



Exploring the Trajectory from Causes to Outcomes of Totalitarian Corporate Governance in the Context of Iran's Capital Market

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Abstract

The purpose of this study is to present a framework for understanding the trajectory from causes to outcomes of totalitarian corporate governance within the context of Iran's capital market. From a methodological perspective, this study is considered a mixed-method investigation and, through the implementation of the grounded theory process based on the approach of Anselm Strauss and Juliet Corbin (1998), seeks to provide a paradigmatic framework for a deeper understanding of corporate governance mechanisms in Iran's capital market. Through expert interviews and the execution of three stages of coding, the study attempted to identify five dimensions—including causal conditions, contextual conditions, intervening conditions, strategies, and consequences—within a theoretical framework. Subsequently, using a simple random sampling method, financial managers and heads of accounting departments of capital market companies, on the one hand, and technical experts of the capital market, on the other hand, were selected as the target population of the quantitative section of the study. The developed checklists, based on the convergence of core components with the identified conceptual themes, were distributed among these participants in order to establish paradigmatic dimensions through rotated matrix combinations and exploratory/confirmatory factor analysis coefficients. The research findings, following interviews and the three-stage coding process conducted to present the identified dimensions within a paradigmatic framework, utilized two criteria—Content Validity Index (CVI) and test–retest reliability coefficient—to confirm the identification of 65 conceptual themes derived from 401 open codes generated during the interviews, organized into 13 core components and 6 structural categories within the paradigmatic model. Furthermore, after conducting exploratory and confirmatory factor analyses indicating satisfactory structural model fit, the convergence among core components in relation to the identified conceptual themes was also confirmed through orthogonal and oblique rotation processes in factor analysis and through the integration of matrix scales with a five-point Likert scale. These findings demonstrate that the proposed paradigmatic model possesses generalizability within the study context. The results obtained from the final paradigmatic model indicate that the development and expansion of totalitarian corporate governance within the capital market may be the outcome of endogenous and exogenous functions that create the conditions for the growth and expansion of authoritarian corporations. Such corporations prioritize the preservation of the interests of founders and power structures emerging at the apex of capital market companies, while disregarding the interests of minority shareholders and investors.

Keywords: *Totalitarian Corporate Governance; Grounded Theory; Structural Goodness-of-Fit Evaluation*

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1. Introduction

The evolution of corporate governance in modern financial systems has increasingly transformed from a purely managerial and supervisory mechanism into a

multidimensional structure deeply intertwined with political authority, ownership concentration, ideological influence, and institutional control. In contemporary capital markets, corporate governance is no longer restricted to protecting shareholder interests or ensuring managerial accountability;



rather, it has become an arena in which various power structures attempt to preserve economic dominance and institutional influence. This transformation has raised significant concerns regarding the emergence of governance systems that gradually adopt authoritarian and totalitarian characteristics within organizational and financial structures. Such governance systems are often associated with the concentration of decision-making power, the suppression of transparency, the weakening of independent monitoring mechanisms, and the prioritization of political and institutional interests over stakeholder welfare [1-3].

The concept of totalitarianism has traditionally been discussed within political philosophy and sociological theories of power. However, recent transformations in organizational behavior, ownership concentration, and capital market governance have extended the applicability of this concept into the domain of corporate governance. Theoretical discussions originating from the works of Gramsci concerning hegemony and domination emphasized that power structures can preserve authority not merely through coercion but also through ideological normalization and institutional control [4]. Similarly, critical organizational scholars have argued that corporate systems may reproduce hegemonic mechanisms by constructing cultures of obedience, managerial centralization, and institutional dependency [5, 6]. These perspectives suggest that organizations can gradually develop governance structures resembling totalitarian systems in which independent oversight, pluralism, and participatory decision-making are systematically weakened.

The increasing centralization of governance power in corporations has become one of the major concerns in recent corporate governance literature. Studies have shown that governance rigidity, excessive managerial dominance, and concentration of ownership significantly increase the probability of governance failure and unethical organizational conduct [1, 2]. When boards of directors lose independence and become instruments of dominant ownership groups or political coalitions, governance systems tend to prioritize preservation of power over accountability and transparency. This condition facilitates the emergence of hidden organizational structures in which strategic decisions are aligned with the interests of dominant actors rather than the broader interests of shareholders and stakeholders [7, 8]. In emerging markets, particularly those characterized by institutional weaknesses and politically connected ownership structures, such governance

arrangements may intensify information opacity, financial manipulation, and market instability [9, 10].

Within capital market environments, ownership concentration constitutes one of the most important mechanisms contributing to the formation of governance possessiveness and authoritarian managerial behavior. Concentrated ownership structures may provide controlling shareholders with opportunities to influence board composition, suppress transparency, and manipulate disclosure practices in favor of institutional interests [8, 10]. These conditions become particularly problematic when regulatory systems lack sufficient independence and effectiveness to monitor managerial actions. The resulting imbalance between ownership power and accountability may generate governance systems in which minority shareholder rights are systematically undermined and market integrity becomes increasingly vulnerable [3, 9]. Consequently, corporate governance evolves from a mechanism of accountability into a mechanism of power preservation.

The relationship between managerial entrenchment and information opacity has also attracted substantial scholarly attention. Research has demonstrated that entrenched managers often attempt to preserve their authority through selective disclosure, suppression of negative information, and manipulation of organizational narratives [9, 11]. In such contexts, information asymmetry becomes a strategic instrument used to reduce external monitoring and weaken market discipline. The concentration of informational power within dominant governance structures increases the likelihood of earnings management, financial misclassification, and strategic distortion of financial reports [12, 13]. These practices contribute not only to the erosion of investor confidence but also to broader economic consequences such as liquidity crises, capital market instability, and increased systemic risk.

Corporate governance literature has further emphasized that board independence is one of the most critical safeguards against managerial dominance and governance authoritarianism. Independent boards are theoretically expected to reduce conflicts of interest, strengthen accountability, and improve transparency. Nevertheless, in environments characterized by institutional capture or political interference, the formal existence of independent boards may not necessarily guarantee effective oversight [7]. Board members may become symbolically independent while remaining practically dependent on dominant ownership groups or political actors. Such pseudo-

independence creates governance systems that outwardly appear compliant with governance standards while internally operating according to centralized and exclusionary power structures. These dynamics align closely with the concept of governance totalitarianism, in which institutional mechanisms are preserved formally but lose substantive effectiveness.

The emergence of governance systems with authoritarian characteristics has become increasingly relevant in the context of emerging and transitional economies. In many developing capital markets, governance systems are influenced by political networks, family ownership structures, institutional monopolies, and informal alliances that weaken transparency and reinforce power concentration [14]. Research on governance possessiveness in family firms has shown that governance systems often become instruments for maintaining ideological loyalty and preserving the influence of dominant actors rather than promoting organizational efficiency or stakeholder welfare [14]. Similarly, studies on related-party transactions indicate that concentrated governance systems create opportunities for opportunistic behavior, asset tunneling, and preferential allocation of resources [15]. Such practices are particularly dangerous in capital markets where regulatory oversight remains fragmented and institutional accountability mechanisms lack operational independence.

The Iranian capital market presents a unique context for examining the emergence of totalitarian corporate governance because it simultaneously exhibits characteristics of concentrated ownership, institutional dependency, political influence, and weak governance transparency. Although significant efforts have been made to develop corporate governance principles in the Iranian capital market, numerous structural challenges continue to undermine the effectiveness of governance mechanisms [16]. The coexistence of governmental ownership structures, politically connected firms, family-based managerial networks, and limited transparency has generated conditions conducive to the expansion of governance centralization and institutional dominance. Under such circumstances, governance structures may gradually evolve toward authoritarian configurations that prioritize power preservation over market efficiency and stakeholder rights.

