Reducing the variable requirement for the inclusion of publications, 16 publications were identified. Identifying and summarizing these publications answered the research question: What Research Existed Regarding the Effects of Women on Corruption and Foreign Direct Investment.

Chapter III: What Were the Effects of Women on Corruption and Foreign Direct Investment?

The purpose of this quantitative study was to fill a void in the scholarly literature regarding the effects of women on corruption and FDI. A cross-sectional, nonexperimental study was completed using two mediational models with steps consistent to the work of Baron and Kenny (1986). It examined the effects of the number of the women in government (WP) on foreign direct investment (FDI) through corruption (CPI) and national expenses on healthcare (HE). Structural equation

modeling through two mediational path models was used to test relationships between observable variables.

Results included statistically significant relationships between the number of women in government and lower levels of perceived corruption, between lower levels of perceived corruption and greater expenses spent on healthcare, and between greater expenses spent on healthcare and increased foreign direct investments countries attracted (see Figure 21).

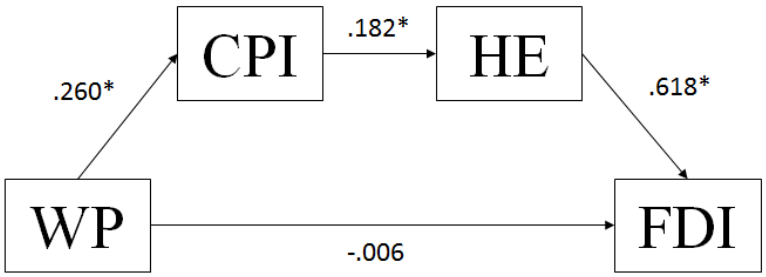

Figure 21. The results of a fully mediated path model. *Statistically significant, direct relationships included WP to CPI, CPI to HE, and HE to FDI at $p = 0.000$, $p = 0.014$, and $p = 0.000$, respectively.

Although no statistically significant direct relationship was identified between the number of women in government and foreign direct investment, significant study results included a fully mediated, indirect relationship from women in government to foreign direct investment. That is, as the number of women increased within

governments, levels of corruption decreased, national expenses on healthcare increased, and FDI in turn increased (see Table 15).

Table 15

Indirect Results from WP to FDI – C

	Estimate	S.E.	Est./S.E.	P-Value
Total	0.003	0.077	0.041	0.967
Total indirect	0.004	0.051	0.077	0.939
Specific indirect				
AFDI				
CPI				
WP	-0.005	0.017	-0.310	0.757
AFDI				
AAHE				
WP	-0.022	0.049	-0.448	0.654
AFDI				
AAHE				
CPI				
WP	0.031	0.016	1.968	0.049
Direct				
AFDI				
WP	-0.001	0.063	-0.011	0.991

Note. A statistically significant indirect relationship was identified between WP and FDI, (p = 0.049)

Chapter III answered the research question: What were the effects of women on corruption and foreign direct investment. As the independent variable, women in government was associated with lowered corruption, lower corruption was associated with increased national expenses on healthcare, increased expenses on healthcare was associated with higher levels of foreign direct investment, and higher levels of women were indirectly related to higher levels of foreign direct investment.

Chapter IV: What are Strategy Implications for USAID's Strategy on Democracy, Human Rights, and Governance as Related to the Current Research Results?

What is at stake here is changing the perception of women from just receivers of assistances to acknowledging women as vital untapped human resources. That is, using the results of this current research to inform practice decisions. As Hills (2006) stated "women should not just feature in the economy, they should shape it" (p. 161).

The current DRG strategy was reviewed in light of current dissertation findings. Based on previous and current research, four specific strategy recommendations to optimize the positive effect of women on perceived corruption were offered.

1. The DRG strategy should begin by recognizing women as a potential contributors to anticorruption efforts. Anticorruption efforts should not be limited to regulatory augmentation, but have a duty to also address prevention from a human resource development perspective. Because previous and current research supports the positive impact of women on perceived corruption, USAID has an obligation to recognize women as a potentially powerful anticorruption tool.

