

# Identifying the Components of a Corporate Financialization Model in Iran's Capital Market

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**Abstract:** This study aimed to identify and develop the components of a corporate financialization model in Iran's capital market. This qualitative study was conducted using grounded theory based on the Strauss and Corbin approach. The study population consisted of experts and professionals in capital markets, corporate finance, financial management, accounting, and investment in Iran. Participants were selected through purposive and snowball sampling based on relevant academic and professional experience. Data were collected through 23 in-depth semi-structured interviews, with sampling continuing until theoretical saturation was achieved. The participants included university faculty members, financial managers of listed companies, capital-market analysts and consultants, and senior experts from financial institutions. Data were analyzed through open, axial, and selective coding using the constant comparative method. MAXQDA version 10 was used to support data organization, coding, categorization, and development of the final paradigm model. The analysis identified corporate financialization as the core phenomenon shaped by five major dimensions. Causal conditions included corporate financial capability, capital structure, transparency and quality of financial information, innovation in financial instruments, management and decision-making quality, organizational flexibility, and access to the capital market. Contextual conditions comprised capital-market conditions, the legal and regulatory environment, organizational culture, macroeconomic conditions, and technological and information infrastructure. Intervening conditions included leadership style, quality of decision-making information, internal policies and processes, employee participation, and access to financial and technological resources. Strategic factors included organizational goal setting, sustainable growth policies, financial and investment strategies, market-share development, and risk management and strategic control. The principal consequences were prevention of organizational failure, increased organizational productivity and success, enhanced resilience and flexibility, and strengthened competitive advantage and sustainable growth. Corporate financialization in Iran's capital market is a multidimensional and context-dependent process whose effectiveness depends on the alignment of financial capabilities, organizational mechanisms, market conditions, and strategic actions; therefore, successful financialization requires an integrated managerial and institutional framework rather than isolated financial decisions.

**Keywords:** Corporate Financialization, Capital Market, Grounded Theory, Financial Capability, Financial Innovation, Corporate Strategy, Iran.

## 1. Introduction

Financialization has become one of the most influential transformations in contemporary economic and corporate systems, altering the manner in which firms allocate resources, formulate investment strategies, evaluate

performance, and interact with financial markets. At the broadest level, financialization refers to the increasing dominance of financial motives, financial markets, financial actors, and financial institutions in economic decision-making. Although the concept was initially applied primarily to macroeconomic transformations, the expansion of financial logic into non-financial firms has increasingly attracted scholarly attention. Corporate financialization, in particular, refers to the growing tendency of non-financial corporations to allocate a greater proportion of their resources to financial assets, financial instruments, and market-based investment activities rather than exclusively emphasizing productive investment, operational expansion, or long-term capital formation. This shift has changed the traditional boundaries between productive and financial activities and has generated important questions regarding the consequences of financial behavior for firm growth, resilience, competitiveness, and sustainable development [1, 2].

The expansion of financialization reflects deeper structural changes in modern capitalism. Financial markets have become more integrated into corporate governance, strategic planning, and valuation processes, while the importance of market capitalization and financial performance indicators has increased substantially. In such an environment, firms are not evaluated solely on the basis of productive capacity or operational profitability; rather, their ability to manage financial assets, obtain market-based financing, use sophisticated financial instruments, and enhance shareholder value has become increasingly significant. This transformation has encouraged corporations to reconsider the composition of their assets and the balance between productive investment and financial investment. Financialization therefore represents not merely a change in financing techniques, but a broader transformation in organizational priorities, managerial incentives, and corporate strategies [2, 3].

At the firm level, corporate financialization may offer several potential advantages. Financial investment can provide firms with liquidity reserves, opportunities for diversification, additional sources of income, and greater flexibility in responding to market uncertainty. Firms with strong financial capabilities may be able to use financial assets strategically to manage temporary surpluses, hedge risk, strengthen liquidity, or obtain returns that support future operational investment. Moreover, access to capital markets and innovative financing instruments can reduce dependence on conventional bank lending and facilitate more flexible capital allocation. In this sense, financialization may contribute to organizational resilience when it is integrated with a coherent corporate strategy and supported by effective governance structures. However, the same process may also create tension between short-term financial returns and long-term productive investment, particularly when financial assets become more attractive than investment in physical capital, innovation, human resources, or productive capacity [4, 5].

The possible crowding-out effect of financial investment has become one of the central concerns in the literature on corporate financialization. When corporations increasingly direct resources toward securities, speculative assets, real estate, or other financial instruments, productive investment may weaken. This may ultimately affect growth, productivity, employment, and technological development. Evidence from studies of financialization suggests that the expansion of financial motives can modify the relationship between corporate profitability and investment, with implications for the broader economy. The concern is particularly important for non-financial firms because excessive reliance on financial income may transform the fundamental orientation of the firm from value creation through production toward value extraction through financial channels. Recent evidence has therefore emphasized the need to distinguish between strategically beneficial financial management and excessive financialization that may undermine productive investment [4, 6].

The relationship between financialization and productivity is also especially important. The decline in labor productivity observed in several economies has been discussed in relation to the growing dominance of financial

imperatives, shareholder-value orientation, and reduced productive investment. From a post-Keynesian perspective, financialization may weaken the incentives of firms to undertake long-term investment, particularly when financial assets offer relatively attractive short-term returns. This creates a structural tension between financial accumulation and productive accumulation. Such a tension has implications not only for individual firms but also for the broader development trajectory of an economy. If corporate financialization diverts financial resources away from productive investment, its effects may ultimately extend to employment, technological upgrading, innovation, and long-run productivity growth [6].

At the same time, the effects of corporate financialization are not uniformly negative. The consequences depend on organizational capabilities, managerial motivations, institutional arrangements, and the nature of the financial investments undertaken. Organization capital, for example, can influence how firms use financial assets and how financialization interacts with internal capabilities. Firms with stronger organizational resources may be better positioned to manage financial activities in ways that complement rather than replace productive investment. The relationship between organization capital and corporate financialization highlights the importance of internal organizational structures, accumulated knowledge, routines, managerial competencies, and strategic capabilities in shaping the financial behavior of firms. Accordingly, understanding corporate financialization requires attention not only to external financial-market pressures but also to firm-specific organizational characteristics [5].

Managerial behavior constitutes another critical dimension. Corporate financialization is ultimately mediated through managerial decisions concerning asset allocation, financing, liquidity, risk, and investment. Managerial herding behavior can influence the extent to which firms increase financial asset holdings, particularly when managers imitate competitors or respond collectively to perceived market opportunities. Evidence indicates that the relationship between managerial herd behavior and corporate financialization may be nonlinear and contingent on corporate governance quality. Effective governance can moderate managerial tendencies, reduce excessive risk-taking, and improve the alignment of financial decisions with broader organizational objectives. This demonstrates that corporate financialization cannot be adequately explained solely by market conditions; internal governance and decision-making processes also play a central role [7].

Corporate governance is particularly important because financialization can create agency-related concerns. Managers may prefer financial investments because they generate rapid returns, improve short-term performance indicators, or increase managerial discretion. However, such choices may not necessarily maximize long-term firm value. Strong governance structures can provide monitoring, enhance transparency, strengthen accountability, and ensure that financial activities remain consistent with organizational strategy. This is especially relevant in capital markets where information asymmetry, ownership concentration, regulatory uncertainty, or limited investor protection may affect corporate decision-making. Consequently, the design of an effective corporate financialization model should incorporate managerial quality, governance mechanisms, financial information transparency, and internal control systems as interconnected components rather than isolated variables [7, 8].