Studies concerning totalitarian systems and authoritarian structures provide important theoretical foundations for understanding these governance transformations. Political and sociological analyses of totalitarianism emphasize that totalitarian systems emerge when institutional diversity

declines, independent oversight weakens, and hegemonic structures dominate social and organizational life [17, 18]. Hannah Arendt's theoretical perspective on totalitarianism also emphasized the destruction of empathy, pluralism, and independent judgment within authoritarian systems [19, 20]. When these ideas are applied to corporate governance, they suggest that governance totalitarianism may emerge through mechanisms such as suppression of dissenting managerial perspectives, monopolization of decision-making, and institutionalized concealment of information. Such conditions reduce organizational adaptability and increase vulnerability to systemic crises.

Recent global developments have further intensified concerns regarding the interaction between governance systems and authoritarian tendencies. Discussions surrounding "totalitarian accounting," governance misconduct, and institutional manipulation illustrate how financial systems can become instruments of political and ideological power [21, 22]. These developments demonstrate that authoritarian governance is not limited to political institutions but may also penetrate financial systems and organizational structures. In such environments, accounting systems, governance frameworks, and disclosure mechanisms may be manipulated to reinforce institutional authority and suppress transparency. Consequently, governance systems become increasingly resistant to accountability and external monitoring.

The relationship between governance centralization and organizational misconduct has become another major topic in governance research. Empirical evidence indicates that excessive concentration of governance authority significantly increases the probability of corporate misconduct, unethical decision-making, and strategic concealment of information [1]. Similarly, governance rigidity and monitoring failures have been associated with reduced organizational responsiveness and increased governance inefficiency [2]. These findings indicate that governance systems characterized by excessive concentration of power are more likely to generate opportunistic managerial behavior and institutional instability. Such outcomes are particularly severe in capital markets because they directly influence investor confidence, market liquidity, and economic stability.

The role of civil society and independent institutions in resisting authoritarian governance has also been emphasized in sociological studies. Research on civil society in Eastern European contexts demonstrated that independent institutions and participatory governance structures play a

crucial role in limiting authoritarian expansion and preserving institutional accountability [23]. In the absence of such institutional counterbalances, governance systems may become increasingly centralized and resistant to reform. Organizational studies similarly indicate that teamworking and participatory managerial systems often fail when dominant structures prioritize obedience and hierarchical control over collaboration and transparency [24]. These dynamics illustrate how governance totalitarianism can gradually become embedded within organizational cultures and institutional routines.

Methodologically, the complexity and hidden nature of totalitarian corporate governance require analytical approaches capable of identifying latent mechanisms, contextual conditions, and multidimensional relationships among governance variables. Grounded theory provides an appropriate methodological framework for exploring such complex organizational phenomena because it enables researchers to extract conceptual themes and paradigmatic relationships directly from empirical experiences and expert interpretations [25]. Since totalitarian governance structures often operate implicitly through hidden institutional arrangements and informal power networks, exploratory qualitative methodologies are particularly valuable for uncovering their underlying mechanisms. Furthermore, the integration of qualitative and quantitative approaches allows researchers to move beyond descriptive analysis and assess the structural generalizability of the identified paradigmatic dimensions.

Theoretical discussions concerning organizational power systems further support the relevance of studying totalitarian governance structures within corporations. Systems characterized by centralized control and rigid governance arrangements often exhibit declining adaptability, weakened institutional resilience, and increasing organizational entropy [18, 26]. Over time, these systems become more vulnerable to crises because excessive concentration of authority reduces informational diversity and impairs organizational learning. Consequently, governance totalitarianism not only undermines transparency and accountability but may also increase systemic instability and economic vulnerability.

The practical implications of understanding totalitarian corporate governance are substantial for policymakers, regulators, investors, and governance professionals. Identifying the causal, contextual, intervening, strategic, and consequential dimensions of governance authoritarianism may help regulators strengthen governance transparency,

improve institutional accountability, and reduce opportunities for governance manipulation. In emerging capital markets such as Iran, where governance reforms continue to face structural and institutional barriers, understanding the mechanisms underlying governance totalitarianism is essential for promoting sustainable market development and protecting stakeholder rights [16, 27]. Moreover, improving governance structures may reduce information asymmetry, strengthen investor trust, and enhance market integrity.

Despite the growing importance of this issue, there remains a significant theoretical and empirical gap regarding the identification of the causal trajectory from the emergence of totalitarian corporate governance to its organizational and economic consequences. Most previous studies have examined isolated governance variables such as ownership concentration, managerial dominance, board independence, or information disclosure independently, without providing an integrated paradigmatic explanation of how these dimensions interact to produce governance totalitarianism [3, 8, 9]. Furthermore, few studies have specifically explored this phenomenon within the context of Iran's capital market using a mixed-method grounded theory approach. Therefore, the present study seeks to develop a paradigmatic framework explaining the trajectory from causes to outcomes of totalitarian corporate governance in the context of Iran's capital market.

2. Methodology

In terms of methodological orientation, the present study was designed as a developmental, exploratory, and mixed-method investigation. From the perspective of research outcomes, the study is considered developmental because it sought to explain the emergence of totalitarian corporate governance as a latent phenomenon within Iran's capital market and to develop a paradigmatic theoretical framework encompassing causal conditions, contextual conditions, intervening conditions, strategies, and consequences. From the perspective of research objectives, the study was exploratory in nature because no prior study had directly examined the totalitarian dimensions of corporate governance within the capital market structure. Therefore, the study employed grounded theory methodology to identify conceptual themes, core components, and structural categories through interview-based inquiry and a three-stage coding process. In terms of data type, the study adopted a mixed-method design in which the qualitative phase

preceded the quantitative phase. In the qualitative phase, the grounded theory approach proposed by Anselm Strauss and Juliet Corbin (1998) was used to construct the theoretical framework. Following the confirmation of validity and reliability based on the Content Validity Ratio (CVR) and test–retest reliability coefficient, the quantitative phase was conducted in order to examine the generalizability of the identified dimensions through Partial Least Squares Structural Equation Modeling (PLS-SEM).

The participants in the qualitative phase consisted of experts in finance and capital market studies who participated jointly in interviews and validity/reliability evaluation procedures. The sampling strategy in this phase was based on snowball sampling, with a strong emphasis on selecting individuals possessing adequate expertise and professional competence. To ensure the appropriateness of expert selection, both general and specialized eligibility criteria were considered. The general criteria included possession of a doctoral degree in finance, accounting, or capital market–related disciplines from reputable national or international universities, as well as sufficient availability and willingness to engage in extensive discussions with the researchers after becoming familiar with the study objectives. The specialized criteria required participants to possess substantial theoretical knowledge regarding corporate governance and related accounting theories through teaching or professional experience in advanced accounting and financial management fields. In addition, preference was given to individuals with prior familiarity with qualitative and phenomenological research methods, either as researchers or participants, in order to strengthen interpretive interactions and facilitate conceptual discussions during the interview process.

