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Developing a Conflict of Interest Management Model in the Iranian Customs Administration

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Abstract

This study aimed to develop a context-specific grounded theory model for managing conflicts of interest in the Iranian customs administration by identifying its causal conditions, contextual conditions, intervening conditions, strategies, and consequences. This applied qualitative study was conducted using the grounded theory approach. The study population consisted of experts and specialists in Tehran with extensive professional knowledge and experience in customs administration, management, supervision, legal affairs, regulation, or conflict of interest. Participants were selected through purposive and theoretical sampling. Inclusion criteria included at least 10 years of relevant professional experience, a master's degree or higher, direct familiarity with customs structures and processes, and willingness to participate. In-depth semi-structured interviews were conducted with 12 experts. Data collection and analysis were performed concurrently, and theoretical saturation was reached at the ninth interview; three additional interviews were conducted to confirm saturation. Data were analyzed through initial, axial, and selective coding using the constant comparative method. Trustworthiness was addressed through credibility, transferability, dependability, and confirmability procedures. Analysis of the interviews generated 180 final codes that were organized into 21 categories and five overarching dimensions. Causal conditions included regulatory ambiguity and legal gaps, concentration of discretionary authority, personal and economic interests, weaknesses in human-resource governance, and weak accountability mechanisms. Contextual conditions comprised procedural complexity, organizational fragmentation, information asymmetry, and incomplete digitalization. Intervening conditions included managerial commitment, ethical culture and employee awareness, supervisory capacity, and external administrative and economic pressures. The identified strategies consisted of developing an integrated legal-regulatory framework, disclosure and risk-based identification, structural and human-resource controls, digital transparency and intelligent monitoring, and strengthened oversight, education, enforcement, and reporting. The principal consequences were improved institutional integrity and accountability, increased operational efficiency and decision quality, and enhanced institutional legitimacy and public trust. Conflict of interest management in Iranian customs should be approached as an integrated governance system combining legal, organizational, technological, human-resource, ethical, and supervisory mechanisms rather than as a narrowly disciplinary response to individual misconduct.

Keywords: Conflict of Interest, Customs Administration, Grounded Theory, Public Governance, Administrative Transparency, Digital Monitoring, Iran

1. Introduction

Conflict of interest has become one of the most consequential governance challenges confronting contemporary public administration because it affects the impartiality of decision-making, the legitimacy of administrative action, the allocation of public resources, and citizens' trust in government institutions. A conflict of interest emerges when an individual entrusted with public responsibilities simultaneously possesses private, professional, financial, familial, organizational, or other interests that may influence, or may reasonably be perceived to influence, the objective performance of official duties. Although the existence of a conflict of interest does not necessarily imply corruption or misconduct, unmanaged conflicts can create conditions in which public authority is used selectively, administrative discretion becomes vulnerable to private influence, and organizational decisions depart from principles of fairness, transparency, and public value. For this reason, contemporary approaches increasingly conceptualize conflict of interest management not merely as a disciplinary or anti-corruption mechanism but as an integrated component of public governance involving regulation, disclosure, accountability, organizational design, human-resource management, technological monitoring, ethical culture, and institutional oversight (Jafari Nia et al., 2022; Niazpour, 2022; Niyazpour, 2021).

The significance of conflict of interest is particularly pronounced in public institutions whose employees exercise substantial discretionary authority and whose decisions have direct financial consequences for individuals and organizations. Public officials may encounter situations in which their official duties intersect with personal relationships, financial incentives, prior professional affiliations, future employment prospects, secondary occupations, or informal networks. Jafari Nia et al. emphasize that conflicts of interest among public officials can assume multiple forms and cannot be adequately understood through a narrow definition restricted to explicit financial gain (Jafari Nia et al., 2022). Accordingly, effective governance requires the identification of actual, potential, and perceived conflicts and the development of organizational procedures for their disclosure, assessment, mitigation, and monitoring. Iranian legal scholarship has similarly highlighted the need to move from fragmented responses toward an explicit legal and criminal-policy framework for managing conflicts arising in public duties and services (Niazpour, 2022; Niyazpour, 2021). Such an approach is particularly important in administrative environments where complex procedures, multiple stakeholders, and discretionary decisions make conflicts difficult to identify after they have already affected organizational outcomes.

From a theoretical perspective, conflict of interest can also be understood through the broader problem of divergence between the interests of principals and agents. Agency relationships arise whenever decision-making authority is delegated to actors whose preferences or incentives may not completely coincide with those of the individuals or institutions on whose behalf they act. Research examining corporate governance has demonstrated that governance mechanisms become particularly important when managers, owners, and other stakeholders possess different incentives and information (Karimi & Roshani Gilavani, 2022; Mohammadi et al., 2026). Although public administration differs fundamentally from corporate governance, a comparable logic applies when officials exercise delegated public authority. Government employees and managers act as stewards of public authority, yet information asymmetry, discretion, weak monitoring, and competing incentives may create circumstances in which private or organizational interests interfere with public responsibilities. Studies of financial and organizational relationships further indicate that conflicts among stakeholders can influence institutional performance and that carefully designed governance mechanisms are needed to reduce their adverse consequences (Amiri et al., 2022; Karimi & Roshani Gilavani, 2022). Therefore, conflict of interest management requires attention not only to individual ethics but also to institutional arrangements that shape incentives, information, accountability, and decision-making authority.

This issue is especially relevant to customs administration. Customs organizations occupy a strategic position at the intersection of government regulation, international trade, fiscal policy, border control, economic security, taxation, and private commercial activity. Their decisions can determine the classification and valuation of goods, the amount of duties payable, the applicability of exemptions, the inspection intensity applied to consignments, the speed of clearance, and the legal status of imports and exports. Consequently, customs officials frequently operate in circumstances where administrative decisions have immediate and sometimes substantial economic consequences. The complexity of customs regulations, the technical nature of tariff classification and valuation, the involvement of customs brokers and commercial representatives, and the necessity for case-specific professional judgment can increase the scope of administrative discretion. When such discretion is combined with insufficient transparency, overlapping institutional responsibilities, or inadequate monitoring, the organizational environment may become particularly susceptible to conflicts between public obligations and private interests.

The Iranian customs environment possesses additional characteristics that make the development of a context-sensitive conflict of interest management model necessary. One important issue concerns fragmentation across government information systems and administrative structures. Fragmentation can create duplicated responsibilities, inconsistent information, gaps in accountability, and difficulties in tracing decisions across organizational boundaries. Recent research on Iranian public administration has identified fragmentation and lack of integration among government systems as an important governance problem that can weaken coherence and the effective use of administrative data (Parsa, 2026). In the customs context, such fragmentation may be especially consequential because clearance and regulatory processes frequently involve interactions among customs offices, ministries, licensing bodies, banks, transport organizations, tax authorities, regulatory agencies, and private economic actors. Where information is dispersed among different organizational systems, the capacity to detect unusual relationships, identify recurring patterns of preferential treatment, or establish accountability for particular administrative decisions may be reduced.

Digital transformation provides significant opportunities to address some of these vulnerabilities. Public administration is increasingly moving toward integrated digital systems capable of improving transparency, standardizing administrative processes, reducing unnecessary human intervention, and generating traceable records of decisions. Evidence from governmental digital transformation research indicates that carefully coordinated digital policies can contribute to improved governance performance, particularly where digital initiatives are integrated rather than implemented as isolated technological interventions (Li & Zhang, 2026). Similarly, digital transformation has been associated with the potential to enhance public value through improved institutional readiness, governance pathways, and administrative capabilities (Nwaigwe et al., 2026). Sustainable digital transformation, however, requires more than technological adoption. It depends upon organizational capacity, clear governance arrangements, process redesign, employee competencies, institutional coordination, and long-term implementation frameworks (Eisinger Balassa & Buics, 2026). These considerations are directly relevant to customs administration because electronic customs systems can reduce opportunities for selective human intervention only when their design ensures transparency, interoperability, auditability, and limited possibilities for unauthorized manual override.