The relationship between corporate social responsibility and financialization further demonstrates the complexity of the phenomenon. Corporate social responsibility can influence financialization through information and reputation mechanisms. Firms with stronger social responsibility practices may reduce information asymmetry, enhance stakeholder trust, and improve reputational capital, thereby affecting their financial behavior and their access to financial resources. This suggests that financialization is embedded within a wider system of corporate legitimacy, disclosure, reputation, and stakeholder relationships. Financial behavior therefore cannot be

separated entirely from non-financial organizational practices, because the quality of information and the reputation of the firm can influence both financing opportunities and investment decisions [8].

Sustainability considerations have also become increasingly important in research on financialization. Evidence from listed companies indicates that corporate financialization may have significant implications for environmental, social, and governance performance and sustainable development. The nature of this relationship depends on whether financialization provides resources that support strategic investment or instead encourages short-termism and the diversion of capital away from sustainable productive activities. The growing emphasis on ESG performance has therefore expanded the analytical scope of corporate financialization, linking financial decisions with long-term sustainability and stakeholder value. In emerging markets, where capital constraints and institutional imperfections can be substantial, this issue becomes particularly significant because firms must balance financial flexibility with long-term developmental objectives [9].

The consequences of financialization also extend beyond the boundaries of individual corporations. Financialization has been associated with broader changes in inequality, rent extraction, and the distribution of economic gains. The increased importance of financial rents may alter how income and wealth are distributed among firms, managers, investors, and workers. In this context, corporate financialization becomes part of a wider political-economic transformation in which financial returns may become increasingly separated from productive contributions. Such developments raise important questions regarding the social and distributive consequences of financialized corporate strategies and underline the need to examine the institutional setting in which corporate financialization occurs [3].

The expansion of financialization into specific sectors also illustrates its heterogeneous character. Financialization has significantly affected housing and real estate markets, where financial actors, investment vehicles, and market-based valuation increasingly shape asset ownership and allocation. The financialization of housing demonstrates how previously non-financial assets can become incorporated into global financial circuits and evaluated primarily through their capacity to generate financial returns [1]. Similarly, the financialization of real estate markets has been identified as a macroeconomic trend associated with digital transformation, changing investment practices, and the growing role of financial technologies and data-driven valuation mechanisms [10]. These developments suggest that financialization is not confined to securities markets but increasingly affects the organization of assets across different sectors of the economy.

Infrastructure and renewable-energy financing provide another example of the interaction between financialization, investment structures, and institutional arrangements. Large-scale projects often require complex networks of domestic and international investors, financial institutions, and specialized financing mechanisms. The structure of investor participation, the availability of international connections, and the financialization of project financing can significantly influence the implementation and governance of such projects [11]. This perspective is relevant to corporate financialization more broadly because it shows that access to sophisticated financial networks and innovative financing instruments can expand firms' investment capacity while simultaneously increasing their exposure to financial-market conditions.

Financialization has also been linked to unconventional monetary policy and the changing structure of financial networks. Monetary interventions can alter liquidity conditions, asset prices, portfolio preferences, and the behavior of financial and non-financial actors. Network-based analysis demonstrates that financialization is deeply embedded in interconnected financial relationships and that policy measures can have uneven effects across different institutions and sectors [12]. For corporations operating in volatile or inflationary environments, the

relationship between macroeconomic policy, liquidity, asset prices, and financial investment can become particularly important. This reinforces the need to incorporate macroeconomic conditions and market structure into the analysis of corporate financialization.

The broader consequences of financialization are also visible in commodity markets. The financialization of agricultural commodities has raised concerns regarding food security because increasing participation by financial investors can affect price dynamics, volatility, and resource allocation. Although agricultural commodity markets differ from corporate capital markets, the underlying mechanism is relevant: once assets become increasingly treated as financial instruments, their pricing and allocation may be influenced by speculative and portfolio considerations in addition to their underlying productive function [13]. This illustrates the capacity of financialization to reshape economic behavior across sectors and emphasizes the importance of understanding its institutional and social consequences.

Environmental research has similarly highlighted financialization as part of a wider nexus involving institutional quality, globalization, natural resources, renewable energy, and environmental outcomes. Financial development and financialization can influence environmental performance through investment incentives, capital allocation, and changes in economic structure. The interaction between financialization and environmental variables shows that the phenomenon is embedded in broader institutional and developmental systems rather than operating independently [14]. For corporate financialization studies, this implies that the institutional environment, regulatory quality, and strategic orientation of firms should be incorporated into analytical frameworks.

Within Iran, the study of financialization acquires particular significance because firms operate in a distinctive economic and institutional environment characterized by inflationary pressures, financial-market volatility, changing regulatory arrangements, financing constraints, and a historically important role for bank-based financing. Iranian evidence has already shown that financialization can affect the growth of non-financial firms, suggesting that the allocation of corporate resources toward financial activities has meaningful implications for productive development [15]. Moreover, the discourse of financialization has been identified within Iranian accounting practices, indicating that financialized logic is not merely an external market phenomenon but can also be embedded in accounting procedures, reporting frameworks, and organizational understandings of financial performance [16].

The Iranian capital market has expanded in importance as a source of financing, investment, and corporate valuation, yet its institutional characteristics differ substantially from those of mature financial systems. Corporate access to market-based financing may depend on the quality of financial reporting, investor confidence, regulatory transparency, ownership structures, liquidity, managerial competence, and the availability of innovative financial instruments. Under such circumstances, corporate financialization may emerge as both an opportunity and a risk. On the one hand, greater use of capital-market instruments can diversify financing sources, improve liquidity management, and strengthen corporate flexibility. On the other hand, macroeconomic instability and attractive returns on financial assets may encourage firms to shift resources away from productive investment. These competing mechanisms make it difficult to understand corporate financialization through a single-factor explanation.

Another important issue is that much of the existing literature has focused on specific consequences of financialization, such as investment behavior, productivity, sustainability, inequality, real estate dynamics, or environmental performance, rather than developing an integrated model of the organizational and contextual components that shape the phenomenon. Existing studies have provided important evidence regarding the role of

organization capital, managerial behavior, governance, social responsibility, macroeconomic conditions, and institutional quality, but these variables are often examined separately [5, 7, 8, 14]. Consequently, there remains a need for context-sensitive research capable of identifying how these dimensions interact within a coherent framework.

This need is particularly pronounced in emerging capital markets. Models derived from advanced economies may not fully capture the institutional constraints, regulatory conditions, financing structures, and managerial practices that influence corporate behavior in Iran. A grounded understanding is therefore necessary to determine which components are most salient, how they are related, and through what mechanisms they contribute to corporate financialization. Such an approach can help distinguish the causal conditions that initiate financialization from the contextual and intervening conditions that shape its implementation, the strategies through which firms respond, and the organizational consequences that follow.

Developing such a model also has practical importance. Managers require a clearer understanding of the financial, organizational, and strategic conditions under which financialization can support rather than undermine long-term corporate development. Investors need reliable information about the relationship between financial activities, corporate capabilities, and sustainable performance. Regulators require evidence regarding the institutional conditions that encourage responsible use of financial instruments while limiting excessive speculative behavior. A comprehensive model may therefore contribute to improved corporate decision-making, enhanced market transparency, better allocation of financial resources, and more effective policy design in Iran's capital market.

Accordingly, the aim of this study was to identify and develop the components of a corporate financialization model in Iran's capital market.