Participant selection continued through snowball referrals until theoretical saturation was achieved, meaning that additional interviews no longer generated new conceptual insights or expanded the previously identified open codes. Based on this criterion, twenty-two experts with substantial lived and professional experience in finance and capital market governance participated in the qualitative phase of the study. To enhance interaction quality and maximize interpretive synergy among participants, the interviews were conducted according to a structured scheduling protocol that facilitated continuous engagement throughout the coding and analytical procedures.

Following the completion of the qualitative phase, the quantitative phase focused on financial managers and heads of accounting departments of companies operating in Iran's

capital market, as well as technical experts active in the capital market sector. Because the exact population size of these groups was unknown, Cochran's sample size formula for unknown populations was employed to determine the required sample size. Using a confidence level associated with a standard normal value of 1.96, an estimated population variance of 0.50, and a measurement error probability of 0.05, the minimum required sample size was calculated as 384 participants. To compensate for potential non-response and unusable questionnaires, an additional 10% distribution margin was considered following the recommendation of Niles (2006). Accordingly, 435 questionnaires were distributed through trusted intermediaries functioning as information gatekeepers. A total of 402 questionnaires were returned, of which 390 questionnaires met the criteria for statistical analysis after excluding incomplete or distorted responses. The final response rate was 92.41%, while the analytical usability rate of the returned questionnaires reached 97.01%.

Data collection in the qualitative phase was conducted through unstructured and semi-structured interviews designed in accordance with the progression of the coding process within grounded theory methodology. The interview questions were continuously refined during the analytical process in order to facilitate the extraction of conceptual themes, core components, and structural categories associated with the phenomenon of totalitarian corporate governance. The interviews focused on identifying hidden mechanisms, endogenous and exogenous influences, governance structures, strategic orientations, and organizational consequences related to authoritarian tendencies within capital market corporations. During the open coding stage, interview transcripts were analyzed immediately after each session to identify primary concepts and conceptual themes. Subsequently, axial coding was employed to classify conceptually related themes into core categories, while selective coding integrated these categories into broader structural dimensions constituting the paradigmatic framework of the study. This iterative process enabled the systematic integration of conceptual patterns emerging from expert experiences and interpretations.

To evaluate the validity and reliability of the qualitative findings, two criteria were utilized. Content validity was assessed using the Content Validity Ratio (CVR), while reliability was examined through a test–retest reliability procedure. The qualitative analysis ultimately resulted in the identification of 65 conceptual themes derived from 401 open codes, which were subsequently organized into 13 core

components and 6 structural categories within the paradigmatic model. These categories represented the dimensions of causal conditions, contextual conditions, intervening conditions, strategic actions, and consequences associated with totalitarian corporate governance in the Iranian capital market.

In the quantitative phase, a researcher-developed checklist based on the core components and conceptual themes identified during the qualitative phase was designed and distributed among participants. The checklist was constructed using matrix-based scales that were later converted into five-point Likert scales for statistical analysis. The instrument was intended to evaluate the convergence and structural coherence of the paradigmatic dimensions extracted from grounded theory analysis. The quantitative instrument therefore functioned as an operational extension of the qualitative findings, enabling the researchers to empirically assess the structural relationships among the identified dimensions of the proposed paradigmatic framework.

The qualitative data analysis process was conducted according to the grounded theory approach of Anselm Strauss and Juliet Corbin (1998). Data analysis began simultaneously with data collection and followed the three-stage coding process consisting of open coding, axial coding, and selective coding. In the open coding stage, interview transcripts were fragmented into initial conceptual units and primary meanings. During axial coding, conceptually similar themes were grouped into coherent categories and core components based on their relationships and analytical similarities. Finally, selective coding integrated the identified categories into a paradigmatic framework capable of explaining the emergence and development of totalitarian corporate governance within the context of Iran's capital market. The analytical objective throughout this process was to achieve conceptual integration and theoretical coherence among the identified categories and dimensions.

The quantitative phase employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using WarpPLS software in order to evaluate the structural goodness-of-fit of the proposed paradigmatic model. Exploratory factor analysis and confirmatory factor analysis were conducted to examine the factorial structure and convergence of the identified components. Rotated factor loadings were estimated through orthogonal and oblique rotation procedures to assess the alignment between conceptual themes and core components. The matrix-based scales were transformed into five-point Likert scales to facilitate factor analysis procedures and structural estimation. In addition, Cronbach's alpha coefficients were calculated using IBM SPSS Statistics software to evaluate the reliability of the principal paradigmatic dimensions. The combined analytical procedures were intended to assess the structural adequacy, internal consistency, and generalizability of the paradigmatic framework developed for understanding totalitarian corporate governance within Iran's capital market.

3. Findings and Results

In line with the research objectives and the explanatory methodological design, the first part of the findings presents the classification of similar open codes into conceptual themes, core components, and paradigmatic categories. Through expert interviews and the three-stage coding process of open, axial, and selective coding, the study examined the emergence of totalitarian corporate governance as a hidden phenomenon in the capital market. Although the preliminary narrative of the source refers to 359 open codes, the final coding summary reports 401 open codes, from which 65 conceptual themes, 13 core components, and 6 structural categories were extracted and organized within the paradigmatic model.

Table 1. Classification of Conceptual Themes, Core Components, and Paradigmatic Categories of Totalitarian Corporate Governance

Paradigmatic condition	Structural category	Core component	Conceptual themes and coding frequency
Causal conditions for the emergence of totalitarian corporate governance	Endogenous structural causes of the expansion of governance totalitarianism	Ownership opportunism	Obtaining higher benefits from contracts with institutional companies (7); changing the nature of investment from the capital market to the money market (6); transferring secured financial resources to the supply of cryptocurrencies (6); engaging in transactions with related parties (7); exploiting concentration on bulk sales (8)
Causal conditions for the emergence of totalitarian corporate governance	Endogenous structural causes of the expansion of governance totalitarianism	Covering managerial weaknesses	Covering investment inefficiencies (7); concealing operational errors in the optimal use of production capacity (6); keeping the outcomes of managerial overconfidence decisions ambiguous (5); protecting managerial entrenchment (6); covering the accumulation of assets and current accounts (5)