The emergence of artificial intelligence and algorithmic governance further expands the possibilities and challenges associated with administrative monitoring. Algorithmic systems can potentially detect anomalous transaction patterns, identify repeated relationships between decision-makers and regulated actors, classify high-risk cases, and support risk-based allocation of administrative resources. At the same time, algorithmic administration introduces new legal and ethical requirements related to accountability, explainability, proportionality, fairness, and human oversight (Pavlidis & Kastanas, 2026). Research on algorithmic governance similarly demonstrates that technological systems can reshape institutional decision-making and policy implementation, requiring careful alignment between technological capacities and human-centered governance principles (Kunwar, 2026). Weerts also emphasizes that the expanding use of generative artificial intelligence in public administration is occurring alongside a regulatory awakening, reinforcing the necessity of embedding new technologies within coherent legal and institutional safeguards (Weerts, 2025). These developments suggest that digital and intelligent monitoring could become important components of conflict of interest management in customs organizations, but only if technological tools are embedded within clearly defined legal responsibilities and transparent decision structures.

A related challenge is the gap that frequently emerges between technological adoption and institutional governance. Organizations may acquire digital tools faster than they develop the policies, competencies, accountability mechanisms, and organizational cultures necessary for their appropriate use. Westover describes this problem as an implementation gap in which technology adoption may advance while policy awareness and institutional governance remain underdeveloped (Westover, 2026). Although this observation has been discussed in the context of higher education, the underlying governance issue is applicable to public organizations more broadly: digitalization does not automatically create transparency, integrity, or accountability. Without clear rules governing access, data use, decision authority, and monitoring, digital systems may reproduce existing organizational weaknesses in a new technological form. Similarly, evidence concerning digital administration indicates that digitalization can influence economic actors and organizational behavior, demonstrating the broader capacity of administrative digital transformation to alter incentives and decision environments (Xu, 2025). In customs governance, therefore, digital reform must be integrated with conflict of interest policies rather than being treated as a substitute for them.

Human-resource governance represents another central component of conflict of interest management. Organizational vulnerabilities frequently emerge not only because rules are absent but also because appointment, promotion, job rotation, performance evaluation, professional development, and managerial supervision fail to account for the risks associated with sensitive positions. Research on public-sector human-resource management points to persistent tensions between reform requirements and organizational resistance to change (Zolak Poljasevic et al., 2025). These tensions are particularly relevant when reforms seek to alter informal routines, redistribute authority, strengthen monitoring, or rotate individuals who have occupied influential positions for long periods. In the Iranian public sector, managerial development and sustainable human-resource practices have also been identified as important for improving organizational capacity (Zare Zeidi et al., 2026). Consequently, a viable conflict of interest management model for customs should incorporate human-resource measures such as transparent appointments, rotation in high-risk positions, competency-based assignments, conflict disclosure, ethics education, and managerial accountability.

The motivational and behavioral dimensions of public service are equally important. Public employees do not operate solely in response to formal rules; their conduct is influenced by organizational culture, perceived fairness, leadership behavior, professional identity, and the degree to which public service values are supported within the organization. Research on public service motivation highlights the relationship between employee engagement, career satisfaction, and broader motivational dynamics in public organizations (Perry & Lam, 2026). In conflict of interest management, these considerations matter because formal disclosure obligations are unlikely to function effectively when employees perceive reporting as dangerous, futile, or inconsistent with organizational norms. Conversely, a strong ethical culture can encourage employees to recognize potential conflicts early, disclose relevant interests, seek guidance, and recuse themselves where necessary. This suggests that effective management must combine structural controls with organizational mechanisms that encourage ethical awareness and reinforce professional commitment to public responsibilities.

Leadership likewise plays a critical role in converting formal governance principles into organizational practice. Transparency policies, reporting systems, and ethical codes may remain symbolic unless senior managers consistently support them, allocate resources for implementation, and demonstrate willingness to enforce rules regardless of status or personal connections. Research on public governance indicates that transformational leadership can influence the relationship between transparency, public trust, and citizen satisfaction (Kaiser & Boadu, 2026). This finding is particularly relevant to customs administration, where public confidence depends heavily on perceptions that decisions are applied consistently and that preferential access or personal relationships do not override formal rules. Collaborative governance research in Iranian administrative settings similarly suggests that organizational challenges often require coordination among multiple stakeholders and the development of cooperative governance strategies rather than isolated managerial interventions (Vahdani et al., 2026). Thus, conflict of interest management in customs should be supported by leadership commitment, cross-organizational coordination, and mechanisms capable of aligning managerial, legal, technological, and supervisory functions.

Cross-sectoral institutional coordination is also important because conflicts of interest can develop through relationships extending beyond a single organization. Customs officials interact with importers, exporters, brokers, transport companies, financial institutions, regulatory agencies, ministries, and other government bodies. A conflict may therefore be generated or reinforced through institutional linkages rather than exclusively within internal organizational structures. Research on cross-sectoral governance emphasizes the value of institutionalizing linkages among actors rather than relying on temporary or informal cooperation (Seo & Tello-Rozas, 2026). For customs administration, this implies that conflict of interest management may require interoperable information systems, interagency protocols, shared risk indicators, coordinated investigations, and clear delineation of responsibilities among customs and external supervisory bodies. Without institutionalized coordination, conflicts involving multiple organizations may remain difficult to identify or may be transferred from one administrative unit to another without effective resolution.

Access, inequality, and organizational readiness also influence the effectiveness of digital governance reforms. Studies addressing public-sector digital transformation have emphasized that technological reforms may generate unequal effects when infrastructure, institutional readiness, or employee competencies vary across organizations and user groups (Nwaigwe et al., 2026; Rindawati et al., 2026). Such findings are relevant to customs because a nationwide customs system may contain units with differing levels of technological capacity, staffing, training, and operational complexity. A conflict of interest management framework that depends excessively on sophisticated digital monitoring without addressing organizational readiness could therefore produce uneven implementation. Sustainable reform requires that technological measures be accompanied by standardized procedures, capacity building, training, data governance, and mechanisms ensuring that all units can implement the same conflict management requirements.

At the same time, conflict management should be understood as a continuous organizational process rather than a one-time regulatory intervention. In other professional domains, research has shown that effective management depends upon systematic monitoring, adjustment, and responsiveness to changing conditions rather than reliance on isolated measurements or controls (Rico-González et al., 2021). Although this evidence derives from a different field, the broader management principle is relevant: complex systems require continuous observation and adaptive responses when multiple interacting factors influence outcomes. Applied to customs governance, this means that conflict of interest risks should be periodically reassessed as regulations, technologies, personnel, commercial practices, and organizational relationships change. Registers of interests, risk classifications, sensitive-position lists, monitoring indicators, and reporting mechanisms must therefore be updated rather than treated as static administrative instruments.

The existing literature nevertheless reveals a significant gap. Iranian studies have examined the legal and criminal-policy foundations of conflict of interest management in public services and have contributed to the conceptual classification of conflicts affecting public officials (Jafari Nia et al., 2022; Niazpour, 2022; Niyazpour, 2021). Other research has investigated conflicts of interest in financial, corporate, and organizational contexts and has demonstrated the relevance of governance mechanisms, stakeholder relationships, and agency problems (Amiri et al., 2022; Karimi & Roshani Gilavani, 2022; Mohammadi et al., 2026). Meanwhile, contemporary public administration research increasingly emphasizes digital transformation, algorithmic governance, transparency, leadership, integrated information systems, human-resource reform, institutional readiness, and collaborative governance as critical elements of administrative performance (Kaiser & Boadu, 2026; Li & Zhang, 2026; Parsa, 2026; Pavlidis & Kastanas, 2026; Vahdani et al., 2026; Weerts, 2025; Zolak Poljasevic et al., 2025). However, these strands of scholarship have rarely been integrated into a comprehensive, empirically grounded framework specifically addressing conflict of interest management within the institutional and operational context of Iranian customs.

This gap is important because importing a generic conflict of interest framework into the customs system may fail to capture the unique combination of discretion, economic stakes, complex regulation, interagency dependence, technological infrastructure, and direct interaction with private commercial actors that characterizes customs administration. A useful model must identify not only the immediate causes of conflicts but also the contextual conditions that permit them to emerge, the intervening factors that strengthen or weaken preventive mechanisms, the strategies required for effective management, and the consequences expected from implementation. It should also recognize that legal regulation, organizational design, digital transparency, human-resource governance, leadership, interagency collaboration, ethical culture, and oversight mechanisms are interdependent rather than isolated policy instruments. The grounded theory approach is therefore appropriate for developing a model directly from the experiences of experts who understand how these factors interact in actual customs processes.