2. Because women often lack the skills needed to participate in governmental leadership, the DRG should support national strategic and integrated HRD efforts. For example, South Africa has made great strides in female representation in parliament, achieving a 44% ratio of women to men. However, the government continues to struggle to be completely gender-equitable. One significant barrier is the limited pool of women who possess the required skills (Hills, 2006). For example, "budget support can become a strong anticorruption instrument" (Ionescu, 2011, p. 402).

Just as global organizations may integrate their supply chains, human resource interventions must also strategically build on and support one another. That is, women cannot be trained to budget at the tertiary level if they did not have an adequate secondary education. Girls cannot receive an adequate secondary education without a primary education, and so on. Consistent with the DRG's commitment to cross-sector approaches, the DRG should support efforts in primary, secondary, and tertiary education to build needed human resources and promote hard skills such as budgeting.

3. As recommended by Frank et al. (2011) reforms at lower civil service levels should include a more targeted effort on involving women, not merely for equity reasons, but to reduce opportunities for fruitful corruption. As Collier (2007) stated, effects of corruption in the construction sector have increased costs and impeded economic growth. In holding, for example, a USAID-funded infrastructure program accountable, women as well as men from the community

should be involved in the oversight. Civil society organizations (CSO) should target women for meaningful membership.

Citizens who are intended beneficiaries of USAID programs should know what they are to receive (USAID, 2013). This could take the form of a beneficiary oversight committee or CSO. Arming a local CSO with the knowledge of intended receipts and gender equitable membership increases the likelihood that tax payer funds make it to the intended beneficiaries.

4. Because aid efforts have been more successful in countries where "governance and polices are already reasonable" (Collier, 2007, p. 102), USAID may have to make hard choices to invest where money actually can make a difference. "It is not just about giving these countries our money" (Collier, 2007, p. xi). The DRG should integrate an evaluation method to prioritize investments in countries who not only need aid, but have the potential to benefit from it. Although not uncontroversial (Collier, 2007), USAID can support governance conditionality. Related to corruption, this would entail incentivizing those countries already making strides recognizing and using women as an anticorruption tool. "We can do much more to strengthen the hand of the reformers" (Collier, 2007, p. xi) and to encourage countries to invest in their own female and male human resources.

Chapter IV answered the research question: What are implications for USAID's strategy on democracy, human rights, and governance as it relates to current research findings. The current USAID strategy document was reviewed and four specific recommendations were crafted. Once women are no longer seen as primarily

beneficiaries of interventions, the DRG strategy can move forward to fully integrate gender and support the existing systems-based approaches used by USAID.

Study Limitations

Although the CPI data produced by TI is widely cited by scholars, Gyimah-Brempong (2002) pointed out its limitations. Chiefly, corruption itself is near impossible to measure and not easily quantifiable. Furthermore, definitions of corruption are unlimited. Therefore researchers are left with measurements of *perceived* corruption. Lastly, the data used for this study - CPI scores - did not include African countries until after 1997 (Gyimah-Brempong, 2002). Although this research built on previous research with a more robust index for corruption, readers are encouraged to interpret results with caution. Specifically, CPI scores on African countries may not be as reliable as scores on other countries.

Additionally, the databases used in this study did not report the same number of countries. Reporting entities have differed on what geopolitical areas are considered *countries*. For example, in this study Palestine is not disaggregated from Israel and Kosovo is not disaggregated from Serbia. This limits the amount of disaggregated data available for areas not universally considered countries. Lastly, this data is macro in nature. It includes all countries and all regions of the world. Interpretations about specific regions or countries should be made with caution.

This research was cross-sectional and nonexperimental by design. Therefore it represented a snapshot in time. Although path diagrams suggest causal influences, SEM cannot identify cause better than other regression or factor analysis (Bowen and Guo,

2012). Although SEM has previously been referred to as causal modeling, this term is outdated. Furthermore, the results of an SEM analysis cannot generally be interpreted as causal effects (Kline, 2011).

Interpreting this dissertation research as a moral judgement regarding women as better than men would be a mistake. News of corrupt politicians continues to abound including the impeachment of Brazilian female President Dilma Rousseff. The charges against her include accusations she disguised a national budget deficit during her 2014 reelection (Lyons & Luhnow, 2016, April 23-24).