Causal conditions for the emergence of totalitarian corporate governance	Exogenous structural causes of the expansion of governance totalitarianism	Institutional ineffectiveness	Absence of necessary mechanisms for selecting board members (5); lack of supervisory structuring in specialist alignment with board member selection (5); absence of necessary guidelines for evaluating board performance (5); unregulated family-based or political appointments to the board of directors (7); lack of integration in board tenure as a control mechanism (6)
Causal conditions for the emergence of totalitarian corporate governance	Exogenous structural causes of the expansion of governance totalitarianism	Structural abnormalities	Lack of culture-building for an integrated governance flow (8); establishment of holding companies and affiliated companies (7); promotion of ownership-based shareholding structures (5); disregard for majority shareholders' rights (5); growth in the establishment of satellite companies (6)
Contextual conditions for the emergence of totalitarian corporate governance	Systemic thinking in board formation	Exclusivist ideologies	Commitment to the principle of loyalty in board appointments (5); homogenization of board approaches with the positions of power structures (7); maintaining influence over governance decision-making (6); ownership interference in board composition (8); preventing the formation of a specialized board of directors (8)
Contextual conditions for the emergence of totalitarian corporate governance	Systemic thinking in board formation	Governance entrenchment	Restricting board membership to politically dependent characteristics (6); maintaining the lack of board independence (5); keeping board size small (7); concealing information about board members (6); minimizing the number of board meetings (8)
Intervening conditions for the emergence of totalitarian corporate governance	Hidden orientations in the governance structure	Market politicization	Multiplicity of companies affiliated with the public sector (7); prioritizing political interests over economic interests in market governance (6); political collusion in industrial tenders and auctions (5); exploiting international financial sanctions to bypass laws (6); allocating preferential currency to institutionally affiliated companies (5)
Intervening conditions for the emergence of totalitarian corporate governance	Hidden orientations in the governance structure	Ineffectiveness of media functions	Lack of coverage of news and information on weak corporate performance (7); absence of independent news media for reflecting news and information (6); failure to disclose open legal cases against companies (7); failure to report financial violations by companies and board members in capital market news (8); failure to reflect judicial rulings against company owners (7)
Strategies for the emergence of totalitarian corporate governance	Drivers of the formation of totalitarian structures	Financial stimulation	Approval of multiplied remuneration for appointed board members (6); side payments to board members (5); increasing the shareholding percentage of board members (8); allocating governance-based preemptive rights (5); making the board of directors a partner in the company's net profit (8)
Strategies for the emergence of totalitarian corporate governance	Drivers of the formation of totalitarian structures	Performance-oriented persuasion	Disseminating positive news (6); promoting managerial optimism (6); depicting development prospects (5); magnifying competitive achievements (6); presenting corporate entrepreneurship reports (6)
Outcomes of the emergence of totalitarian corporate governance	Uncertainty regarding investment capacities in the capital market	Information distortions	Concealing negative news (6); lack of comparability of financial statements (7); selective disclosure of information (8); multiple prior-period adjustments to accounts (6); increased earnings management (6)
Outcomes of the emergence of totalitarian corporate governance	Uncertainty regarding investment capacities in the capital market	Market crises	Increased problems related to bankruptcy risk (5); reduced operating cash flow (6); expansion of external financing constraints (6); increased probability of stock price crash (5); intensification of liquidity risk (6)
Outcomes of the emergence of totalitarian corporate governance	Uncertainty regarding investment capacities in the capital market	Economic crises	Increased stagflation (6); expansion of financial fraud (5); increased probability of money-laundering networks (5); stock price bubbles caused by collusion related to share offerings (6); violation of minority shareholders' rights (5)

The qualitative coding process therefore showed that 401 open codes were reduced to 65 conceptual themes, which were then organized into 13 core components and finally into 6 structural categories. This process may be summarized as follows: 401 open codes obtained from interviews led to 65 conceptual themes through open coding; these conceptual themes led to 13 core components through axial coding; and

the 13 core components were then integrated into 6 structural categories through selective coding.

Based on the system output of themes, components, and categories related to the central phenomenon of the study, the confirmed criteria were cognitively rearranged within the paradigmatic model after the assessment of validity and reliability.

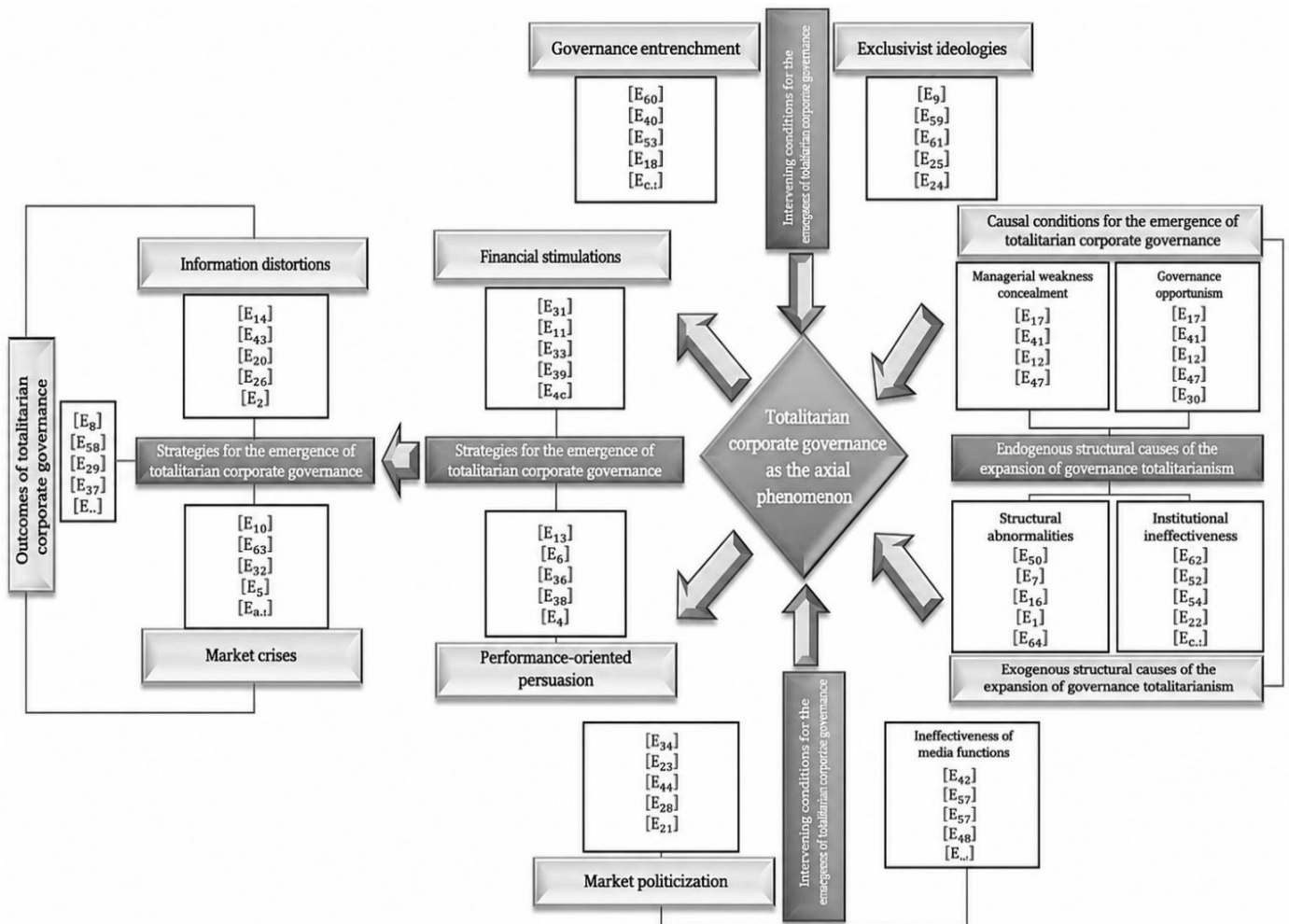


Figure 1. Paradigmatic Model of Totalitarian Corporate Governance in the Capital Market

After presenting the framework of totalitarian corporate governance in the capital market, exploratory factor analysis and confirmatory factor analysis were used to examine whether the main criteria were adequately grounded in the identified conceptual themes. Factorial validity in this stage refers to the extent to which the dimensions extracted from the qualitative phase have construct validity and can be generalized to capital market companies after being confirmed through the Content Validity Ratio (CVR) and test–retest reliability. Factor analysis was therefore used to determine whether the checklist of identified indicators had adequate measurement capacity in the study context. In the exploratory factor analysis stage, the Kaiser–Meyer–Olkin (KMO) measure and Bartlett’s test of sphericity were assessed. The KMO coefficient was 0.815, Bartlett’s chi-square coefficient was 1303.1725, the degree of freedom

was 705, and the significance level was 0.000. Since the KMO value was above 0.50 and the significance level was below 0.01, the sample adequacy and the suitability of the data for exploratory factor analysis were confirmed.