Accordingly, the aim of this study was to develop a context-specific grounded theory model of conflict of interest management in the Iranian customs administration by identifying its causal conditions, contextual conditions, intervening conditions, management strategies, and organizational and governance consequences.

2. Methods and Materials

This study was applied in terms of purpose and qualitative in terms of methodological approach and was conducted using the grounded theory method. Grounded theory was selected because the principal objective of the study was to develop a structural and context-specific model for managing conflicts of interest within the Iranian customs system. This methodological approach made it possible to identify the dimensions, categories, underlying conditions, managerial mechanisms, and consequences associated with conflicts of interest directly from the experiences and professional perspectives of individuals familiar with customs administration, rather than imposing a predetermined theoretical framework on the data. Accordingly, the emerging concepts and relationships were progressively developed through systematic data collection, constant comparison, coding, categorization, and theoretical integration.

The study participants consisted of experts and specialists in Tehran who possessed substantial professional knowledge and practical experience related to customs administration and conflict of interest management. Participants were initially recruited through purposive sampling, with emphasis on selecting information-rich individuals capable of providing specialized insights into the organizational, managerial, regulatory, legal, and supervisory dimensions of conflicts of interest within the Iranian customs system. As concepts and categories emerged during the analysis, sampling proceeded according to the logic of theoretical sampling so that subsequent participants could contribute to the elaboration, refinement, or confirmation of emerging categories. A total of 12 experts participated in the study. Eligibility criteria included having at least 10 years of relevant professional experience, holding a master's degree or higher, possessing direct experience in customs affairs, management, supervision, legal affairs, regulatory activities, or areas directly related to conflicts of interest, having sufficient familiarity with the organizational structure and operational processes of Iranian customs, and demonstrating willingness and practical ability to participate in an in-depth interview. Participant selection was deliberately undertaken to ensure that the sample included individuals with sufficient expertise to explain the antecedents, organizational and environmental conditions, managerial mechanisms, strategies, and consequences associated with conflicts of interest in customs administration.

Data collection and analysis were conducted concurrently, and participant recruitment continued until theoretical saturation was achieved. After each interview, the collected material was analyzed and emerging concepts were used to guide subsequent interviews and theoretical sampling decisions. Theoretical saturation was considered to have been reached when additional interviews no longer generated substantially new concepts, properties, dimensions, or relationships and the newly obtained information primarily repeated or confirmed previously identified findings. Saturation was reached at the ninth interview. Nevertheless, three additional interviews were conducted to verify the stability of the emerging categories and to ensure that no substantively new concepts were overlooked. Consequently, sampling was concluded after the twelfth interview.

Data were collected through in-depth semi-structured interviews with the participating experts. The semi-structured interview format was selected because it provided sufficient consistency across interviews while allowing participants to explain their professional experiences and interpretations in detail. The interview guide was organized around the major substantive domains relevant to conflict of interest in customs administration. These domains included the factors and conditions contributing to the emergence of conflicts of interest within customs processes, organizational and environmental contexts affecting such conflicts, structural and procedural weaknesses that could create or intensify competing interests, factors facilitating or constraining the management of conflicts of interest, appropriate managerial and regulatory strategies for preventing or controlling such situations, and the organizational, administrative, ethical, and governance-related consequences expected from the implementation of conflict of interest management mechanisms. Depending on participants' responses, supplementary and probing questions were asked to clarify statements, explore examples, identify causal relationships, and obtain a more detailed understanding of the mechanisms underlying the phenomenon.

Each interview was transcribed in full following completion, and the resulting text was reviewed repeatedly to achieve immersion in the data and develop a comprehensive understanding of each participant's perspective. Data collection was iterative rather than linear. Findings emerging from earlier interviews were incorporated into subsequent interviews, enabling the researchers to examine developing concepts in greater depth and to explore ambiguities or relationships requiring further clarification. This simultaneous process of interviewing, analysis, and theoretical sampling continued throughout the study and facilitated progressive refinement of the emerging conceptual framework.

To enhance the trustworthiness of the qualitative findings, the study addressed the criteria of credibility, transferability, dependability, and confirmability. Credibility was strengthened through purposive recruitment of knowledgeable and experienced participants, continuation of theoretical sampling until saturation, simultaneous data collection and analysis, repeated review of interview transcripts, and constant comparison of emerging concepts across interviews. The developing codes and categories were continuously examined against previously analyzed data in order to improve conceptual consistency and reduce the likelihood that interpretations were based on isolated statements. Transferability was supported by providing a clear description of the study context, characteristics of the customs field, participant eligibility criteria, sampling procedures, data collection process, and the process through which the major categories were developed. In the findings section, representative participant quotations and examples of the coding process were used to provide sufficient contextual evidence for readers to evaluate the potential applicability of the findings to comparable administrative and regulatory settings.

Dependability was addressed through systematic documentation of the research process, from the conduct and transcription of the semi-structured interviews to the generation of initial codes, comparison and integration of conceptually similar codes, axial categorization, and selective integration of the principal dimensions of the model. A relatively consistent interview framework was maintained across participants while still allowing theoretically relevant probing, and the analytical pathway linking raw interview material to the final conceptual structure was documented to increase methodological transparency and auditability. Confirmability was strengthened by maintaining a clear relationship between participants' accounts, extracted codes, higher-order categories, and the final dimensions of the model. The complete list of final codes was retained for supplementary documentation, and illustrative examples of coding as well as direct quotations from participants were incorporated into the presentation of findings to allow the evidentiary basis of the researchers' interpretations to be traced. The boundaries of interpretation and limitations regarding the transferability of the findings were also considered in order to avoid conclusions extending beyond what could reasonably be supported by the qualitative data.

Data analysis was performed concurrently with data collection using the systematic procedures of grounded theory. Following each interview, the complete transcript was read several times to achieve familiarity with the participant's account and to identify meaningful segments related to the research phenomenon. During the initial coding process, meaning units associated with conflicts of interest, their causes, contextual conditions, facilitating and inhibiting factors, management mechanisms, and potential consequences were identified and assigned conceptual codes. The researchers sought to preserve the meaning intended by participants as closely as possible during this stage so that the initial codes remained grounded in the empirical data rather than being derived from preconceived theoretical assumptions.

The constant comparative method was used throughout the analytical process. Codes generated from each interview were systematically compared with codes extracted from earlier interviews to identify conceptual similarities, differences, repetitions, and emerging properties. Codes that were duplicated or conveyed substantially similar meanings were integrated, while codes that were unrelated to the research phenomenon were excluded from subsequent analysis. This iterative process resulted in a final set of 180 substantive codes, which provided the empirical foundation for higher-level categorization and model development.

During axial coding, the 180 final codes were organized into broader categories according to their conceptual similarity, shared properties, and relationships with other concepts. The purpose of this stage was to move beyond fragmented initial codes and identify coherent patterns within the data. Codes representing similar processes or dimensions of conflict of interest management were therefore clustered into higher-order categories, and relationships among these categories were repeatedly examined against the interview data. Category boundaries were revised whenever overlaps, conceptual inconsistencies, or newly emerging distinctions were identified. Through this process, the researchers progressively clarified the structure of the phenomenon and the relationships among the organizational, contextual, managerial, and consequential elements identified by participants.

Selective coding was subsequently undertaken to integrate the categories generated during axial coding and organize them within an overarching explanatory model. At this stage, the principal categories were linked to one another and consolidated into five main dimensions and 21 categories derived from the 180 final codes. Consistent with the grounded theory logic adopted in the study, the final dimensions were organized according to causal conditions, contextual conditions, intervening conditions, strategies, and consequences. The relationships among these dimensions were examined iteratively to ensure that the final model provided a coherent explanation of how conflicts of interest emerge within the Iranian customs system, under what organizational and environmental conditions they are intensified or constrained, what mechanisms can be used to manage them, and what outcomes may follow from the implementation of such strategies. The final product of the analytical process was therefore a structural, empirically grounded model for conflict of interest management in the Iranian customs administration.