## **2. Methods and Materials**

This study employed a qualitative research design based on grounded theory to identify and conceptualize the components of a corporate financialization model in Iran's capital market. A qualitative approach was considered appropriate because corporate financialization is a multidimensional and context-dependent phenomenon shaped by interactions among organizational, managerial, institutional, regulatory, and macroeconomic conditions. Rather than testing predetermined relationships, the study sought to derive concepts, categories, and their interrelationships directly from the experiences and professional interpretations of individuals with substantial knowledge of corporate finance and the Iranian capital market. Grounded theory provided an appropriate methodological framework for systematically moving from empirical data to conceptual categories and, ultimately, to an integrated explanatory model. The analytical procedures were guided by the grounded theory approach of Strauss and Corbin, in which data collection and analysis proceed iteratively and concepts are progressively developed through open, axial, and selective coding.

The study population consisted of experts, specialists, and informed professionals in the fields of capital markets, corporate finance, financial management, accounting, investment, and related areas in Iran. Participants were selected because of their theoretical knowledge, professional experience, and direct familiarity with corporate financial decision-making and financialization processes in the Iranian capital market. The participant group included university faculty members in finance and accounting, senior financial managers and deputy financial managers of companies listed on the Iranian capital market, professional capital market analysts and financial consultants, and senior managers or experts working in financial institutions and capital-market-related

organizations. This diversity was deliberately maintained to ensure that corporate financialization was examined from academic, managerial, investment, regulatory, and professional perspectives.

Participants were recruited using purposive sampling. Individuals were initially selected on the basis of their capacity to provide information-rich accounts relevant to the research problem. To broaden access to key informants with specialized expertise, snowball sampling was subsequently employed, whereby interviewed participants were asked to identify other professionals who possessed substantial knowledge and experience related to corporate financialization and capital-market activities. Eligibility criteria included holding at least a master's degree in finance, accounting, economics, management, or a closely related discipline; having a minimum of 10 years of professional or research experience in the capital market or corporate financial activities; possessing sufficient familiarity with corporate investment decisions, capital structure, financial asset allocation, and strategic financial management; and demonstrating willingness to participate in an in-depth interview and share professional experiences.

Sampling and interviewing continued concurrently with data analysis until theoretical saturation was achieved. Theoretical saturation was considered to have occurred when subsequent interviews no longer generated substantively new codes, concepts, properties, or relationships among the emerging categories and when the principal analytical patterns became recurrent across participants. Saturation was reached after 23 in-depth semi-structured interviews, and the final qualitative sample therefore consisted of 23 experts. The participants comprised eight university faculty members, seven financial managers or deputy financial managers from listed companies, four capital market analysts or financial consultants, and four senior managers or experts from financial institutions and capital-market-related organizations. The heterogeneity of the sample enhanced the breadth of the data and allowed the emerging model to reflect different dimensions of corporate financialization within the institutional setting of Iran's capital market.

Data were collected primarily through in-depth semi-structured interviews. The interview format was selected because it provided sufficient consistency across participants while preserving the flexibility required to explore complex interpretations, professional experiences, organizational practices, institutional pressures, and contextual conditions associated with corporate financialization. An interview guide was developed in accordance with the purpose of the study and the conceptual background of corporate financialization. The questions were formulated to elicit participants' perceptions regarding the meaning and manifestations of corporate financialization, the principal drivers encouraging non-financial firms to allocate resources to financial assets and activities, organizational and managerial determinants of such decisions, institutional and regulatory influences, contextual and intervening conditions, strategic responses adopted by firms, and the organizational or market-level consequences associated with financialization.

The interview process was iterative rather than rigidly standardized. Initial questions were prepared before data collection, but additional probing questions were introduced when participants raised analytically important issues requiring clarification or further elaboration. Participants were encouraged to provide concrete examples from their professional experience and to explain perceived relationships among the identified factors. As preliminary concepts emerged from earlier interviews, subsequent interviews were used to explore these concepts in greater depth and to examine similarities, differences, and possible variations across organizational and professional contexts. This iterative procedure was consistent with the logic of grounded theory and facilitated the progressive refinement of the emerging categories.

To strengthen the content adequacy and clarity of the interview questions, the preliminary interview guide was reviewed by experts familiar with the Iranian capital market and corporate financial decision-making. Their comments were used to refine the wording, sequencing, comprehensibility, and relevance of the questions before the main interviews were conducted. Interviews continued until theoretical saturation was achieved. With participants' consent, the interview material was documented and prepared for systematic analysis. The interviews constituted the principal source of empirical data, while relevant scholarly literature and documentary sources concerning corporate financialization, corporate finance, capital markets, and the institutional characteristics of the Iranian market were consulted to support theoretical sensitivity and interpretation without replacing the inductive analysis of participants' accounts.

Several procedures were applied to enhance the trustworthiness of the qualitative findings. Credibility was strengthened through prolonged analytical engagement with the interview material, continuous comparison of data across participants, expert review, and participant involvement in clarifying interpretations where necessary. The diversity of participants also contributed to triangulation of perspectives by incorporating academic, managerial, analytical, institutional, and professional viewpoints. Methodological coherence was maintained by ensuring consistency among the research question, purposive sampling strategy, semi-structured interviewing, theoretical saturation, and grounded theory coding procedures. Data collection and analysis were conducted concurrently so that emerging concepts could inform subsequent interviews and areas requiring greater conceptual development could be examined more closely.

Member checking and expert review were also used to evaluate the plausibility of interpretations and the coherence of the developing conceptual structure. Selected participants were consulted regarding the interpretation of key concepts and relationships emerging from the interviews, while a group of experts in the capital market reviewed the principal categories and the axial coding structure. Dependability was further supported through systematic documentation of the coding process, comparison of coding decisions, and recoding of portions of the interview material. Researcher sensitivity was maintained throughout the analysis by repeatedly comparing interpretations with the original data and avoiding premature closure around initial conceptual assumptions. These procedures were intended to establish credibility, dependability, confirmability, and analytical consistency in the development of the corporate financialization model.

The qualitative data were analyzed using grounded theory procedures based on the Strauss and Corbin coding framework. Data analysis began immediately after the first interviews and proceeded simultaneously with subsequent data collection. This concurrent process allowed emerging concepts to guide later interviews and enabled the researchers to explore underdeveloped categories until theoretical saturation was reached. The constant comparative method was applied throughout the analytical process, such that incidents within each interview were compared with other incidents, codes were compared with codes, and emerging categories were compared across participants and professional groups. This iterative comparison facilitated the identification of conceptual similarities, differences, dimensions, and relationships within the data.

Open coding constituted the first stage of analysis. Interview transcripts were examined closely and divided into meaningful units reflecting participants' statements, interpretations, experiences, and explanations of corporate financialization. Conceptual labels were assigned to relevant units of meaning, and conceptually similar codes were progressively grouped together. Through repeated comparison, refinement, merging, and differentiation of codes, preliminary categories and subcategories were developed. Particular attention was given to identifying the defining

properties and dimensions of each concept and to maintaining a clear connection between the emerging codes and the empirical statements from which they originated.

Axial coding was subsequently used to reorganize the categories generated during open coding and to establish systematic relationships among them. At this stage, the analysis moved beyond the identification of individual concepts toward explaining how the major categories interacted within the process of corporate financialization. The paradigm model of Strauss and Corbin was used as the organizing analytical framework. Categories were examined in relation to the central phenomenon, causal conditions, contextual conditions, intervening conditions, action and interaction strategies, and consequences. This procedure enabled the researchers to determine how organizational and environmental drivers contributed to corporate financialization, how contextual and intervening factors shaped the process, what strategies firms adopted in response to these conditions, and what consequences emerged from those strategies. The relationships identified during axial coding were repeatedly checked against the interview data to ensure that the developing conceptual structure remained empirically grounded.