The matrix-based checklist was constructed using the abbreviation “E” for the 65 conceptual themes. The matrix scale was converted into a five-point Likert scale so that equal preference between i and j was scored as 1, slight preference of i over j was scored as 2, intermediate or neutral preference was scored as 3, stronger preference of i over j was scored as 4, and very strong preference of i over j was scored as 5. Accordingly, the repeated preference patterns in the corresponding matrices were used to estimate the rotated matrix and determine the number of main components based on the conceptual themes.

Table 2. Exploratory Factor Analysis Diagnostics and Total Variance Explained

EFA item / factor	Initial eigenvalue or coefficient	Initial variance (%)	Initial cumulative variance (%)	Rotated eigenvalue	Rotated variance (%)	Rotated cumulative variance (%)
KMO sample adequacy coefficient	0.815	—	—	—	—	—
Bartlett’s chi-square coefficient	1303.1725	—	—	—	—	—
Bartlett’s test degree of freedom	705	—	—	—	—	—
Significance level	0.000	—	—	—	—	—
Factor 1	10.365	14.107	14.107	11.182	15.276	15.276
Factor 2	9.121	12.463	26.750	10.021	13.328	28.604
Factor 3	8.260	10.837	37.587	9.214	11.473	40.077
Factor 4	7.761	9.524	47.111	8.555	10.329	50.406
Factor 5	6.319	8.810	55.921	7.836	9.716	60.122
Factor 6	6.319	7.218	63.139	7.184	8.003	68.125
Factor 7	5.414	6.928	70.067	6.528	7.007	75.132
Factor 8	5.091	6.118	76.185	6.097	6.336	81.468
Factor 9	4.647	5.541	81.726	5.155	5.691	87.159
Factor 10	3.515	4.628	86.354	4.731	4.715	91.874
Factor 11	2.604	3.282	89.636	3.332	3.418	95.292
Factor 12	1.948	2.319	91.955	2.222	2.392	97.684
Factor 13	1.137	2.189	94.144	2.003	2.316	100.00
Factor 14	0.964	2.021	96.165	—	—	—
Factor 15	0.751	2.000	98.165	—	—	—
Factor 16	0.618	1.835	100.00	—	—	—

The variance results showed that 13 eigenvalues were greater than 1. These 13 values indicate the number of main axes or checklist components aligned with the conceptual themes identified in the qualitative phase. The cumulative variance coefficient for the first 13 factors was 94.144%, indicating that the proportional validity between the conceptual themes and the core components identified in the qualitative phase was supported. The findings therefore confirmed that the 65 conceptual themes could be organized into 13 core components in the paradigmatic model.

After this stage, all core components were examined through the squared diagonal coefficients of rotated factor loadings using the Varimax method. The abbreviation “H” was used for each core component and “C” was used for the corresponding structural category. The rotated factor-loading results indicated the extent to which the core components were meaningfully aligned with the structural categories of the paradigmatic model.

Table 3. Squared Diagonal Coefficients of the Rotated Factor Matrix Using the Varimax Method

Component	Core component	Paradigmatic dimension	Rotated diagonal loading
H1	Ownership opportunism	Causal conditions / endogenous structural causes	0.524
H2	Covering managerial weaknesses	Causal conditions / endogenous structural causes	0.605
H3	Institutional ineffectiveness	Causal conditions / exogenous structural causes	0.529
H4	Structural abnormalities	Causal conditions / exogenous structural causes	0.437
H5	Exclusivist ideologies	Contextual conditions / systemic thinking	0.451
H6	Governance entrenchment	Contextual conditions / systemic thinking	0.615
H7	Market politicization	Intervening conditions / hidden orientations	0.721
H8	Ineffectiveness of media functions	Intervening conditions / hidden orientations	0.658
H9	Financial stimulation	Strategies / drivers of totalitarian structures	0.819
H10	Performance-oriented persuasion	Strategies / drivers of totalitarian structures	0.555
H11	Information distortions	Outcomes / uncertainty regarding investment capacities	0.756
H12	Market crises	Outcomes / uncertainty regarding investment capacities	0.369
H13	Economic crises	Outcomes / uncertainty regarding investment capacities	0.639

The rotated matrix was interpreted as supporting the alignment of the identified dimensions with the paradigmatic structure, including causal conditions, contextual conditions, intervening conditions, strategies, and outcomes of totalitarian corporate governance in the capital market. However, three reported coefficients, namely H4, H5, and H12, were below the 0.50 threshold mentioned in the source text and should be reviewed before final statistical reporting.

In the second stage, confirmatory factor analysis was conducted to evaluate the extent to which the observed data confirmed the factor structure. Confirmatory factor analysis examines the number of factors and the loadings of measured variables on those factors and determines whether the dimensions are consistent with the theoretical structure and identified categories. Based on the LISREL output summarized below, the model was interpreted as having acceptable fit.

Table 4. Confirmatory Factor Analysis Indices and Reliability Coefficients

Assessment block	Indicator / component	Abbreviation	Standard criterion	Reported value	Interpretation
Confirmatory factor analysis	Chi-square to degrees of freedom ratio	X ² /df	Less than 3.00	2.27	Model confirmation fit supported
Confirmatory factor analysis	P-value	P-value	Greater than 0.05	1.89	Model confirmation fit supported
Confirmatory factor analysis	Goodness-of-Fit Index	GFI	Greater than 0.90	1.23	Model confirmation fit supported
Confirmatory factor analysis	Adjusted Goodness-of-Fit Index	AGFI	Greater than 0.90	1.17	Model confirmation fit supported
Confirmatory factor analysis	Normed Fit Index	NFI	Greater than 0.90	1.02	Model confirmation fit supported
Confirmatory factor analysis	Comparative Fit Index	CFI	Greater than 0.90	0.94	Model confirmation fit supported
Reliability analysis	Ownership opportunism	H1	Cronbach's alpha	0.726	Acceptable reliability
Reliability analysis	Covering managerial weaknesses	H2	Cronbach's alpha	0.831	Acceptable reliability
Reliability analysis	Institutional ineffectiveness	H3	Cronbach's alpha	0.805	Acceptable reliability
Reliability analysis	Structural abnormalities	H4	Cronbach's alpha	0.722	Acceptable reliability
Reliability analysis	Exclusivist ideologies	H5	Cronbach's alpha	0.754	Acceptable reliability
Reliability analysis	Governance entrenchment	H6	Cronbach's alpha	0.716	Acceptable reliability
Reliability analysis	Market politicization	H7	Cronbach's alpha	0.777	Acceptable reliability
Reliability analysis	Ineffectiveness of media functions	H8	Cronbach's alpha	0.723	Acceptable reliability
Reliability analysis	Financial stimulation	H9	Cronbach's alpha	0.901	High reliability
Reliability analysis	Performance-oriented persuasion	H10	Cronbach's alpha	0.854	Acceptable reliability
Reliability analysis	Information distortions	H11	Cronbach's alpha	0.711	Acceptable reliability
Reliability analysis	Market crises	H12	Cronbach's alpha	0.849	Acceptable reliability
Reliability analysis	Economic crises	H13	Cronbach's alpha	0.777	Acceptable reliability

After the confirmation of the factor indices, the reliability of the checklist used for the structural goodness-of-fit assessment was examined. Reliability indicates the extent to which the measurement instrument assesses stable characteristics rather than temporary or unstable features. In this study, Cronbach's alpha was used to determine internal consistency.