Constant comparison remained central throughout all stages of analysis. Codes and categories derived from each interview were continually compared with previously analyzed data, and the coding structure was revised whenever new concepts emerged or when existing categories required merging, differentiation, or conceptual refinement. This iterative cycle continued until the categories demonstrated sufficient conceptual stability and the relationships among them could be integrated into the final model. The simultaneous use of theoretical sampling, constant comparison, axial development, and selective integration ensured that the resulting framework remained closely connected to the participants' experiences while also achieving the level of abstraction required for a comprehensive conflict of interest management model in the Iranian customs context.

3. Findings and Results

A total of 12 experts participated in the qualitative phase of the study. All participants were selected from Tehran on the basis of their professional experience, educational qualifications, and direct familiarity with customs administration, regulatory processes, legal affairs, organizational governance, or conflict of interest management. The participants had between 10 and 28 years of relevant professional experience, with an average professional experience of approximately 17.8 years, indicating that the study drew primarily on individuals with substantial practical familiarity with the structural and operational characteristics of the Iranian customs system. In terms of educational attainment, seven participants held a master's degree and five held a doctoral degree. Their academic and professional backgrounds included public administration, law, economics, customs affairs, management, public policy, and related administrative disciplines. With regard to professional position, the participants included senior and middle-level customs managers, legal and regulatory specialists, internal control and supervisory experts, policy and administrative specialists, and individuals with experience in customs-related executive and compliance functions. Nine participants were male and three were female. This diversity of professional backgrounds was considered important because conflict of interest in customs administration is a multidimensional phenomenon involving legal, managerial, regulatory, organizational, financial, technological, and behavioral components. Theoretical saturation was achieved by the ninth interview, after which three additional interviews were conducted to confirm the stability of the categories and ensure that no substantively new concept emerged. Analysis of the interview data ultimately produced 180 final codes, which were organized into 21 categories and five overarching dimensions corresponding to causal conditions, contextual conditions, intervening conditions, strategies, and consequences.

Table 1. Overview of the Coding Process and Final Grounded Theory Structure

Analytical Dimension	Number of Categories	Number of Final Codes	Central Analytical Focus
Causal conditions	5	44	Factors directly contributing to the emergence and persistence of conflicts of interest in customs administration
Contextual conditions	4	31	Organizational, structural, procedural, and technological characteristics forming the environment in which conflicts of interest occur
Intervening conditions	4	29	Factors that facilitate, constrain, intensify, or weaken the effectiveness of conflict of interest management
Strategies	5	48	Preventive, regulatory, managerial, supervisory, technological, and cultural responses for controlling conflicts of interest
Consequences	3	28	Organizational, governance-related, operational, ethical, and public outcomes expected from effective conflict of interest management
Total	21	180	Integrated structural model of conflict of interest management in the Iranian customs system

As shown in Table 1, the constant comparative analysis of the interview data resulted in 180 final codes distributed across 21 categories and five principal dimensions. The largest proportion of codes was related to strategies, with 48 codes distributed across five categories, indicating that participants devoted considerable attention not only to identifying the sources of conflicts of interest but also to specifying practical mechanisms through which such conflicts could be prevented, disclosed, controlled, monitored, and sanctioned. Causal conditions constituted the second most extensive dimension, containing 44 codes across five categories. These codes reflected the participants' view that conflicts of interest in customs administration do not arise from a single source but emerge through the interaction of regulatory ambiguity, concentration of discretionary authority, personal and economic interests, weaknesses in human-resource arrangements, and deficiencies in accountability mechanisms. Contextual conditions comprised 31 codes within four categories and described the structural and operational environment that provides opportunities for conflicts of interest to emerge or remain undetected. Intervening conditions included 29 codes across four categories and captured factors that could either support or obstruct implementation of conflict management mechanisms.

Finally, 28 codes were organized into three consequence categories describing improvements in institutional integrity, administrative performance, and public trust. Overall, the distribution of codes demonstrates that the emerging model was not limited to identifying problematic individual conduct; rather, it conceptualized conflict of interest as a systemic governance issue requiring simultaneous attention to its causes, organizational context, implementation conditions, managerial strategies, and institutional consequences.

Table 2. Causal and Contextual Conditions of Conflict of Interest in the Iranian Customs System

Main Dimension	Category	Selected Concepts and Indicators
Causal conditions	Regulatory ambiguity and legal gaps	Lack of a comprehensive conflict of interest framework, ambiguous definitions, fragmented regulations, inconsistent interpretation of rules, insufficient disclosure requirements, unclear restrictions on secondary employment, weak regulation of post-employment relationships
Causal conditions	Concentration of discretionary authority	High individual discretion in valuation, classification, inspection, clearance, exemptions, and procedural decisions; inadequate separation of duties; discretionary interpretation of customs regulations; dependence of decisions on individual officials
Causal conditions	Personal, occupational, and economic interests	Financial interests, family and kinship relationships, personal networks, reciprocal favors, connections with customs brokers or commercial actors, private economic activity, expectations of future employment, informal benefit exchange
Causal conditions	Weaknesses in human-resource governance	Non-transparent appointments, prolonged tenure in sensitive positions, inadequate job rotation, insufficient screening, weak conflict-of-interest declarations, inappropriate assignment of personnel to high-risk positions, limited ethics-oriented training
Causal conditions	Weak accountability and control mechanisms	Inadequate internal monitoring, delayed identification of violations, limited managerial accountability, insufficient protection for reporting misconduct, weak follow-up of reported cases, low perceived probability of detection
Contextual conditions	Complexity of customs procedures	Multiple stages of import and export processes, complex tariff and valuation rules, numerous permits and exemptions, overlapping administrative requirements, lengthy clearance processes, dependency on expert judgment
Contextual conditions	Organizational and interagency fragmentation	Multiplicity of agencies involved in trade and customs processes, overlapping responsibilities, inconsistent databases, fragmented decision-making, weak coordination among supervisory and executive bodies
Contextual conditions	Limited transparency and information asymmetry	Restricted access to decision criteria, unequal access to procedural information, limited traceability of administrative decisions, inadequate publication of decisions, information advantages enjoyed by experienced intermediaries
Contextual conditions	Incomplete digitalization and procedural vulnerability	Persistence of manual interventions, opportunities to bypass automated processes, incomplete system integration, inadequate audit trails, discretionary modification of digital records, uneven implementation of electronic customs procedures

Table 2 presents the causal and contextual conditions underlying the emergence of conflicts of interest in the Iranian customs system. Five causal categories were identified. The first concerned regulatory ambiguity and legal gaps. Participants repeatedly emphasized that the absence of a comprehensive and operationally precise framework for identifying and managing conflicts of interest allows similar situations to be interpreted differently across organizational units. Particular attention was given to unclear obligations regarding declaration of financial interests, family relationships, outside employment, interactions with customs brokers and commercial actors, and employment after leaving public service. A second major causal category involved concentration of discretionary authority. Participants explained that customs officers and managers may exercise substantial discretion in areas such as valuation, tariff classification, inspection, assessment of documentation, application of exemptions, and prioritization of administrative procedures. When such discretion is not balanced by separation of duties, transparent criteria, or effective oversight, the likelihood that personal interests can influence official decisions increases. The third causal category concerned personal, occupational, and economic interests, including financial relationships, kinship ties, informal networks, reciprocal obligations, private business activities, and prospects of future employment with organizations affected by customs decisions. Human-resource governance constituted another important causal domain. Participants associated conflicts of interest with non-transparent appointments, prolonged service in sensitive positions, inadequate rotation of personnel, insufficient pre-employment and periodic screening, and limited ethics education. Finally, weaknesses in accountability and control mechanisms were identified as a direct contributor because inadequate monitoring, insufficient follow-up, low detection probability, and limited protection for individuals reporting problematic relationships can normalize or conceal conflicting interests.

The contextual conditions identified in Table 2 demonstrate that these causal factors operate within a broader administrative environment that can amplify opportunities for conflicts of interest. The complexity of customs procedures was repeatedly described as particularly important. Because customs decisions frequently require interpretation of technical classifications, valuation rules, exemptions, documentation, and specialized regulations, participants believed that procedural complexity creates information asymmetries and expands the scope for discretionary intervention. Organizational and interagency fragmentation further increases this vulnerability because customs operations often require coordination among numerous executive, regulatory, licensing, financial, and supervisory bodies. Where responsibilities are overlapping or databases are not fully integrated, responsibility for particular decisions may become unclear and opportunities for informal influence may increase. Limited transparency and information asymmetry were also emphasized, particularly when procedural criteria, decision rationales, inspection results, or the status of cases are not easily traceable. Finally, incomplete digitalization was identified as an important contextual vulnerability. Participants did not view digital systems as sufficient merely because electronic processes existed; rather, they stressed that manual overrides, incomplete integration of systems, weak audit trails, and continued face-to-face intervention could reproduce traditional opportunities for conflicted decision-making in a nominally digital environment.