Recommendations for Future Research

Although this research began to address a void in scholarly literature, future research opportunities are unlimited. To begin with, future studies may attempt to explain the unexplained variance between current variables tested. Of particular interest is the unexplained variance between the number of women in government and corruption. Although this research confirmed and built on previous research regarding women and corruption, it explained a limited amount of variance. For example, Ionescu (2011) discussed corruption and "open networks of social capital" (p. 405). Perhaps women are less likely to participate in corrupt activities because they have less access to unchecked social capital (Ionescu, 2011). Vijayalakshmi (2008) tested the relationship between educational levels and attitudes toward corruption. Future research exploring variables such as access to social networks and educational levels may identify other influences on corruption.

For example Migheli (2014), in studying gender-based preferences in economies, concluded that women prefer greater regulatory measures than men. "While women's representation in policy-making roles appears to matter, there is little agreement about what determines it" (Mavisakalan, 2014, p. 301). Perhaps part of the reason greater women in governments is statistically related to lowered corruption is not because women are more virtuous. Maybe it is more related to women's with greater government regulation.

Other research may include analyzing the tested variables in different ways. These ways could include looking at different geographic regions such as Sub-Saharan Africa, Latin America and the Caribbean, Middle East and North Africa, Western Europe, and Asia independently. Additionally, the same variables may be analyzed by development level as categorized by the HDR. Analysis could be done for those countries identified as low development through higher development.

Conclusion

This dissertation study accomplished three goals. It identified a gap in literature regarding women, corruption, and FDI. SEM results included statistically significant relationships between the number of women in government and lower levels of perceived corruption, between lower levels of perceived corruption and greater expenses spent on healthcare, and between greater expenses spent on healthcare and increased foreign direct investments countries attracted. Although no statistically significant direct relationship was identified between the number of women in government and foreign direct investment, significant study results included a fully mediated, indirect

relationship between them. That is, as the number of women increased within governments, levels of corruption decreased, national expenses on healthcare increased, and FDI in turn increased. Lastly, this scholarly research was applied to practice through four practical and specific recommendations for USAID's Strategy on Democracy, Human Rights, and Governance, as related to fighting corruption through human resource development efforts.

More generally, this research can serve as empirical evidence on which HRD professionals can base practice decisions. Evidenced-based national HRD interventions may include crafting gender-specific international efforts that not only reduce inequalities, but also may contribute to economic development. That is, potential solutions for an economic challenge – increasing FDI – may be addressed from a HRD perspective; investing in the development of the female workforce to achieve economic improvements.

Countries desiring to improve corruption, healthcare, and foreign direct investment metrics, may consider implementing strategic national HRD efforts. This includes national policies equally vertically integrating the development of men and women. Donor countries, including the U.S., should consider incorporating women as a potentially powerful anticorruption effort into their aid strategy. What is at stake here is widening the conversation about women. No longer should women be seen as just receivers of assistances. Above all, this research requires readers to acknowledge women as vital, although often underdeveloped, human resources.

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APPENDIX A

Alt HealthWatch	ERIC	Funk & Wagnalls New World Encyclopedia
MedicLatina	ATLA Religion Database	Health Source: Nursing/Academic Edition
AgeLine	MasterFILE Premier	Health Source - Consumer Edition
Agricola	Avery Index to Architectural Periodicals	Legal Collection
MAS Ultra - School Edition	Educational Administration Abstracts	Human Resources Abstracts
LGBT Life with Full Text	GreenFILE	Fish, Fisheries & Aquatic Biodiversity Worldwide
Gender Studies Database	American Antiquarian Society (AAS) Historical Periodicals Collection: Series 1	American Theological Library Association (ATLA) Historical Monographs Collection: Series 1
MagillOnLiterature Plus	Library, Information Science & Technology Abstracts with Full Text	Bibliography of Native North Americans
Computer Source	Business Source Complete	Information Science & Technology Abstracts (ISTA)
Academic Search Complete	Home Improvement Reference Center	Hobbies & Crafts Reference Center
Arctic & Antarctic Regions	Abstracts in Social Gerontology	Dentistry & Oral Sciences Source
Film & Television Literature Index with Full Text	International Security & Counter Terrorism Reference Center	Family & Society Studies Worldwide
International Bibliography of Theatre & Dance with Full Text	Child Development & Adolescent Studies	Hospitality & Tourism Complete
Environment Complete	Left Index	Family Studies Abstracts
EconLit with Full Text	Book Review Digest Plus (H.W. Wilson)	eBook Collection (EBSCOhost)
Biological & Agricultural Index Plus (H.W. Wilson)	Education Index Retrospective: 1929-1983 (H.W. Wilson)	Humanities & Social Sciences Index