Selective coding represented the final analytical stage. A central category capable of integrating the major findings was identified, and the relationships between this core category and the other principal categories were systematically examined and refined. Categories that required further conceptual clarification were revisited, and connections among the dimensions of the model were evaluated for internal consistency and explanatory relevance. Selective coding therefore involved integrating the principal categories into a coherent conceptual account of corporate financialization in Iran's capital market rather than treating them as isolated thematic findings. The final model was constructed by relating the core phenomenon to its causal, contextual, intervening, strategic, and consequential dimensions and by refining the explanatory relationships until the model achieved conceptual coherence and theoretical saturation.

MAXQDA version 10 was used to facilitate the organization, retrieval, coding, categorization, and comparison of the qualitative data. The software supported systematic management of interview transcripts and assisted in tracing the progression from initial codes to higher-order categories and the integrated paradigm model. However, conceptual interpretation and theory development remained grounded in the researchers' analytical comparison of the interview data rather than being generated automatically by the software. The final analytical output was a context-sensitive model identifying the principal components and relationships underlying corporate financialization in Iran's capital market.

### **3. Findings and Results**

Analysis of the 23 in-depth semi-structured interviews generated a set of interrelated categories explaining the formation and development of corporate financialization in Iran's capital market. Following the grounded theory procedure, the conceptual codes extracted during open coding were compared, integrated, and organized through axial coding. This process led to the identification of the central phenomenon and its associated causal conditions, contextual conditions, intervening conditions, strategic factors, and consequences. The findings indicate that corporate financialization is not a unidimensional financial practice but rather a multidimensional organizational process requiring alignment among financial resources, capital structure, managerial capabilities, information transparency, financial innovation, organizational adaptability, and access to the capital market.

During axial coding, several conceptual codes were integrated into broader subcategories. Financial capabilities, adequate liquidity, and the ability to attract capital were grouped under the category of corporate financial

capability. This category emerged as one of the most fundamental components of successful corporate financialization because access to sufficient financial resources and liquidity enables firms to implement development projects and make use of advanced financial instruments. The concepts of an optimal debt–equity mix and financial balance formed the category of capital structure. A balanced capital structure was perceived as essential for reducing financing costs, enhancing the attractiveness of firms to investors, and creating the conditions required for the effective implementation of financial strategies.

Transparent financial information, reliable reporting, and transparency of corporate performance formed the category of financial information transparency and quality. Participants emphasized that the quality of financial information strengthens investor confidence and facilitates access to capital-market financing and more sophisticated financial instruments. The concepts of innovative financial instruments, securities development, and financial modeling were integrated into the category of innovation in financial instruments. Financial innovation was regarded as a mechanism for diversifying financing sources, enhancing capital-attraction capacity, reducing risk, and designing financial arrangements compatible with the characteristics of Iran’s capital market.

Management quality, informed decision-making, and managerial competence were classified under management and decision-making quality. This category represented the ability of management teams to formulate plans, implement strategies, monitor financial processes, and coordinate other components of corporate financialization. The ability to adapt to market conditions and respond rapidly to changes constituted organizational flexibility. Such flexibility was perceived as enabling organizations to respond effectively to regulatory, financial, and economic changes and to maintain the continuity of financialization strategies under conditions of uncertainty. Finally, access to institutional and retail investors and the capacity to issue securities were grouped under access to the capital market. Effective market access was regarded as the mechanism linking financial, managerial, and innovative capabilities to sustainable sources of finance.

The principal outcomes associated with these categories included prevention of organizational failure, improvement of productivity and organizational success, enhancement of organizational resilience and flexibility, and reinforcement of competitive advantage and sustainable growth. These outcomes also provide feedback for refining financial capabilities, capital structure, management practices, and financial innovation. Overall, axial coding showed that successful corporate financialization requires coordinated development of internal financial capabilities and favorable organizational and market mechanisms.

In the grounded theory framework, causal conditions refer to the factors that directly contribute to the emergence and development of the central phenomenon. In the present study, causal conditions explained why some firms are more capable of developing effective corporate financialization practices than others and clarified the mechanisms through which firms can obtain financial resources, design financial strategies, and make productive use of capital-market opportunities. Analysis of the interviews showed that the principal causal conditions were corporate financial capability, capital structure, transparency and quality of financial information, innovation in financial instruments, quality of management and decision-making, organizational flexibility, and access to the capital market.

These conditions answered several fundamental analytical questions, including which factors directly shape successful corporate financialization, through which mechanisms these factors operate, how they interact with each other, and which conditions strengthen or weaken their effects. The extracted causal categories and their corresponding concepts are presented in Table 1.

**Table 1. Causal Conditions in the Development of the Corporate Financialization Model in Iran's Capital Market\***

| Main Component                                    | Subcomponents                                                                 | Extracted Conceptual Codes                                                                                 | Analytical Explanation                                                                                                                                                                                                      |
|---------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate financial capability                    | Working capital, liquidity, capital-attraction capacity                       | Financial capabilities, adequate liquidity, ability to attract financial resources from the capital market | Corporate financial capability constitutes a fundamental condition for successful financialization because it determines the firm's ability to implement development projects and use capital-market financing instruments. |
| Capital structure                                 | Debt-to-equity ratio, combination of internal and external financing          | Optimal combination of debt and equity, financial balance                                                  | An appropriate capital structure reduces financing costs, improves financial balance, and enhances the attractiveness of the firm to investors, thereby directly supporting successful financialization.                    |
| Transparency and quality of financial information | Financial reporting, auditing, information disclosure                         | Transparent financial information, reliable reports, transparency of performance                           | High-quality and transparent financial information strengthens investor confidence and facilitates access to capital-market resources and financial instruments.                                                            |
| Innovation in financial instruments               | Use of innovative instruments, financing models                               | Innovative financial instruments, development of securities, financial modeling                            | Innovative financial instruments increase capital-attraction capacity, diversify financing sources, and enable firms to optimize financial risk.                                                                            |
| Management and decision-making quality            | Managerial experience, strategic planning                                     | Management quality, informed decision-making, managerial competence                                        | A capable management team can plan, implement, and monitor financial strategies more effectively, thereby increasing the probability of successful financialization.                                                        |
| Organizational flexibility                        | Adaptation to market and regulatory changes                                   | Ability to adapt to market conditions, rapid response to changes                                           | Organizational flexibility enables firms to react to economic and regulatory changes and maintain the continuity of financialization activities.                                                                            |
| Access to the capital market                      | Investor networks, admission to the stock exchange or over-the-counter market | Access to institutional and retail investors, ability to issue securities                                  | Effective access to the capital market provides sustainable financial resources, supports investment diversification, and constitutes a major mechanism for corporate financialization.                                     |

Corporate financial capability was repeatedly identified as a foundational condition. One participant stated, "Without sufficient liquidity and the capacity to attract capital, none of the company's development plans can be implemented." This observation illustrates that financial capability affects not only the availability of financing but also the organization's credibility in the eyes of investors and its ability to make use of innovative financial instruments.

Capital structure was also considered decisive. Participants emphasized that an appropriate balance between debt and equity reduces financing costs and increases investor confidence. As one interviewee explained, "When the debt-to-equity ratio is balanced, investors feel more secure, and there is also greater capacity to develop financial instruments." Thus, capital structure was interpreted as a direct determinant of a firm's ability to pursue financialization through capital-market mechanisms.

Financial transparency emerged as another critical causal condition. According to one participant, "When financial reports are reliable, investors enter projects more easily, and the capacity to attract capital increases." This finding demonstrates that adequate financial resources alone are insufficient when investors lack confidence in the reliability of corporate financial information. Transparent reporting therefore provides an informational foundation for successful financialization.

Innovation in financial instruments was associated with greater financing flexibility. An interviewee noted, "Innovative instruments allow us to attract more capital and manage risk more effectively." The use of new financing arrangements, securities, and financial models therefore expands the firm's financing alternatives and increases its ability to respond to capital-market opportunities.