Table 3. Intervening Conditions Affecting Conflict of Interest Management

Main Dimension	Category	Selected Concepts and Indicators
Intervening conditions	Senior management commitment and organizational leadership	Explicit managerial support, consistent enforcement, role-model behavior, prioritization of integrity, willingness to act against influential individuals, allocation of resources to compliance
Intervening conditions	Ethical culture and employee awareness	Awareness of conflict of interest concepts, sensitivity to indirect conflicts, professional ethics, shared norms of impartiality, willingness to disclose interests, resistance to normalization of informal practices
Intervening conditions	Institutional capacity and supervisory independence	Expertise of inspection units, independence of internal control, access to information, authority to investigate, professional competence of compliance personnel, coordination with external oversight bodies
Intervening conditions	External economic and administrative pressures	Salary inadequacy, economic incentives, workload, pressure from commercial actors, political or organizational influence, informal expectations, complexity of stakeholder relationships, resistance to organizational change

According to Table 3, four categories functioned as intervening conditions that could strengthen or weaken the implementation of conflict of interest management mechanisms. The first category was senior management commitment and organizational leadership. Participants consistently stated that formal regulations would have limited practical effect unless senior managers demonstrated a visible and consistent commitment to impartial decision-making and applied conflict of interest rules regardless of the organizational rank, political influence, or professional connections of the individuals concerned. Leadership commitment therefore included not only rhetorical support for integrity but also allocation of sufficient resources to internal control units, willingness to impose consequences for violations, and the behavior of senior managers as ethical role models. The second intervening category involved ethical culture and employee awareness. Several participants distinguished between deliberate corruption and situations in which employees may not recognize that a personal, family, financial, or professional relationship constitutes a conflict of interest. Consequently, awareness of indirect and potential conflicts, development of professional ethics, willingness to disclose personal interests, and rejection of informal practices that have become normalized were viewed as essential conditions for the effectiveness of formal policies.

Institutional capacity and supervisory independence formed the third intervening category. Participants stressed that internal inspection and compliance mechanisms require sufficient expertise, access to administrative records, authority to investigate sensitive cases, and functional independence from the units being supervised. A monitoring unit lacking access to data or dependent on the managers whose decisions it evaluates was considered unlikely to control conflicts of interest effectively. The fourth category involved external economic and administrative pressures. These pressures included inadequate financial incentives for employees, heavy workloads, attempts by commercial actors to influence decisions, political or organizational intervention, informal expectations among professional networks, and resistance to organizational reforms. Participants indicated that such factors could undermine formal conflict management procedures even when appropriate regulations existed. Thus, the findings suggest that the success of a conflict of interest management model depends not only on the technical design of policies but also on leadership behavior, organizational culture, institutional capacity, and the wider economic and political environment in which customs personnel operate.

Table 4. Strategies and Consequences of the Proposed Conflict of Interest Management Model

Main Dimension	Category	Selected Concepts and Indicators
Strategies	Development of an integrated legal and regulatory framework	Clear definition of actual, potential, and perceived conflicts; comprehensive internal regulations; disclosure obligations; restrictions on secondary employment; rules concerning gifts, family relationships, revolving-door employment, and private economic activity
Strategies	Disclosure, registration, and risk-based identification	Periodic declarations of interests, electronic conflict-of-interest registry, declaration of family and financial relationships, risk profiling of sensitive positions, identification of high-risk processes, mandatory recusal
Strategies	Structural and human-resource controls	Separation of duties, job rotation, transparent recruitment and appointment, restrictions on prolonged tenure in sensitive positions, competency-based assignment, strengthened background screening
Strategies	Digital transparency and intelligent monitoring	End-to-end electronic procedures, reduction of face-to-face contact, automated case allocation, digital audit trails, data integration, anomaly detection, electronic monitoring of unusual decisions and repeated relationships
Strategies	Oversight, enforcement, education, and reporting mechanisms	Independent inspection, periodic audits, sanctions proportionate to violations, protected reporting channels, whistleblower protection, ethics training, conflict-of-interest education, continuous evaluation of policy implementation
Consequences	Improved integrity and administrative accountability	Reduced opportunities for preferential treatment, greater impartiality, clearer responsibility, enhanced traceability, stronger compliance, reduced administrative misconduct
Consequences	Increased operational efficiency and decision quality	Standardized decisions, fewer discretionary inconsistencies, faster procedures, reduced unnecessary interventions, improved resource allocation, greater predictability for economic actors
Consequences	Enhanced institutional legitimacy and public trust	Greater confidence among traders and citizens, improved perception of fairness, reduced reputational risk, increased trust in customs decisions, improved legitimacy of customs governance

As illustrated in Table 4, five groups of strategies were extracted from the data. The first involved establishing an integrated legal and regulatory framework that clearly distinguishes actual, potential, and perceived conflicts of interest and translates these definitions into operational obligations. Participants emphasized that a useful regulatory framework should address disclosure of personal and financial interests, secondary employment, acceptance of gifts and benefits, family and kinship relationships, interactions with customs brokers and commercial companies, participation in private business activity, and post-employment relationships with entities previously subject to official decisions. The second strategy concerned systematic disclosure, registration, and risk-based identification. Participants proposed periodic declarations of interests, an electronic registry of relevant interests and relationships, identification of sensitive positions, and mandatory recusal where an official's impartiality could reasonably be questioned. The third strategy involved structural and human-resource controls, particularly separation of incompatible duties, periodic rotation in high-risk positions, transparent appointment and recruitment procedures, and prevention of excessive concentration of authority in individual employees or organizational units.

Digital transparency and intelligent monitoring constituted the fourth strategic category. Participants viewed technology as one of the most important mechanisms for reducing direct opportunities for preferential decision-making, provided that digitalization encompassed the entire decision chain rather than merely converting selected paper procedures into electronic form. Automated allocation of cases, reduction of face-to-face interaction, integration of customs databases, creation of immutable or traceable digital audit trails, and analysis of unusual patterns were frequently identified as mechanisms capable of reducing personalized influence. Participants further suggested that repeated interactions between particular officials and economic actors, unusual deviations in valuation or classification decisions, exceptional processing patterns, and repeated use of discretionary exemptions could be subjected to electronic risk analysis. The fifth strategy combined oversight, enforcement, education, and reporting arrangements. Participants emphasized that conflict of interest management requires credible detection and enforcement, but also preventive education and safe reporting mechanisms. Independent inspections, periodic audits, proportionate sanctions, protected channels for reporting suspected conflicts, protection of whistleblowers, continuous ethics training, and periodic evaluation of implementation were therefore considered complementary components of an effective management system.

The consequences derived from the data were organized into three categories. The first was improved integrity and administrative accountability. Participants expected the systematic management of conflicts of interest to reduce opportunities for preferential treatment, increase impartiality, clarify responsibility for administrative decisions, improve traceability, and strengthen compliance with customs regulations. The second consequence concerned operational efficiency and decision quality. Participants argued that greater transparency, standardization, automation, and separation of duties would reduce inconsistent decisions and unnecessary individual interventions, resulting in more predictable, efficient, and defensible customs procedures. The third consequence was enhanced institutional legitimacy and public trust. Because customs administrations interact directly with traders, importers, exporters, brokers, transport companies, and other economic actors, perceptions of unequal treatment can quickly undermine confidence in public administration. Participants therefore believed that transparent conflict management, visible accountability, and consistent enforcement could improve the perceived fairness of customs decisions and strengthen the legitimacy of the institution as a whole.