Before distributing the final checklist for formal analysis, 30 checklists were administered to participants in the second phase to assess reliability using SPSS. The resulting coefficients showed that the component-based checklist derived from the conceptual themes had adequate reliability.

The coding distribution further showed that ownership opportunism included 5 open-code clusters with 34

repetitions and a frequency distribution of 8.478%; covering managerial weaknesses included 5 open-code clusters with 29 repetitions and a frequency distribution of 7.231%; institutional ineffectiveness included 5 open-code clusters with 28 repetitions and a frequency distribution of 6.982%; structural abnormalities included 5 open-code clusters with 31 repetitions and a frequency distribution of 7.730%; exclusivist ideologies included 5 open-code clusters with 34 repetitions and a frequency distribution of 8.478%; governance entrenchment included 5 open-code clusters with 32 repetitions and a frequency distribution of 7.980%; market politicization included 5 open-code clusters with 29 repetitions and a frequency distribution of 7.231%; ineffectiveness of media functions included 5 open-code clusters with 35 repetitions and a frequency distribution of 8.728%; financial stimulation included 5 open-code clusters with 31 repetitions and a frequency distribution of 7.730%; performance-oriented persuasion included 5 open-code

clusters with 30 repetitions and a frequency distribution of 7.481%; information distortions included 5 open-code clusters with 33 repetitions and a frequency distribution of 8.229%; market crises included 5 open-code clusters with 28 repetitions and a frequency distribution of 6.982%; and economic crises included 5 open-code clusters with 27 repetitions and a frequency distribution of 6.733%. Overall, the causal conditions accounted for 122 repetitions, the contextual conditions for 66 repetitions, the intervening conditions for 64 repetitions, the strategies for 61 repetitions, and the outcomes for 88 repetitions, producing a total of 401 coded repetitions.

After reliability was confirmed, WarpPLS was used to assess the final goodness-of-fit of the structural model and to answer the research question of whether the paradigmatic model explaining the emergence of totalitarian corporate governance as a hidden phenomenon in the capital market had adequate structural desirability.

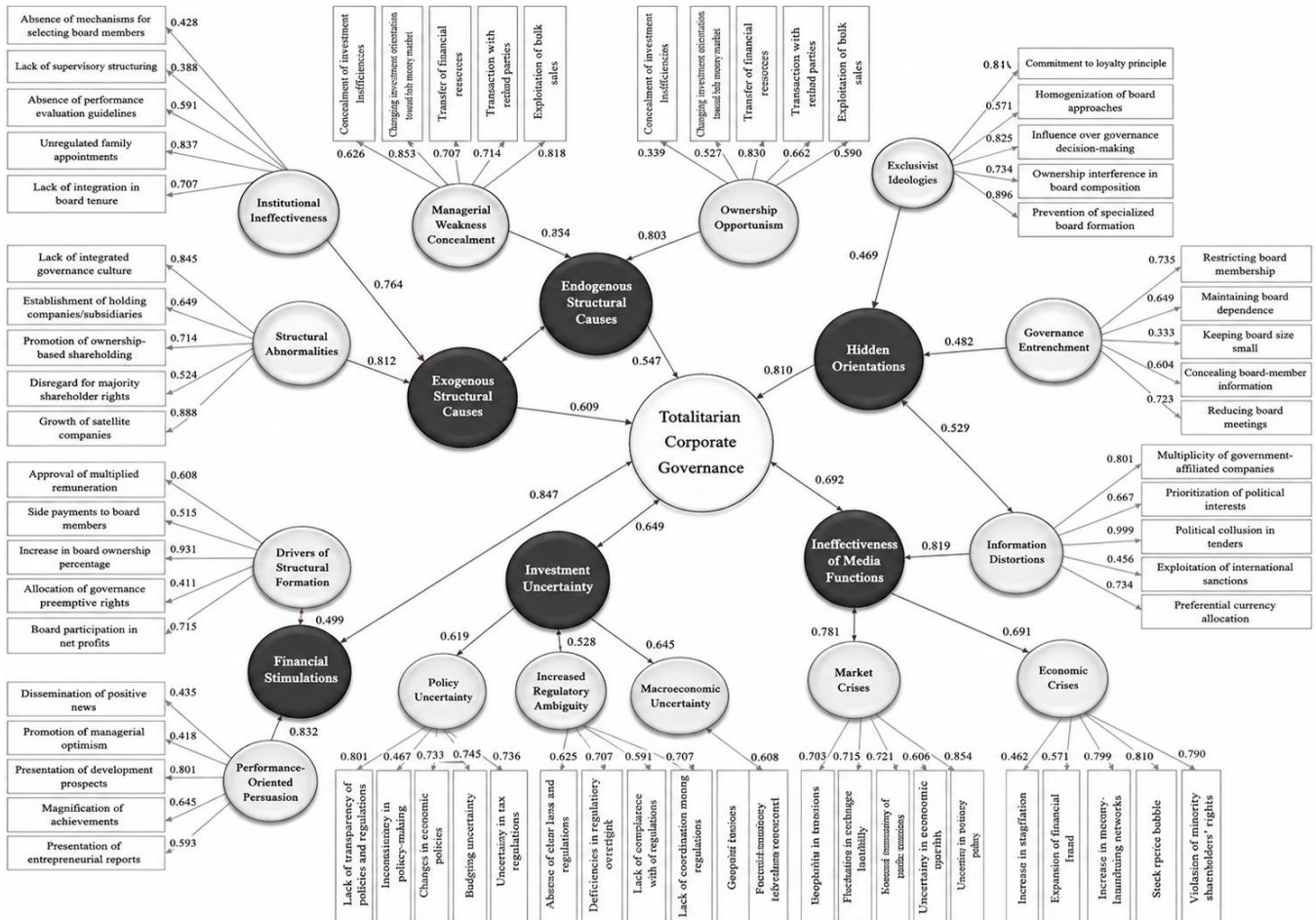


Figure 2. Final Structural Goodness-of-Fit Model for Determining the Paradigmatic Dimensions of the Totalitarian Corporate Governance Framework in the Capital Market

Based on the final structural model, the overall effects of the constructs across categories, axes, and paradigmatic themes indicated that the structural goodness-of-fit of the proposed paradigmatic framework could be confirmed. The

reported factor-loading coefficients exceeded the threshold used in the source interpretation, and the structural model indices were then analyzed.

Table 5. Structural Goodness-of-Fit Indices of the Model

Paradigmatic category	Core component	Abbreviation	Related conceptual themes	Composite reliability	AVE	Communality
Endogenous structural causes	Ownership opportunism	H1	E17; E41; E12; E47; E30	0.83	0.77	0.63
Endogenous structural causes	Covering managerial weaknesses	H2	E9; E59; E61; E25; E24	0.81	0.76	0.69
Exogenous structural causes	Institutional ineffectiveness	H3	E62; E52; E54; E22; E51	0.80	0.75	0.58
Exogenous structural causes	Structural abnormalities	H4	E50; E7; E16; E1; E64	0.75	0.74	0.61
Systemic thinking	Exclusivist ideologies	H5	E19; E65; E25; E27; E15	0.78	0.75	0.70
Systemic thinking	Governance entrenchment	H6	E60; E40; E53; E18; E55	0.84	0.77	0.64
Hidden orientations	Market politicization	H7	E34; E23; E44; E28; E21	0.78	0.71	0.59
Hidden orientations	Ineffectiveness of media functions	H8	E42; E56; E57; E48; E46	0.74	0.70	0.57
Drivers of totalitarian structures	Financial stimulation	H9	E31; E11; E33; E39; E45	0.90	0.84	0.68
Drivers of totalitarian structures	Performance-oriented persuasion	H10	E13; E6; E36; E38; E4	0.82	0.76	0.62
Uncertainty regarding investment capacities	Information distortions	H11	E14; E43; E20; E26; E3	0.86	0.80	0.70
Uncertainty regarding investment capacities	Market crises	H12	E10; E63; E32; E5; E49	0.76	0.70	0.60
Uncertainty regarding investment capacities	Economic crises	H13	E8; E58; E29; E37; E2	0.77	0.71	0.59

The reported structural fit coefficients showed that all axes of the model, as structural criteria of totalitarian corporate governance in the capital market, were significant and indicated appropriate model fit. In addition, discriminant

validity was examined through the square root of the extracted variance. The lower-triangular matrix of discriminant-validity coefficients is presented below.