		Retrospective: 1907-1984 (H.W. Wilson)
Essay and General Literature Index (H.W. Wilson)	Applied Science & Technology Index Retrospective: 1913-1983 (H.W. Wilson)	Essay and General Literature Retrospective (H.W. Wilson)
Book Review Digest Retrospective: 1903-1982 (H.W. Wilson)	Art Index Retrospective (H.W. Wilson)	Ergonomics Abstracts
Alternative Press Index	Library Literature & Information Science Retrospective: 1905-1983 (H.W. Wilson)	Humanities Full Text (H.W. Wilson)
General Science Full Text (H.W. Wilson)	Alternative Press Index Archive	Education Full Text (H.W. Wilson)
Mental Measurements Yearbook with Tests in Print	Chicano Database	Art Source
Education Source	Applied Science & Technology Source	Legal Source
Library & Information Science Source	Humanities Source	Anthropological Literature
America: History and Life with Full Text	Historical Abstracts with Full Text	American Antiquarian Society (AAS) Historical Periodicals Collection: Series 2
American Antiquarian Society (AAS) Historical Periodicals Collection: Series 3	American Antiquarian Society (AAS) Historical Periodicals Collection: Series 4	American Antiquarian Society (AAS) Historical Periodicals Collection: Series 5
American Theological Library Association (ATLA) Historical Monographs Collection: Series 2	Arte Público Hispanic Historical Collection: Series 1	Arte Público Hispanic Historical Collection: Series 2
Caribbean Search	Central & Eastern European Academic Source	Business Continuity & Disaster Recovery Reference Center
Civil War Primary Source Documents	Bloomberg Businessweek Archive	British Education Index
Communication Source	CINAHL Complete	Criminal Justice Abstracts with Full Text

Fuente Académica Premier	Energy & Power Source	Entrepreneurial Studies Source
MasterFILE Complete	Legal Information Reference Center	Food Science Source
Literary Reference Center Plus	Fonte Acadêmica	Jewish Studies Source
Forbes Archive	MEDLINE Complete	Business Abstracts with Full Text (H.W. Wilson)
Gateway to North America: People, Places, and Organizations of 19th-Century New York	Texas A&M University General Libraries – Test Catalog	Texas A&M University General Libraries – Test Catalog
AHFS Consumer Medication Information	America: History & Life	Arab World Research Source
Engineering Source	Index Islamicus	Library, Information Science & Technology Abstracts
Literary Reference Center	MEDLINE	Middle Eastern & Central Asian Studies
Middle Search Plus	Military & Government Collection	MLA Directory of Periodicals
MLA International Bibliography	Music Index	Newspaper Source
Newspaper Source Plus	Newswires	NTIS
OmniFile Full Text Mega (H.W. Wilson)	Peace Research Abstracts	Petroleum Abstracts TULSA® Database
Philosopher's Index	Play Index (H.W. Wilson)	Political Science Complete
Primary Search	Professional Development Collection	PsycARTICLES
PsycBOOKS	PsycCRITIQUES	Psychology and Behavioral Sciences Collection
PsycINFO	Public Administration Abstracts	Public Affairs Index
Race Relations Abstracts	Readers' Guide Full Text Mega (H.W. Wilson)	Readers' Guide Retrospective: 1890-1982 (H.W. Wilson)
Regional Business News	Religion and Philosophy Collection	Revolutionary War Era Orderly Books from the New-York Historical Society
RILM Abstracts of Music Literature	Risk Management Reference Center	Science & Technology Collection