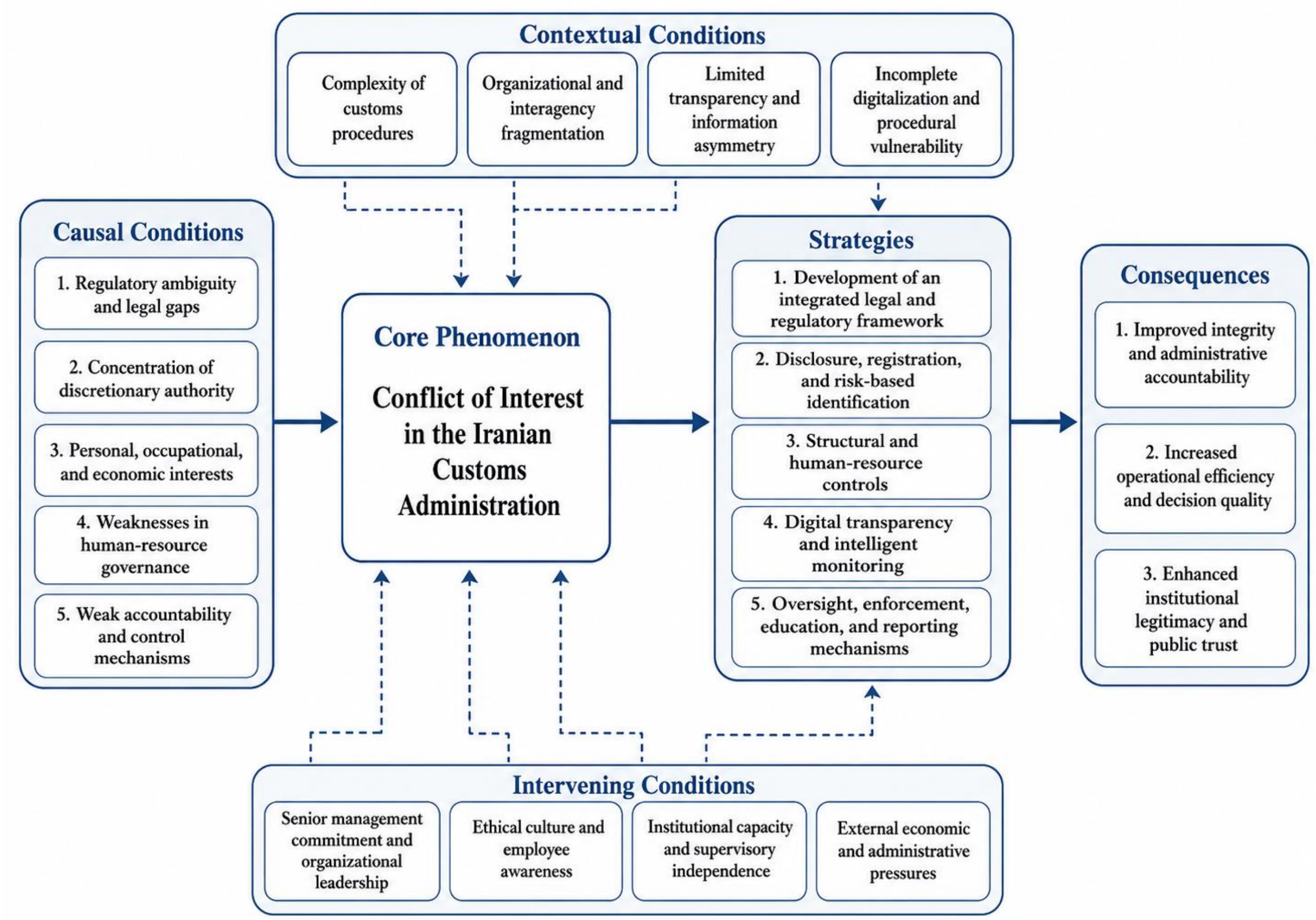

Figure 1. Grounded Theory Model of Conflict of Interest Management in the Iranian Customs Administration

The final conceptual model integrated the relationships identified across the five principal dimensions. The model suggests that conflicts of interest within the Iranian customs system arise primarily from regulatory ambiguity, broad discretionary authority, personal and economic interests, weaknesses in human-resource governance, and insufficient accountability mechanisms. These causal conditions operate within a context characterized by procedural complexity, organizational fragmentation, information asymmetry, and incomplete digitalization. Their effects, however, are influenced by intervening conditions including managerial commitment, organizational ethical culture, supervisory capacity, and external economic and administrative pressures. Within this configuration, conflict of interest management requires a coordinated set of legal, structural, technological, supervisory, educational, and disclosure-based strategies. Implementation of these strategies is expected to contribute to greater institutional integrity and accountability, improved operational efficiency and consistency of decision-making, and enhanced legitimacy and public trust. The model therefore conceptualizes conflict of interest management as an integrated governance process rather than as a narrow disciplinary mechanism focused exclusively on individual misconduct.

The relationships among the categories further indicated that the dimensions of the model are mutually reinforcing. Participants repeatedly described regulatory clarity as necessary but insufficient when organizational procedures permit excessive discretion or when monitoring systems are incapable of detecting deviations. Similarly, digitalization was viewed as a potentially powerful preventive mechanism, but only where electronic systems reduce opportunities for manual intervention, preserve reliable audit trails, and are integrated with risk-based supervision. Human-resource measures such as rotation and separation of duties were also considered more effective when combined with disclosure obligations and access to information concerning employees' relevant financial and professional relationships. The findings therefore support a multilayered model in which preventive controls operate before a conflict influences a decision, disclosure and recusal mechanisms operate when a conflict is identified, monitoring systems operate during administrative processes, and accountability mechanisms become relevant where obligations are violated.

Another important pattern emerging from the interviews was the distinction between the existence of a conflict of interest and the occurrence of corruption or an unlawful administrative act. Participants emphasized that a conflict of interest may exist even when no improper decision has yet been made. From this perspective, the objective of management should not be limited to identifying misconduct after it occurs. Rather, the system should detect circumstances in which private interests could reasonably interfere with, or appear to interfere with, the impartial exercise of public duties. This understanding was reflected in the emphasis participants placed on preventive disclosure, risk classification, recusal, job rotation, separation of duties, and automated allocation of cases. Such mechanisms were regarded as especially important in customs settings because decisions concerning valuation, classification, inspection, exemptions, and clearance may directly affect substantial economic interests.

The analysis also demonstrated that customs conflict of interest management should be institutionalized rather than implemented through isolated initiatives. Participants repeatedly emphasized that temporary campaigns, periodic inspections, or reliance on individual managerial integrity would be insufficient to produce sustainable change. Instead, conflict management should be embedded in organizational regulations, human-resource procedures, information systems, internal control arrangements, employee training, performance evaluation, and disciplinary mechanisms. The proposed model therefore places institutionalization at the center of effective implementation. Under this approach, responsibilities for disclosure, review, recusal, monitoring, investigation, and enforcement should be formally assigned, documented, and periodically evaluated rather than dependent on informal managerial discretion.

Finally, the findings indicated that the ultimate purpose of managing conflicts of interest extends beyond preventing individual violations. Participants associated effective implementation with broader improvements in customs governance, including procedural fairness, predictability, transparency, administrative efficiency, accountability, and trust among economic actors. The model therefore links preventive governance mechanisms to both organizational and societal outcomes. By reducing uncertainty regarding decision criteria, limiting opportunities for personalized intervention, and making administrative decisions more traceable, conflict of interest management can simultaneously contribute to organizational integrity and the quality of customs services. Accordingly, the resulting grounded theory model presents conflict of interest management as a systemic framework connecting legal regulation, organizational design, human-resource governance, technological infrastructure, ethical culture, supervision, and accountability within the specific institutional context of the Iranian customs administration.

4. Discussion and Conclusion

The present study aimed to develop a context-specific model for managing conflicts of interest in the Iranian customs administration through a grounded theory approach. The analysis of expert interviews resulted in 180 final codes organized into 21 categories and five overarching dimensions comprising causal conditions, contextual conditions, intervening conditions, strategies, and consequences. The findings indicated that conflict of interest in customs administration is not an isolated ethical or individual problem but a multidimensional governance phenomenon produced through the interaction of legal ambiguity, administrative discretion, personal and economic interests, weaknesses in human-resource governance, and deficiencies in accountability and control mechanisms. These causal factors operate within a broader environment characterized by complex customs procedures, institutional fragmentation, information asymmetry, and incomplete digitalization. The effectiveness of management efforts is further shaped by managerial commitment, ethical culture, supervisory capacity, and external administrative and economic pressures. The model ultimately suggests that effective conflict of interest management requires an integrated combination of legal-regulatory reforms, disclosure and risk-identification mechanisms, structural and human-resource controls, digital monitoring, independent oversight, education, and reporting mechanisms.