Table 6. Discriminant-Validity Matrix of the Core Components

Component	H1	H2	H3	H4	H5	H6	H7	H8	H9	H10	H11	H12	H13
H1	0.726	—	—	—	—	—	—	—	—	—	—	—	—
H2	0.527	0.836	—	—	—	—	—	—	—	—	—	—	—
H3	0.345	0.283	0.637	—	—	—	—	—	—	—	—	—	—
H4	0.757	0.339	0.459	0.409	—	—	—	—	—	—	—	—	—
H5	0.540	0.261	0.858	0.738	0.226	—	—	—	—	—	—	—	—
H6	0.261	0.164	0.327	0.410	0.113	0.449	—	—	—	—	—	—	—
H7	0.258	0.949	0.221	0.815	0.563	0.833	0.642	—	—	—	—	—	—
H8	0.203	0.205	0.097	0.930	0.838	0.952	0.940	0.864	—	—	—	—	—
H9	0.310	0.409	0.119	0.089	0.333	0.247	0.517	0.759	0.439	—	—	—	—
H10	0.296	0.522	0.271	0.930	0.830	0.889	0.565	0.696	0.726	0.459	—	—	—
H11	0.601	0.300	0.221	0.384	0.384	0.455	0.513	0.558	0.734	0.897	0.903	—	—
H12	0.868	0.950	0.719	0.843	0.098	0.187	0.568	0.904	0.543	0.952	0.438	0.330	—
H13	0.254	0.295	0.360	0.448	0.579	0.912	0.941	0.746	0.837	0.167	0.950	0.704	0.643

Based on the reported positive coefficients and their interpretation in the source findings, all 13 core components

were considered to have meaningful effects on totalitarian corporate governance in the capital market. The findings

therefore confirmed the goodness-of-fit and generalizability of the paradigmatic model. In other words, the reliability and validity evidence indicated that the theoretical framework had sufficient coherence to explain why totalitarian corporate governance emerges in the capital market and how it progresses from causal conditions to economic and market-level consequences.

Overall, after the Content Validity Ratio, test–retest reliability, exploratory factor analysis, confirmatory factor analysis, Cronbach’s alpha, and structural goodness-of-fit assessment were completed, the final paradigmatic model was presented as an explanatory basis for understanding the emergence of totalitarian corporate governance and the consequences it may produce in the economic system. The use of the combined matrix–Likert checklist enabled the study to validate the number of core components derived from open coding and to generalize the identified dimensions to the context of Iran’s capital market. The results showed that the paradigmatic dimensions had sufficient structural capacity to function as a strategic roadmap for policymakers, regulators, investors, and corporate governance analysts seeking to understand and control totalitarian governance tendencies in capital market companies.

4. Discussion and Conclusion

The findings of the present study demonstrated that totalitarian corporate governance in the context of Iran’s capital market emerges through a multidimensional interaction among endogenous structural causes, exogenous structural causes, systemic thinking patterns, hidden orientations, structural formation drivers, and investment uncertainty outcomes. The paradigmatic model extracted through grounded theory and validated through structural equation modeling confirmed that the concentration of governance authority, institutional inefficiency, managerial concealment, and ownership opportunism collectively create a governance environment in which authoritarian organizational structures can gradually develop. The results further indicated that the consequences of such governance systems extend beyond organizational inefficiency and include information distortions, market crises, economic instability, erosion of shareholder rights, and increased systemic uncertainty in the capital market. These findings suggest that totalitarian corporate governance should not be understood merely as an organizational anomaly, but rather as a structural phenomenon rooted in institutional, political,

managerial, and informational dimensions of governance systems.

One of the most important findings of this study concerned the role of endogenous structural causes in the emergence of totalitarian corporate governance. The results showed that managerial weakness concealment and ownership opportunism significantly contributed to the expansion of governance authoritarianism. These findings are consistent with studies emphasizing the relationship between managerial dominance and governance rigidity [1, 2]. In governance systems characterized by concentrated power and weak accountability, managers often attempt to preserve authority by concealing operational inefficiencies, manipulating information flows, and limiting external monitoring. The findings also align with the work of [7], who demonstrated that reduced board independence intensifies managerial dominance and weakens governance accountability. Similarly, the results support arguments presented by [12] and [13], who identified opportunistic managerial behavior and earnings manipulation as major outcomes of weak monitoring systems. The present study extends these perspectives by demonstrating that such opportunistic behaviors are not isolated financial practices but rather components of a broader totalitarian governance structure.

The findings regarding ownership opportunism also revealed that concentrated ownership structures facilitate the emergence of governance systems that prioritize the interests of dominant actors over stakeholder welfare. This finding is strongly aligned with previous research concerning ownership concentration and minority shareholder vulnerability [8, 10]. When governance structures become excessively dependent on controlling shareholders or politically affiliated ownership networks, transparency decreases and governance systems become increasingly exclusionary. Such findings also correspond with the concept of governance possessiveness discussed by [14], who argued that ownership concentration in family and politically connected firms reinforces authoritarian managerial tendencies. In the present study, ownership opportunism manifested through related-party transactions, strategic resource transfers, and selective investment orientation, indicating that governance systems may intentionally redirect organizational resources to preserve institutional power rather than promote economic efficiency.

Another important finding concerned the role of exogenous structural causes, particularly institutional ineffectiveness and structural abnormalities. The results

demonstrated that the absence of effective supervisory mechanisms, weak board-selection structures, lack of governance integration, and the expansion of holding-company networks significantly contributed to the formation of totalitarian governance structures. These findings support previous studies emphasizing the importance of institutional accountability and governance transparency in preventing managerial domination [3, 16]. Weak institutional frameworks create opportunities for governance systems to evolve toward centralized and authoritarian configurations because monitoring systems become symbolic rather than operationally effective. The findings are also compatible with the critical organizational perspective proposed by [5], who argued that hegemonic corporate cultures often emerge when organizational structures suppress pluralism and reinforce hierarchical obedience. Similarly, the findings correspond with the notion of corporate hegemony discussed by [6], where organizational systems gradually become instruments of power consolidation rather than mechanisms of accountability.