Participants also stressed the importance of managerial quality. One interviewee stated, “Accurate and informed managerial decisions can make the best use of even limited resources.” Management quality thus functions as a coordinating mechanism through which financial resources, investment opportunities, and financial instruments are combined in a coherent strategy.

Organizational flexibility was particularly important under volatile market and regulatory conditions. As one participant commented, “Organizations with high flexibility can manage crises without disrupting their performance.” The ability to respond rapidly to economic fluctuations and regulatory changes was therefore considered essential for maintaining financialization activities over time.

Finally, access to capital-market networks was regarded as a major enabling condition. One participant observed, “The broader our access to investors, the greater our capacity to develop our projects.” Access to institutional and retail investors, securities issuance, and capital-market infrastructure therefore represents an essential component of the corporate financialization process.

Contextual conditions refer to the broader organizational and environmental circumstances within which the causal conditions operate. These factors do not necessarily create corporate financialization directly, but they determine whether the identified causal mechanisms can emerge, operate effectively, or produce the expected outcomes. The qualitative findings identified capital-market conditions, the legal and regulatory environment, organizational culture, macroeconomic conditions, and technological and information infrastructure as the principal contextual conditions.

**Table 2. Contextual Conditions in the Development of the Corporate Financialization Model in Iran’s Capital Market**

| Main Component                               | Subcomponents                                        | Extracted Conceptual Codes                                                                | Analytical Explanation                                                                                                                                                                              |
|----------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital-market conditions                    | Market stability, trading volume, liquidity          | Market liquidity, access to trading instruments, price stability                          | Capital-market conditions create the environment in which financialization can be implemented and influence firms’ capacity to attract capital and execute financial projects.                      |
| Legal and regulatory environment             | Securities regulations, supervisory policies         | Transparent legal framework, supervisory mechanisms, regulatory compliance                | A clear and predictable regulatory environment increases investor confidence and reduces legal and regulatory risks for firms.                                                                      |
| Organizational culture                       | Support for innovation, risk tolerance, teamwork     | Acceptance of innovation, culture of transparency, employee participation                 | A supportive and innovative organizational culture facilitates the adoption of new financial instruments and organizational adaptation to financialization.                                         |
| Macroeconomic conditions                     | Economic growth, inflation, interest rates           | Economic stability, access to financing, effects of economic fluctuations                 | Macroeconomic conditions influence firms’ financing capacity and may strengthen or weaken the effects of causal conditions on corporate financialization.                                           |
| Technological and information infrastructure | Financial systems, accounting and reporting software | Information technology infrastructure, financial management systems, electronic reporting | Appropriate technological infrastructure facilitates the collection, processing, and disclosure of reliable financial information and accelerates the implementation of financialization processes. |

Participants emphasized that market conditions determine whether firms can effectively deploy their financial capabilities. One interviewee explained, “In a market where liquidity and investors’ willingness to invest are high, implementing innovative financial instruments is easier.” Capital-market liquidity, transaction activity, and relative price stability therefore constitute an important context for financialization.

The legal and regulatory environment was similarly viewed as a structural condition. One interviewee stated, “Without a clear legal framework, no financialization model can be implemented sustainably.” Transparent securities regulation and effective supervision were considered necessary for reducing uncertainty, protecting investors, and enabling firms to design sustainable financing arrangements.

Organizational culture was also identified as an internal contextual condition. Participants emphasized that organizations characterized by openness to innovation, transparency, teamwork, and appropriate risk-taking are better positioned to adopt new financial mechanisms. One participant noted that “a company with an open and innovative culture accepts new financial instruments and can benefit more effectively from opportunities.” Macroeconomic stability and technological infrastructure further shaped the extent to which firms could implement financialization practices, particularly through their effects on financing costs, access to resources, financial reporting, and information-processing capacity.

Intervening conditions were identified as factors that modify, reinforce, or constrain the relationship between the causal conditions and the successful realization of corporate financialization. Their importance lies in demonstrating that the effects of financial capability, managerial competence, and financial innovation are not necessarily direct or uniform. Instead, these effects may vary according to leadership quality, internal organizational processes, employee involvement, access to technology, and the quality of decision-relevant information.

The principal intervening factors identified in the interviews were leadership style, quality of decision-making information, internal policies and processes, employee participation, and access to financial and technological resources. For example, a firm may possess significant financial capacity and employ innovative financial instruments, but the impact of these strengths may remain limited if managerial support is weak, technological systems are inadequate, or decision-makers lack reliable information. Conversely, flexible organizational policies, strong internal control systems, and participative management can amplify the effects of the causal conditions.

**Table 3. Intervening Conditions in the Development of the Corporate Financialization Model in Iran's Capital Market**

| Main Component                                  | Subcomponents                                   | Extracted Conceptual Codes                                                         | Analytical Explanation                                                                                                                                                         |
|-------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership style                                | Participative leadership, strategic leadership  | Strategic direction, participative decision-making, managerial support             | Effective leadership increases managers' capacity to exploit financial capabilities and implement corporate financialization strategies.                                       |
| Quality of decision-making information          | Data transparency, access to up-to-date reports | Accurate financial information, reliable analytical data, decision-support reports | High-quality and accessible information reinforces the effects of financial capability and financial innovation while reducing decision-making risk.                           |
| Internal policies and processes                 | Investment policies, internal guidelines        | Internal coordination, decision-making processes, internal controls                | Structured internal processes facilitate the implementation of financial instruments and capital attraction and reduce the likelihood of failure in financialization projects. |
| Employee participation                          | Team cooperation, employee motivation           | Employee motivation, teamwork, employee involvement in project implementation      | Active employee participation enhances strategy implementation and increases the firm's capacity to execute financialization successfully.                                     |
| Access to financial and technological resources | Human and technological capital                 | Financial technology tools, financial support resources, information systems       | Access to adequate financial and technological resources strengthens the firm's ability to use financial instruments and implement financialization projects.                  |

The interviews demonstrated that decision-making information can substantially modify the influence of otherwise strong organizational capabilities. One participant explained, “When the information is incomplete, even experienced managers cannot make the best decision.” Thus, decision quality depends not only on managerial competence but also on the availability of reliable, timely, and analytically useful information.

Limitations in technological or financial support were similarly perceived as constraints. One participant stated, “If financial resources are limited, innovative instruments cannot be used, and this restricts the development of

financialization.” The findings therefore indicate that access to supporting infrastructure determines the extent to which firms can convert financial capabilities into concrete financialization activities.

Leadership and employee involvement also influenced implementation. One interviewee remarked, “When the team supports the manager and everyone participates in decision-making, financial strategies are implemented much more successfully.” Participative and strategic leadership therefore strengthens organizational commitment and improves coordination during financialization.

Strategic factors refer to the orientations and organizational actions through which companies translate their financial capacities and environmental opportunities into sustained financialization practices. These factors shape long-term organizational priorities and determine how financial resources are allocated, how investment risks are managed, and how capital-market opportunities are aligned with corporate growth objectives.

The principal strategic factors identified in the study were organizational goal setting, sustainable growth policies, financial and investment strategies, and market-share development. These factors provide direction for the interaction among causal, contextual, and intervening conditions and ensure that corporate financing and investment decisions remain aligned with broader organizational objectives.