One of the most important findings was that regulatory ambiguity and legal gaps constitute a major causal condition underlying conflicts of interest in Iranian customs. Participants emphasized the absence of sufficiently precise and integrated rules concerning disclosure of private interests, family relationships, secondary employment, gifts and benefits, relationships with customs brokers and commercial actors, recusal, and post-employment restrictions. This finding is consistent with studies addressing conflict of interest in the Iranian public sector. Jafari Nia et al. demonstrated that conflicts of interest among public officials take multiple forms and therefore require a differentiated and systematic regulatory approach rather than a narrow focus on explicit financial misconduct (Jafari Nia et al., 2022). Similarly, legal analyses of Iranian conflict of interest legislation have emphasized the need to establish clear regulatory and criminal-policy mechanisms for managing conflicts arising in public duties and services (Niazpour, 2022; Niyazpour, 2021). The present findings extend these arguments to customs administration by showing that regulatory ambiguity becomes particularly consequential where public officials exercise economically significant discretionary authority. In such circumstances, unclear rules concerning disclosure, recusal, and incompatible interests can permit potentially problematic relationships to remain formally unrecognized even when they threaten administrative impartiality.

A second prominent causal dimension concerned the concentration of discretionary authority. Experts described customs valuation, tariff classification, inspection, application of exemptions, documentation assessment, and clearance decisions as areas in which individual judgment may substantially influence administrative outcomes. This finding can be interpreted through agency theory, according to which delegation of decision authority may create risks when agents possess informational advantages and interests that are not perfectly aligned with those of principals. Research examining corporate governance in Iran has shown that governance mechanisms are important in regulating relationships between managers, shareholders, and other stakeholders where interests may diverge (Karimi & Roshani Gilavani, 2022; Mohammadi et al., 2026). Although customs governance differs from corporate governance, the structural mechanism is comparable: when officials possess substantial discretion, specialized knowledge, and informational advantages, insufficient monitoring may create opportunities for private interests to influence delegated public authority. Similarly, research on financial conflicts between institutions demonstrates that conflicts of interest can affect organizational relationships and require governance arrangements capable of balancing competing incentives (Amiri et al., 2022). Therefore, the present findings support the view that reducing conflict risk requires institutional controls over discretion rather than reliance solely on individual ethical behavior.

Personal, occupational, and economic interests also emerged as an important causal category. Participants referred to financial interests, family and kinship relationships, informal professional networks, reciprocal favors, connections with customs brokers, private economic activities, and expectations of future employment as possible sources of conflicting obligations. This result reinforces the typological perspective advanced by Jafari Nia et al., who conceptualized public-sector conflicts of interest as diverse situations arising from different relationships between public duty and private interest (Jafari Nia et al., 2022). The significance of this finding lies in distinguishing conflicts of interest from proven corruption. A person may be situated in a conflict before any unlawful decision has occurred. Accordingly, management mechanisms should intervene prospectively through disclosure, recusal, reassignment, rotation, and restrictions on incompatible activities rather than waiting until misconduct can be demonstrated. Such a preventive approach is also compatible with the regulatory orientation emphasized in previous Iranian legal studies (Niazpour, 2022; Niyazpour, 2021).

Weaknesses in human-resource governance were another major causal factor identified in the study. Participants associated conflict risk with non-transparent appointments, lengthy tenure in sensitive positions, inadequate rotation, insufficient screening, weak ethics training, and inappropriate assignment of personnel to positions involving high levels of discretion. This finding is consistent with research showing that public-sector human-resource reforms frequently encounter tension between formal reform requirements and organizational resistance to change (Zolak Poljasevic et al., 2025). Conflict of interest controls may be especially difficult to institutionalize when they alter established professional networks or restrict access to positions perceived as advantageous. Research concerning managerial development in Iranian government organizations similarly emphasizes the importance of sustainable human-resource development, managerial capability, and systematic improvement of organizational competencies (Zare Zeidi et al., 2026). The results of the present study therefore suggest that conflict of interest management should be incorporated into recruitment, appointment, promotion, rotation, training, and performance-management systems rather than being assigned exclusively to legal or inspection units.

The findings further showed that weak accountability and monitoring can sustain conflicts of interest by reducing the likelihood that problematic relationships or decisions will be identified. Participants emphasized weaknesses in internal controls, insufficient follow-up of reported cases, limited reporting protection, and inadequate managerial accountability. These observations correspond with broader public administration research demonstrating the importance of transparency and leadership in shaping public trust and satisfaction (Kaiser & Boadu, 2026). Where administrative decisions are difficult to trace and accountability is inconsistently applied, formal integrity policies may have little practical effect. Conversely, transparent decision pathways and visible managerial commitment can strengthen the perceived legitimacy of organizational procedures. The present study therefore indicates that accountability should be designed as an organizational system incorporating traceability, independent review, reporting mechanisms, and responsibility for both individual decisions and supervisory failures.

The contextual findings provide an additional explanation for why conflicts of interest may be particularly difficult to manage in customs administration. Participants identified the complexity of customs procedures, interagency fragmentation, limited transparency, information asymmetry, and incomplete digitalization as conditions that create opportunities for conflicts to arise or remain undetected. The finding concerning organizational fragmentation is closely aligned with Parsa's analysis of fragmentation and lack of integration across Iranian governmental systems (Parsa, 2026). Fragmented databases and overlapping institutional responsibilities can make it difficult to establish who made a decision, what information was available, and whether relevant personal or organizational relationships existed. The customs environment is particularly vulnerable to this problem because decisions frequently depend on information distributed among multiple administrative bodies. Thus, integration of information systems is not merely an efficiency objective but also an integrity mechanism.

Digital transformation emerged as both a potential solution and an area requiring caution. Participants identified end-to-end digital procedures, automated case allocation, integrated data, electronic audit trails, and intelligent anomaly detection as key strategies. These findings are supported by evidence that combinations of digital transformation policies can improve government governance performance (Li & Zhang, 2026). Digital transformation can also create public value when accompanied by institutional readiness, appropriate competencies, and coherent governance pathways (Nwaigwe et al., 2026). Moreover, sustainable digital transformation requires integration between technology, institutional capacity, and organizational processes rather than isolated adoption of technological tools (Eisinger Balassa & Buics, 2026). In the present context, digitalization can reduce opportunities for face-to-face influence and discretionary manipulation, but its effectiveness depends on whether administrative processes are genuinely redesigned and made traceable.

This qualification is particularly important because technological adoption does not automatically eliminate governance weaknesses. Westover highlights the implementation gap that can emerge when institutions adopt technologies faster than they develop appropriate policies, awareness, and governance structures (Westover, 2026). Similarly, Weerts demonstrates that the increasing use of artificial intelligence in public administration requires corresponding legal and regulatory safeguards (Weerts, 2025). The current findings therefore suggest that digital customs systems must be accompanied by explicit access controls, auditability, transparent decision rules, and oversight of manual overrides. Otherwise, technology may simply transfer discretion from visible administrative processes into less transparent digital procedures.

Participants also proposed intelligent monitoring and algorithmic identification of unusual administrative patterns. Such mechanisms could potentially identify repeated relationships between certain officials and traders, atypical valuation decisions, unusual exemptions, or deviations from ordinary processing patterns. This strategy is consistent with emerging work on algorithmic governance, which highlights both the capacity of artificial intelligence to transform public decision-making and the need for human oversight and institutional safeguards (Kunwar, 2026). Pavlidis and Kastanas similarly emphasize legal principles governing algorithmic administration, including accountability, proportionality, transparency, and lawful public-sector use of AI (Pavlidis & Kastanas, 2026). Consequently, algorithmic systems may strengthen conflict-of-interest detection, but they should function as decision-support and risk-screening tools rather than opaque substitutes for accountable administrative judgment.

The findings regarding intervening conditions demonstrated that even well-designed regulations and technologies may fail without organizational commitment. Senior management support, ethical culture, employee awareness, supervisory independence, and adequate institutional capacity were identified as critical factors determining whether conflict management strategies are effectively implemented. This result is consistent with evidence linking transformational leadership, transparency, and public trust in public administration (Kaiser & Boadu, 2026). It is also consistent with research emphasizing collaborative governance as a means of addressing complex administrative problems involving multiple stakeholders (Vahdani et al., 2026). Customs conflict of interest management requires coordination between executives, legal departments, human-resource units, internal inspection bodies, technology departments, external supervisory institutions, and other government agencies. Therefore, leadership must not only enforce rules internally but also create conditions for cross-organizational cooperation.