Science Full Text Select (H.W. Wilson)	Shock & Vibration Digest	Short Story Index (H.W. Wilson)
Short Story Index Retrospective: 1915-1983 (H.W. Wilson)	Social Sciences Full Text (H.W. Wilson)	SocINDEX with Full Text
SPORTDiscus with Full Text	Teacher Reference Center	Texas Reference Center
Textile Technology Complete	The Nation Archive	The National Review Archive
The New Republic Archive	The Serials Directory	TOPICsearch
Urban Studies Abstracts	Vente et Gestion	Violence & Abuse Abstracts
Vocational and Career Collection	Vocational Studies Complete	Web News
Wildlife & Ecology Studies Worldwide	Women's Studies International	Historical Abstracts with Full Text Alumni Edition

APPENDIX B

Country/Territory	Country/Territory
Afghanistan	Bulgaria
Albania	Burkina Faso
Algeria	Burundi
Andorra	Cambodia
Angola	Cameroon
Antigua and Barbuda	Canada
Argentina	Cape Verde
Armenia	Central African Republic
Australia	Chad
Austria	Chile
Azerbaijan	China
Bahamas	Colombia
Bahrain	Comoros
Bangladesh	Congo
Barbados	Congo (Democratic Republic of the)
Belarus	Costa Rica
Belgium	Côte d'Ivoire
Belize	Croatia
Benin	Cuba
Bhutan	Cyprus
Bolivia (Plurinational State of)	Czech Republic
Bosnia and Herzegovina	Denmark
Botswana	Djibouti
Brazil	Dominica
Brunei Darussalam	Dominican Republic

Country/Territory	Country/Territory
Ecuador	Iceland
Egypt	India
El Salvador	Indonesia
Equatorial Guinea	Iran (Islamic Republic of)
Eritrea	Iraq
Estonia	Ireland
Ethiopia	Israel
Fiji	Italy
Finland	Jamaica
France	Japan
Gabon	Jordan
Gambia	Kazakhstan
Georgia	Kenya
Germany	Kiribati
Ghana	Korea (Democratic People's Rep. of)
Greece	Korea (Republic of)
Grenada	Kosovo
Guatemala	Kuwait
Guinea	Kyrgyzstan
Guinea-Bissau	Lao People's Democratic Republic
Guyana	Latvia
Haiti	Lebanon
Honduras	Lesotho
Hong Kong, China (SAR)	Liberia
Hungary	Libya

Country/Territory	Country/Territory
Liechtenstein	New Zealand
Lithuania	Nicaragua
Luxembourg	Niger
Madagascar	Nigeria
Malawi	Norway
Malaysia	Oman
Maldives	Pakistan
Mali	Palau
Malta	Panama
Marshall Islands	Papua New Guinea
Mauritania	Paraguay
Mauritius	Peru
Mexico	Philippines
Micronesia (Federated States of)	Poland
Moldova (Republic of)	Portugal
Monaco	Puerto Rico
Mongolia	Qatar
Montenegro	Romania
Morocco	Russian Federation
Mozambique	Rwanda
Myanmar	Saint Kitts and Nevis
Namibia	Saint Lucia
Nauru	Saint Vincent and the Grenadines
Nepal	Samoa
Netherlands	San Marino

Country/Territory	Country/Territory
Sao Tome and Principe	The former Yugoslav Republic of Macedonia
Saudi Arabia	Timor-Leste
Senegal	Togo
Serbia	Tonga
Seychelles	Trinidad and Tobago
Sierra Leone	Tunisia
Singapore	Turkey
Slovakia	Turkmenistan
Slovenia	Tuvalu
Solomon Islands	Uganda
Somalia	Ukraine
South Africa	United Arab Emirates
South Sudan	United Kingdom
Spain	United States
Sri Lanka	Uruguay
Sudan	Uzbekistan
Suriname	Vanuatu
Swaziland	Venezuela (Bolivarian Republic of)
Sweden	Viet Nam
Switzerland	Yemen
Syrian Arab Republic	Zambia
Taiwan	Zimbabwe
Tajikistan	
Tanzania (United Republic of)	
Thailand	