**Table 4. Strategic Factors in the Development of the Corporate Financialization Model in Iran’s Capital Market**

| Main Component                      | Subcomponents                                            | Extracted Conceptual Codes                                                           | Analytical Explanation                                                                                                                                            |
|-------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organizational goal setting         | Short- and long-term objectives                          | Financial target setting, sustainable growth, enhancement of shareholder value       | Clearly defined organizational goals determine the direction of financialization projects and concentrate resources on strategically important activities.        |
| Sustainable growth policies         | Market development, liquidity preservation               | Development planning, liquidity management, maintenance of financial balance         | Sustainable growth policies ensure that financialization activities support long-term development and reduce the risk of organizational failure.                  |
| Financial and investment strategies | Diversification of financing sources, capital attraction | Investment planning, use of innovative financial instruments, resource optimization  | Appropriate financial and investment strategies increase firms’ ability to mobilize resources and implement financialization projects effectively.                |
| Market-share development            | Increased market penetration, competition                | Market-share development planning, opportunity identification, competitive advantage | Market-share development increases revenue potential, enhances corporate attractiveness to investors, and supports participation in financialization initiatives. |

Long-term organizational objectives were regarded as a prerequisite for coherent financial behavior. One participant emphasized, “Without a clear objective, no financial action will be coherent and sustainable.” Financialization therefore needs to be embedded within an explicit strategic direction rather than being treated as a series of isolated financing decisions.

Participants further indicated that financial and investment strategies must be coordinated with sustainable-growth objectives. One interviewee stated that when market-share development and financial resources are aligned, firms have a greater ability to use innovative financial instruments. Strategic alignment therefore helps firms allocate resources toward investments that simultaneously strengthen financial capacity and competitive positioning.

Risk management was also embedded in strategic decision-making. A participant explained, “Precise risk management reduces potential market disruptions and fluctuations and makes implementation of the financialization model safer.” Thus, strategic financialization requires not only capital attraction but also disciplined management of market uncertainty, liquidity exposure, and financial risk.

The final group of findings concerned the consequences of implementing the corporate financialization model. Consequences represent the organizational results produced through the interaction of causal, contextual, intervening, and strategic conditions. They provide an empirical basis for evaluating whether the financialization process contributes to organizational sustainability, performance, and competitive development.

The identified consequences included prevention of organizational failure, increased productivity and organizational success, enhanced organizational resilience and flexibility, and strengthened competitive advantage and sustainable growth. In the short term, the financialization model was associated with improved liquidity management, more informed investment decisions, and greater stability. In the longer term, participants associated successful implementation with increased market share, stronger shareholder value, improved resilience, and sustainable organizational development.

**Table 5. Consequences of the Corporate Financialization Model in Iran's Capital Market**

| Main Component                                            | Subcomponents                                                | Extracted Conceptual Codes                                                         | Analytical Explanation                                                                                                                                                                   |
|-----------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prevention of organizational failure                      | Reduction of financial risk, reduction of operational crises | Maintenance of financial stability, prevention of bankruptcy, crisis management    | Systematic and transparent financialization, adequate access to financing, and effective capital management reduce organizational risk and decrease the likelihood of corporate failure. |
| Increased productivity and organizational success         | Improved decision-making, optimal use of resources           | Informed decision-making, operational productivity, strong financial performance   | The use of innovative financial instruments and capable management enables firms to improve productivity and achieve financial and operational objectives.                               |
| Enhanced organizational resilience and flexibility        | Adaptation to market fluctuations, change management         | Organizational flexibility, rapid response to change, adaptability                 | Organizations with flexible financialization arrangements can respond effectively to economic and market fluctuations while maintaining operational continuity.                          |
| Strengthened competitive advantage and sustainable growth | Market-share development, shareholder value creation         | Increased market share, attraction of investors, sustainable competitive advantage | Financial innovation, strategic planning, and sustainable growth policies increase corporate attractiveness in the capital market and reinforce long-term competitive advantage.         |

Participants associated effective financialization with a reduced likelihood of liquidity crises and organizational failure. One interviewee stated, "With this financial framework, we were able to continue our projects without facing a liquidity crisis." This finding indicates that a coordinated financialization framework can improve financial stability and reduce vulnerability to disruptions in funding.

Effective resource utilization and informed financial decision-making were also associated with improved organizational performance. According to one participant, informed financial decisions substantially increased returns on capital and projects. Financialization was therefore perceived as contributing to more efficient allocation of organizational resources when supported by adequate information and capable management.

Organizational resilience was another major consequence. Participants indicated that firms with flexible financial and organizational arrangements were able to maintain their plans despite changing market conditions. One participant explained that organizational flexibility enabled the company to continue its programs during periods of market fluctuation. Thus, financialization was associated not only with financing capacity but also with organizational adaptability.

Finally, successful financialization was linked to competitive development and sustainable growth. One participant stated, "By using innovative financial instruments, we were able to strengthen our position in the market and achieve sustainable growth." The findings therefore suggest that financialization can increase corporate attractiveness to investors, contribute to market-share development, strengthen shareholder value, and support sustainable competitive advantage when implemented within a coherent strategic and organizational framework.

Overall, the consequences identified in the interviews demonstrate that development of a corporate financialization model in Iran's capital market extends beyond the management of financial resources. Its effects include greater organizational productivity, enhanced resilience, stronger competitiveness, reduced vulnerability to financial and operational failure, and more sustainable growth. The integration of expert perspectives therefore produced a practical conceptual framework for managerial decision-making and capital-market policy formulation.

The relationships among the categories were finalized through axial and selective coding. In this process, subcategories were systematically linked to broader categories and then positioned within the grounded theory paradigm. The resulting structure demonstrates that corporate financialization develops through the interaction of causal conditions, contextual conditions, intervening conditions, and strategic actions, which collectively generate organizational and financial consequences. The paradigm model derived from these relationships is presented in Figure 1.