The importance of institutionalized cross-sectoral relationships is further supported by research emphasizing formalized linkages among sectors and organizations rather than reliance on temporary collaboration (Seo & Tello-Rozas, 2026). For customs administration, this means that information exchange and conflict-risk management should be embedded in permanent interagency arrangements. Shared databases, coordinated risk indicators, formal referral procedures, and clearly assigned investigative responsibilities can reduce gaps through which conflicting interests remain undetected. At the same time, differences in organizational readiness must be considered. Research on digital transformation and access inequality indicates that technological reforms may produce uneven outcomes when institutional capacity and access differ across organizational settings (Rindawati et al., 2026). Therefore, implementation of conflict management systems across customs units should be accompanied by standardized infrastructure, staff training, and capacity-building measures.

Ethical culture and employee awareness also emerged as important intervening conditions. Participants indicated that some conflicts may remain unmanaged because employees do not identify them as conflicts or because informal practices have become normalized. Public service motivation research highlights the importance of organizational conditions for employee engagement, career satisfaction, and motivation to serve public purposes (Perry & Lam, 2026). In the present study, this implies that conflict management cannot be reduced to sanctions. Employees need clear examples, accessible advisory mechanisms, protected disclosure channels, and organizational signals that reporting a conflict is an expected professional behavior rather than an admission of wrongdoing. Preventive disclosure is likely to be more effective where the organizational culture distinguishes appropriately managed conflicts from deliberate misconduct.

The strategy dimension of the model therefore reflects a layered approach. Legal frameworks establish definitions and obligations; disclosure and registration mechanisms identify relevant interests; structural and human-resource controls reduce opportunities for conflicted decision-making; digital systems enhance traceability and risk detection; and independent oversight, education, and enforcement promote compliance. This multidimensional configuration accords with the broader governance literature, which increasingly shows that complex administrative problems cannot be resolved through single instruments. Digital governance research emphasizes combinations of policy, institutional readiness, human competencies, and organizational structures (Li & Zhang, 2026; Nwaigwe et al., 2026), while human-resource scholarship highlights the difficulty of sustaining reforms without attention to organizational behavior and resistance (Zolak Poljasevic et al., 2025). The proposed model therefore contributes by integrating these elements specifically around the problem of conflict of interest in customs administration.

The identified consequences further demonstrate the broader governance value of conflict of interest management. Participants expected effective implementation to improve institutional integrity and accountability, increase operational efficiency and decision quality, and strengthen institutional legitimacy and public trust. These consequences are consistent with the proposition that transparent government processes contribute to citizen satisfaction partly through increased public trust (Kaiser & Boadu, 2026). Digital governance studies likewise demonstrate that administrative transformation can improve governance performance when technology is integrated with institutional reforms (Li & Zhang, 2026). Research on digital administration also indicates that changes in government administrative systems can influence the behavior and innovation of regulated organizations (Xu, 2025), suggesting that more predictable and transparent customs administration may have consequences extending beyond the customs organization itself to the wider business environment.

The model also highlights the dynamic nature of conflict of interest management. Customs risks change as regulations, trade patterns, personnel, technologies, and organizational relationships evolve. Therefore, disclosure systems, risk classifications, monitoring rules, and sensitive-position lists require continuous reassessment. Although derived from a different disciplinary context, research on systematic management and monitoring demonstrates the importance of continuous assessment when outcomes depend on interacting and changing factors (Rico-González et al., 2021). Applied to customs governance, this principle suggests that a conflict management framework should operate as an adaptive system rather than a fixed set of rules. Regular evaluation is necessary to identify emerging vulnerabilities, including those created by new digital technologies and changing relationships between public officials and economic actors.

Taken together, the results indicate that the management of conflicts of interest in Iranian customs should be conceptualized as an integrated governance architecture. The central contribution of the proposed model lies in shifting attention from reactive responses to individual misconduct toward preventive management of institutional risk. Conflict of interest is generated through the interaction of structural conditions, discretionary authority, private interests, fragmented systems, and organizational incentives. Consequently, the solution requires simultaneous intervention at legal, administrative, technological, human-resource, cultural, and supervisory levels. The model also clarifies that digital transformation, although highly relevant, is only one component of effective governance. Its potential depends on legal clarity, human oversight, institutional readiness, managerial commitment, and interoperability. This integrated perspective is consistent with contemporary public administration scholarship emphasizing the interconnected roles of digital transformation, organizational governance, institutional capacity, and human resources (Eisinger Balassa & Buics, 2026; Nwaigwe et al., 2026; Zare Zeidi et al., 2026). Overall, the findings provide a context-sensitive framework through which conflicts of interest in customs administration can be identified before they develop into misconduct, managed through systematic organizational mechanisms, and evaluated in terms of their effects on accountability, efficiency, and public trust.

The present study has several limitations that should be considered when interpreting its findings. First, because the study used a qualitative grounded theory design, its objective was theoretical development and contextual understanding rather than statistical generalization. The sample consisted of 12 experts recruited in Tehran, and although theoretical saturation was achieved and additional interviews were conducted to confirm saturation, the experiences represented in the study may not encompass all organizational conditions encountered across customs offices in different provinces, border regions, ports, airports, and special economic zones. Second, conflict of interest is a sensitive administrative topic, and participants may have exercised caution when discussing organizational weaknesses, informal relationships, or potentially problematic practices. Although the interviews focused on professional experiences and structural processes, social desirability and concerns about organizational consequences may have influenced the level of detail provided. Third, the proposed model was developed from expert perceptions and was not quantitatively tested against a larger sample of customs employees, managers, brokers, or economic actors. Finally, the rapidly changing technological and regulatory environment of customs administration means that certain dimensions of the model, particularly those related to digital monitoring and intelligent systems, may require revision as administrative technologies and institutional arrangements evolve.

Future studies should quantitatively validate the proposed model using a larger and more geographically diverse sample from customs offices across Iran and examine the relative importance and causal relationships among its dimensions through structural equation modeling or other appropriate multivariate techniques. Comparative studies could investigate whether the same causal and contextual conditions emerge in border customs offices, ports, airports, free-trade zones, and central administrative units. Future research should also incorporate the perspectives of customs brokers, importers, exporters, logistics companies, supervisory institutions, and other stakeholders to determine whether their perceptions of conflict-of-interest risks differ from those of public-sector experts. Longitudinal research could assess how conflict management indicators change following regulatory reforms, digitalization initiatives, job-rotation programs, or implementation of disclosure systems. Additional studies should examine specific forms of conflict, such as family relationships, post-employment conflicts, outside employment, gifts and benefits, revolving-door relationships, and conflicts generated through interactions with intermediaries. Research on algorithmic monitoring should also evaluate the accuracy, explainability, fairness, and organizational effects of automated risk-detection systems before their widespread implementation.

For practical implementation, the Iranian customs administration should adopt an integrated conflict of interest management framework rather than relying on isolated disciplinary measures. This framework should establish clear definitions of actual, potential, and perceived conflicts and specify disclosure, recusal, reassignment, and post-employment obligations. An electronic register of relevant interests should be developed for employees and managers in sensitive positions, accompanied by periodic updating and risk-based review. High-risk duties should be mapped systematically, and separation of duties, case rotation, and periodic personnel rotation should be applied where excessive discretionary authority exists. Customs procedures should be digitalized end to end, with automated allocation of cases, comprehensive audit trails, interoperable databases, and controls over manual overrides. Independent reporting channels and effective protection for individuals who report conflicts should be established, while sanctions should be proportionate, transparent, and consistently applied. Regular ethics and conflict-of-interest training should be incorporated into professional development, particularly for employees working in valuation, classification, inspection, exemptions, clearance, and supervisory positions. Finally, the effectiveness of the framework should be evaluated periodically through measurable indicators such as disclosure compliance, recusal frequency, detected conflicts, processing anomalies, complaints, disciplinary outcomes, audit findings, and stakeholder perceptions of transparency and fairness.

Ethical Considerations

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

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Conflict of Interest

The authors report no conflict of interest.

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