The role of systemic thinking and hidden orientations represented another major dimension of the findings. The study revealed that exclusivist ideologies, governance entrenchment, market politicization, and ineffective media functions significantly strengthened totalitarian governance tendencies. These findings indicate that governance authoritarianism is not limited to financial or managerial structures but is deeply intertwined with ideological and political mechanisms. The results are theoretically consistent with Gramsci's conception of hegemony, which emphasizes the role of ideological dominance in sustaining systems of power [4]. Within corporate governance structures, ideological homogenization and loyalty-based appointments reduce organizational diversity and suppress independent judgment, thereby facilitating authoritarian governance behavior. The findings also correspond with the analysis of totalitarian systems presented by [17] and [18], who argued that authoritarian systems maintain stability through conformity, institutional control, and suppression of dissenting perspectives.

The significance of governance entrenchment in the findings also reinforces previous literature concerning board dependence and monitoring failure. The results indicated that restricting board membership, reducing board independence, concealing board-member information, and limiting governance interactions intensify the concentration of authority within governance systems. These findings align closely with [7], who demonstrated that weak board

independence strengthens managerial dominance. They are also consistent with the findings of [2], which showed that governance rigidity reduces organizational adaptability and increases monitoring inefficiency. In the present study, governance entrenchment functioned as a mechanism through which governance systems gradually transformed into closed structures resistant to transparency and accountability. This suggests that governance totalitarianism may emerge incrementally through the normalization of dependence and exclusion within governance arrangements.

The findings concerning market politicization further highlighted the interaction between political power and governance structures. The study showed that politically affiliated companies, preferential allocation of economic resources, and political collusion in market processes contribute significantly to governance authoritarianism. These findings are compatible with research emphasizing the influence of political connections on governance quality and stakeholder rights [3, 10]. In politically influenced governance systems, economic decisions often become subordinate to ideological and institutional priorities rather than market rationality. Such dynamics weaken governance transparency and create environments in which accountability mechanisms are systematically undermined. The findings also correspond with sociological analyses of authoritarian systems that emphasize the role of institutional monopolies in preserving centralized power structures [23].

The study additionally found that ineffective media functions and information distortions played a critical role in reinforcing totalitarian governance systems. Concealment of negative news, selective disclosure of information, and failure to report corporate violations significantly contributed to investment uncertainty and market instability. These findings strongly align with prior studies concerning information opacity and selective disclosure [9, 11]. The findings suggest that information asymmetry functions not merely as a market inefficiency but as a strategic instrument for preserving governance authority and reducing external scrutiny. This result also supports the arguments of [12], who showed that governance weaknesses increase the probability of financial misclassification and reporting distortions. In the context of the present study, information distortions became mechanisms through which governance systems maintained legitimacy while concealing structural inefficiencies and opportunistic behaviors.

The findings related to structural formation drivers also demonstrated that financial stimulations and performance-oriented persuasion contribute to the stabilization of

totalitarian governance structures. Governance systems characterized by disproportionate remuneration, board participation in net profits, and performance exaggeration create incentives that reinforce loyalty and dependence among governance actors. These findings support critical perspectives concerning the ideological and economic reproduction of corporate hegemony [5, 6]. Furthermore, the results correspond with studies showing that governance systems emphasizing symbolic performance and optimistic narratives often conceal deeper structural weaknesses [1, 2]. Performance-oriented persuasion therefore functions as a legitimizing mechanism through which authoritarian governance structures maintain organizational support despite declining transparency and accountability.

One of the most significant dimensions of the findings involved the consequences of totalitarian corporate governance. The study demonstrated that governance authoritarianism generates investment uncertainty through information distortions, market crises, and economic crises. The increase in bankruptcy risk, liquidity risk, stock-price collapse probability, and financial fraud indicates that governance totalitarianism produces consequences extending beyond individual firms and affecting the broader capital market system. These findings strongly support the arguments of [9], who linked governance opacity with declining market integrity, and also align with the findings of [13], who emphasized the relationship between opportunistic managerial behavior and financial distress. The present study further extends this literature by demonstrating that investment uncertainty itself may become a structural outcome of authoritarian governance arrangements.

The findings also have important implications from the perspective of political and organizational theory. The emergence of governance systems characterized by conformity, centralized authority, ideological loyalty, and informational control reflects many characteristics associated with totalitarian systems in broader sociopolitical literature [19, 20]. Hannah Arendt's perspective on the decline of empathy and independent judgment in totalitarian systems becomes particularly relevant in understanding how governance structures gradually normalize exclusionary and authoritarian behavior. Similarly, the systemic instability emphasized by [26] is reflected in the increasing uncertainty and organizational fragility identified in the findings of this study. The results therefore suggest that totalitarian corporate governance should be interpreted as both an organizational and systemic phenomenon with implications

for financial stability, institutional legitimacy, and social trust.

Methodologically, the findings also confirmed the suitability of grounded theory for exploring hidden governance phenomena. The use of open, axial, and selective coding enabled the study to identify latent governance dimensions that are often overlooked in conventional quantitative governance research. The integration of qualitative grounded theory with structural equation modeling further strengthened the analytical rigor of the study by validating the paradigmatic relationships among the identified dimensions. This methodological combination corresponds with the recommendations of [25], who emphasized the importance of developing theoretical explanations directly from empirical realities. The findings therefore demonstrate that mixed-method grounded theory approaches can provide deeper insight into complex governance structures characterized by hidden power dynamics and multidimensional interactions.

Overall, the findings of the present study indicate that totalitarian corporate governance emerges through the interaction of institutional weakness, governance centralization, ownership opportunism, ideological conformity, political interference, and informational manipulation. These dimensions collectively generate governance systems that prioritize preservation of power over transparency, accountability, and stakeholder welfare. The study therefore contributes to the corporate governance literature by presenting a comprehensive paradigmatic framework capable of explaining the trajectory from causal conditions to organizational and economic consequences within the context of Iran's capital market.

One of the main limitations of the present study was the difficulty of accessing highly transparent governance information and unrestricted managerial perspectives due to the sensitive nature of governance structures in capital market companies. Some participants may also have exercised caution in expressing opinions regarding politically connected governance mechanisms or hidden institutional relationships. In addition, the study was conducted within the specific institutional context of Iran's capital market, which may limit the direct generalizability of the findings to other economic systems with different regulatory and governance environments. Another limitation concerned the complexity of measuring hidden governance orientations and ideological dimensions, since such constructs often operate informally and are not fully observable through conventional governance indicators.

Future research should examine totalitarian corporate governance comparatively across different emerging and developed capital markets in order to identify similarities and differences in authoritarian governance mechanisms. Researchers may also investigate the role of digital governance technologies, artificial intelligence, and algorithmic monitoring in either strengthening or weakening governance authoritarianism. Longitudinal studies could provide deeper insight into how governance totalitarianism evolves over time and how institutional reforms influence governance structures. Future studies should additionally explore the relationship between governance authoritarianism and variables such as organizational resilience, investor psychology, sustainability performance, and financial market volatility.

From a practical perspective, policymakers and market regulators should strengthen governance transparency mechanisms, increase board independence requirements, and improve institutional monitoring systems in order to reduce the risk of governance authoritarianism. Developing independent media and disclosure institutions may also enhance informational accountability and reduce opportunities for selective disclosure and governance manipulation. Capital market organizations should implement governance education programs emphasizing ethical accountability, stakeholder protection, and transparent managerial behavior. Furthermore, establishing stronger protections for minority shareholders and improving regulatory oversight of politically connected firms may reduce the structural conditions facilitating the emergence of totalitarian corporate governance in capital market systems.

Authors' Contributions

Authors equally contributed to this article.

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Declaration of Interest

The authors report no conflict of interest.

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Ethical Considerations

All procedures performed in this study were under the ethical standards.

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