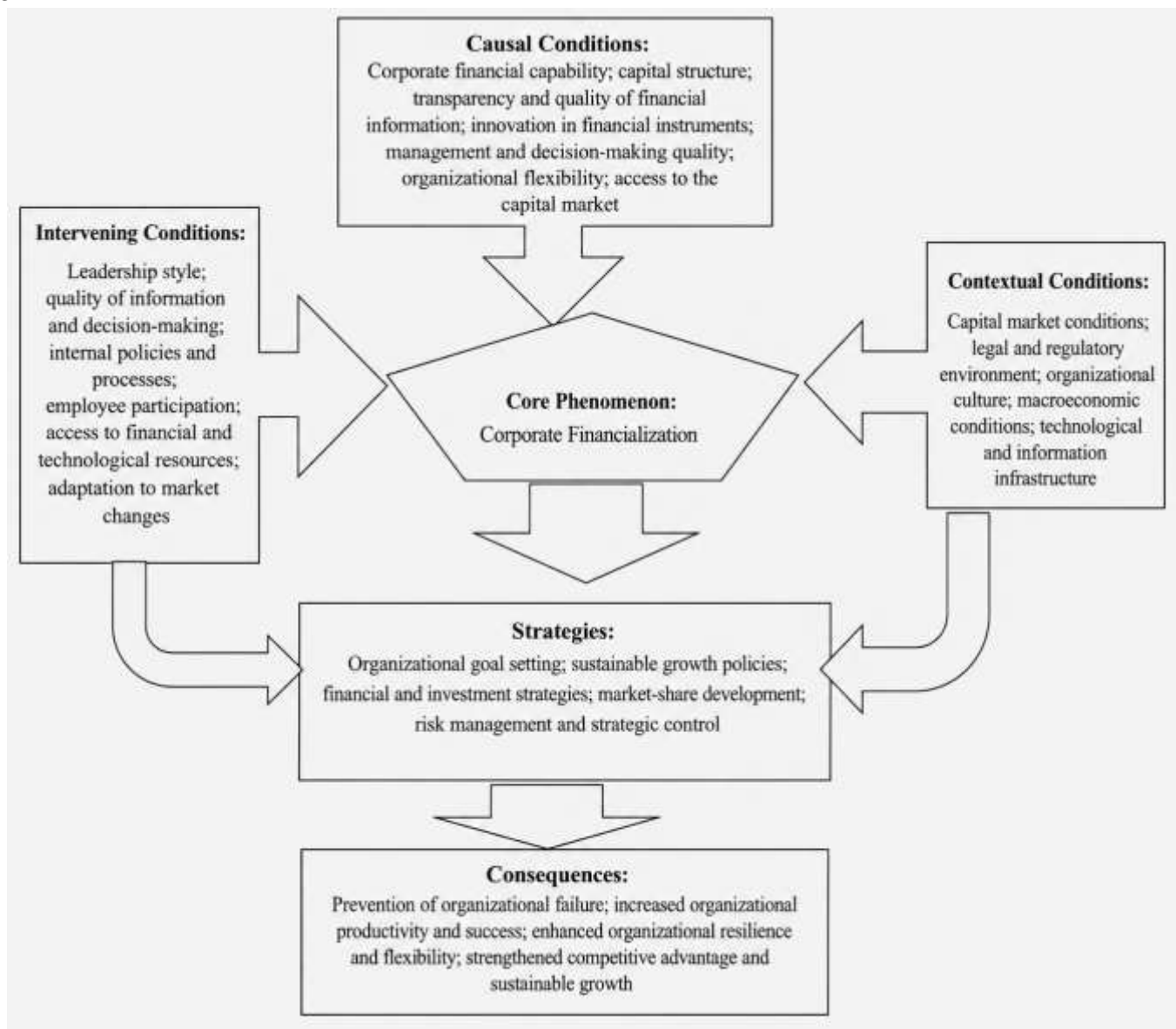


Figure 1. Paradigm Model of Corporate Financialization in Iran's Capital Market

#### 4. Discussion and Conclusion

The present study sought to identify the components of a corporate financialization model in Iran's capital market through a qualitative grounded theory approach. Analysis of the expert interviews showed that corporate financialization is a multidimensional phenomenon arising from the interaction of causal, contextual, intervening, and strategic factors and leading to a set of organizational and financial consequences. The resulting paradigm model indicated that corporate financial capability, capital structure, transparency and quality of financial information, innovation in financial instruments, management and decision-making quality, organizational flexibility, and access to the capital market constitute the principal causal conditions. Capital-market conditions, the legal and regulatory environment, organizational culture, macroeconomic conditions, and technological and information infrastructure formed the contextual conditions. Leadership style, quality of decision-making information, internal policies and processes, employee participation, and access to financial and technological resources were identified as intervening conditions. The strategic dimension comprised organizational goal setting, sustainable growth policies, financial and investment strategies, market-share development, and risk management and strategic control. Finally, prevention of organizational failure, increased productivity and organizational success, enhanced resilience and flexibility, and strengthened competitive advantage and sustainable growth emerged as the principal consequences.

One of the most important findings was the central role of corporate financial capability in the formation and effectiveness of financialization. Participants consistently emphasized that sufficient liquidity, working capital, and the ability to attract financial resources determine whether firms can exploit opportunities in the capital market and implement financialization strategies. This finding is consistent with the broader literature suggesting that financialization changes firms' patterns of resource allocation and increases the importance of financial assets and market-based sources of finance. Davis argued that corporate financialization is closely connected with changes in corporate investment behavior and the allocation of resources between productive and financial activities, indicating that the availability and deployment of financial resources are fundamental to understanding financialization [4]. Similarly, Ahmadi showed that changes in financialization can influence the growth of non-financial firms, supporting the present finding that financial capability is not merely a supporting condition but an important determinant of firms' growth trajectories under financialization [15].

The identification of capital structure as a major causal component further demonstrates that corporate financialization is strongly dependent on how firms combine internal resources, equity, and debt. Participants indicated that a balanced capital structure reduces financing costs, strengthens investor confidence, and increases firms' ability to use capital-market instruments. This interpretation is compatible with research emphasizing that corporate financialization affects both financing and investment decisions and should therefore be analyzed as part of a broader transformation in corporate financial strategy [4]. The findings also correspond with the conceptualization of financialization as an increasing integration of corporations into financial markets and valuation mechanisms, where corporate market value and access to financial capital become progressively more significant in strategic decision-making [2]. Thus, the role of capital structure identified in the present model can be understood as the organizational mechanism through which market-based financialization becomes operational.

Transparency and the quality of financial information constituted another important causal condition. The experts believed that reliable reporting, disclosure, and transparent performance information reduce investor uncertainty and facilitate access to capital-market financing. This result is particularly relevant in the Iranian

context, where financialization has already been shown to be embedded in accounting practices and financial reporting discourse. Etemadi et al. demonstrated that financialization-related logic can be reflected in Iranian accounting methods, suggesting that accounting systems do not simply record financialization but may also participate in shaping how financial activities are perceived and managed [16]. The present findings expand this argument by showing that information quality serves as a practical mechanism through which financialized strategies can gain investor legitimacy and access to market resources.

The importance of transparency is also supported by Lei et al., who found that corporate social responsibility can affect corporate financialization through information and reputation-related mechanisms [8]. Their findings indicate that information asymmetry and corporate reputation shape the financial behavior of firms. This is consistent with the current study because experts repeatedly linked high-quality information with investor trust and the ability to use innovative financial instruments. From this perspective, financial transparency acts not simply as a reporting requirement but as an enabling condition that strengthens the relationship between internal financial capability and external market access.

Innovation in financial instruments was also identified as a major driver of financialization. Participants explained that innovative securities, financing arrangements, and financial models increase firms' ability to diversify financing sources and manage risk. This finding aligns with Klagge and Nweke-Eze, who showed that the financing of large-scale projects increasingly depends on complex investor structures, international financial connections, and financialized financing mechanisms [11]. It is also consistent with Sternik and Safronova, who described financialization as increasingly intertwined with technological and digital transformations in financial markets [10]. Together, these studies support the present finding that financial innovation increases organizational capacity to participate in financial markets, although its effectiveness depends on institutional and technological support.

Management and decision-making quality emerged as another central causal factor. Participants emphasized that competent managers can make effective use of limited resources, coordinate financial strategies, and prevent excessive or inappropriate financialization. This result closely corresponds with Wang et al., who showed that managerial herd behavior is significantly related to corporate financialization and that this relationship is moderated by corporate governance [7]. Their findings demonstrate that managerial behavior is not incidental to financialization but can actively determine its direction and intensity. The current study extends this perspective by identifying managerial competence, strategic planning, and informed decision-making as positive mechanisms that can transform financialization from opportunistic asset allocation into a coordinated organizational strategy.

The role of organizational capital also helps explain why management quality matters. Qin et al. demonstrated that organization capital is associated with corporate financialization, implying that accumulated organizational capabilities, routines, knowledge, and strategic resources influence firms' financial behavior [5]. The present findings are consistent with this view, particularly because management quality, organizational flexibility, and internal processes were repeatedly identified as integral elements of the model. Firms with stronger organizational capabilities appear better able to integrate financial activities with strategic objectives rather than treating financial investment as a disconnected or purely speculative activity.

Organizational flexibility and adaptability were also identified as causal elements. According to the participants, firms need to respond rapidly to changes in regulation, market conditions, and economic instability if financialization is to remain sustainable. This finding is particularly meaningful in relation to studies showing that financialization operates within broader financial networks that are sensitive to monetary and market changes.

Perillo and Battiston demonstrated that unconventional monetary policy can reshape financial networks and influence the behavior of financialized actors [12]. In volatile environments, therefore, firms that lack adaptive capacity may be exposed to significant financial risk, whereas organizations capable of adjusting their asset allocation, financing strategies, and market engagement may be better positioned to benefit from financialization.

The contextual conditions identified in the present study further confirm that financialization cannot be interpreted independently of the surrounding institutional environment. Capital-market stability, liquidity, regulatory clarity, macroeconomic conditions, organizational culture, and technological infrastructure were all found to influence the implementation of financialization. This finding is consistent with Ameer et al., who showed that financialization interacts with institutional quality, globalization, resource structures, and broader macroeconomic conditions [14]. Although their study focused on environmental outcomes, its broader implication is directly relevant: the effects of financialization depend on the institutional and economic setting in which it develops. The Iranian context therefore requires a model that reflects local regulatory structures, market volatility, financing constraints, and technological capabilities rather than relying exclusively on models developed in more mature financial systems.

The importance of market and macroeconomic context is also supported by studies of financialization beyond the corporate sector. Aalbers showed that the financialization of housing involves the incorporation of assets into broader financial circuits and depends heavily on institutional and market structures [1]. Sternik and Safronova similarly identified the financialization of real estate markets as a macroeconomic trend shaped by technological transformation and changing financial structures [10]. These studies support the present finding that corporate financialization develops within an ecosystem rather than within the firm alone. Market liquidity, regulatory stability, information infrastructure, and economic conditions determine the range of feasible financial strategies available to companies.

The intervening conditions identified in this study also provide an important explanation for why similar financial capabilities may produce different outcomes across firms. Leadership style, decision-making information, internal processes, employee involvement, and technological resources were found to strengthen or weaken the influence of causal factors. This result is consistent with Wang et al.'s finding that governance moderates the relationship between managerial behavior and financialization [7]. It also complements Lei et al.'s emphasis on information effects in explaining financialization [8]. Together, these findings indicate that corporate financialization is not governed by a simple linear relationship between financial resources and financial investment. Rather, organizational mechanisms determine whether those resources are used strategically, responsibly, and effectively.

The strategic factors identified in the present study—including goal setting, sustainable growth policies, financial and investment strategies, market-share development, and risk management—highlight the need to understand financialization as an intentional organizational process. Participants emphasized that financialization should be aligned with long-term corporate objectives rather than pursued merely for short-term returns. This finding corresponds with Yang and Xu, who examined the relationship between corporate financialization, ESG performance, and sustainable development and showed that financialization has important implications for firms' long-term sustainability orientation [9]. The present results similarly suggest that financialization can contribute to sustainable organizational growth only when it is incorporated into an explicit strategic framework.

This strategic interpretation also helps reconcile the potentially positive and negative effects of financialization reported in previous research. Excessive financialization may reduce productive investment and contribute to

lower productivity, whereas strategically managed financial activity may strengthen liquidity, diversification, and resilience. Barradas linked financialization with declining labor productivity, particularly through mechanisms involving reduced productive investment [6]. Davis likewise emphasized policy concerns regarding the relationship between financialization and corporate investment [4]. The present findings suggest that the distinction may depend partly on strategic alignment: financialization that crowds out productive activity can undermine long-term performance, whereas financialization used as a complementary mechanism for financing, liquidity management, and risk diversification may support organizational development.

The consequences identified in the current model reinforce this interpretation. Experts associated successful financialization with lower risk of organizational failure, higher productivity, greater resilience, stronger competitive advantage, and sustainable growth. These positive consequences should not be interpreted as automatic outcomes of financialization but rather as results that emerge when the causal, contextual, intervening, and strategic elements are aligned. Yang and Xu's findings regarding financialization and sustainability support this conditional interpretation [9]. Similarly, Qin et al.'s evidence concerning organization capital suggests that firms' internal capabilities influence the consequences of financialization [5]. Thus, the findings of the present study emphasize the quality and configuration of financialization rather than merely its presence or absence.

At a broader level, the model also contributes to debates concerning the social and economic consequences of financialization. Remington discussed the relationship among financialization, rents, and inequality, emphasizing that financialized structures can influence the distribution of economic gains [3]. Likewise, Manogna and Nishil showed that financialization in agricultural commodity markets may have implications extending beyond financial returns to food security and broader socioeconomic outcomes [13]. These studies demonstrate that financialization is capable of producing consequences that extend beyond individual firms. Therefore, although the present study focuses on firm-level outcomes, the corporate financialization model may also have implications for investment patterns, market stability, employment, and economic development in Iran.

Overall, the findings support a systemic interpretation of corporate financialization. Financialization in Iran's capital market appears to emerge through the interaction of firm-level financial capabilities and external market opportunities, while its eventual consequences depend on managerial competence, information quality, organizational processes, regulatory conditions, and strategic orientation. This multidimensional perspective is consistent with the broader literature, which portrays financialization as a phenomenon simultaneously shaped by corporate investment behavior, managerial incentives, institutional quality, financial innovation, market structures, and sustainability considerations [2, 4, 5, 12]. The principal contribution of the present study is therefore the integration of these dimensions into a context-sensitive paradigm model specifically grounded in the experiences of experts familiar with Iran's capital market.

This study has several limitations that should be considered when interpreting the findings. First, the qualitative nature of the research means that the resulting model reflects the experiences and interpretations of the participating experts and should not be understood as statistically generalizable to all companies operating in Iran's capital market. Although purposive and snowball sampling enabled access to participants with substantial professional expertise, these methods may also have resulted in the inclusion of individuals belonging to relatively interconnected professional networks. In addition, the study relied primarily on interview data, meaning that participants' responses may have been influenced by professional perspectives, organizational positions, retrospective interpretation, or reluctance to discuss sensitive financial practices. The rapidly changing economic, regulatory, and technological environment of Iran's capital market also means that some relationships identified in

the model may evolve over time. Finally, the heterogeneity of industries represented in the capital market was not examined as a separate analytical dimension, even though the nature and intensity of financialization may differ considerably across sectors.

Future studies could examine the proposed model in different industries and organizational settings to determine whether the identified components operate similarly across manufacturing, service, technology, energy, and other sectors. Comparative qualitative studies could also investigate differences between listed and non-listed firms or between Iran and other emerging capital markets. Further research may focus in greater depth on individual components of the model, such as managerial decision-making, financial innovation, regulatory quality, organizational culture, or technological infrastructure, in order to clarify their mechanisms of influence. Longitudinal research would be particularly valuable for examining how corporate financialization changes during periods of inflation, market instability, regulatory reform, or economic recovery. Researchers could also investigate potential undesirable consequences of excessive financialization, including crowding out of productive investment, heightened exposure to market volatility, and short-term managerial orientation, thereby identifying the point at which financial flexibility may become counterproductive.

Managers of companies operating in Iran's capital market should approach financialization as an integrated strategic process rather than as a set of isolated financial transactions. Firms should strengthen liquidity planning, maintain a balanced capital structure, improve the quality and timeliness of financial disclosure, and develop capabilities for using innovative financial instruments in accordance with their risk capacity and long-term objectives. Senior management should establish explicit criteria for distinguishing financial activities that support operational development from activities that may excessively divert resources away from productive investment. Capital-market regulators should promote clearer and more predictable rules, strengthen disclosure and supervisory mechanisms, and encourage technological infrastructures that improve access to reliable financial information. Companies should also invest in managerial competence, strategic risk management, employee participation, and flexible internal processes so that financialization strategies can be adjusted rapidly when market or regulatory conditions change. Finally, firms should evaluate the success of financialization not only through short-term financial returns but also through its contribution to organizational resilience, productivity, competitive advantage, shareholder value, and sustainable long-term growth.

#### **Authors' Contributions**

Authors equally contributed to this article.

#### **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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