A Typology of Corruption Resistance
for Public Sector Organizations

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ABSTRACT The aim of this paper is to enable a better understanding of corruption resistance in public sector organizations by identifying and addressing significant gaps in theory and research. To this end institutional theory is employed to propose a definition of corruption resistance and develop this definition into a typology. In the typology, four modes of corruption resistance are identified: ‘drift’, ‘laissez-faire’, ‘regulation’ and ‘alignment’. This typology is expanded using variables that have so far been identified in published research. This paper contributes by providing a theory-based definition and typology of corruption resistance which open-up opportunities for new lines of inquiry that have the potential to produce new understandings. It might also assist decision-makers and managers in public sector organizations.

Keywords: Accountability, Corruption, Governance, Public Sector Reform

Public sector organizations that are able to resist corruption are desirable and necessary to ensure the effective delivery of public services and maintain public confidence in the workings of government. In this article we develop a typology that provides a basis for understanding corruption resistance. Following the work of Shadnam and Lawrence (2011) we deploy institutional theory as a foundation for our work as it provides a way of conceptualising public sector organizations as nested systems of individuals, organizations, and political and social structures. This paper complements and extends existing research in that firstly attention is drawn to the need for theory-based approaches to public sector corruption resistance, secondly a definition of corruption resistance is presented and thirdly a typology is proposed that may be used for developing new research agendas.

There is relatively little research about corruption resistance at the sub-national level that focuses on public sector organizations and those who work in them. Undertaking research in this area is important because of the critical importance of having public sector organizations that are able to resist corruption. Public sector organizations that are vulnerable to corruption run risks of misdirection of scarce public resources, the impeding of governments and public sector agencies from pursuing their objectives, creation of waste and inefficiency, and ultimately undermining public confidence in the public sector and even the system of government itself.

To provide a clear picture of the corruption resistance field it is important to ensure that the various terms currently used in this area are differentiated. Our survey of the literature revealed
various terms that are used sometimes simultaneously and interchangeably: corruption minimisation (Gorta 1998), anti-corruption (Kim, Kim & Lee 2009), corruption prevention (Greycar & Smith 2011), corruption control (Lange 2008), and corruption resistance (Gorta 2006). With this in mind a coherent, theoretical depiction of the field would be helpful. To achieve this we focus on corruption resistance. Using the term corruption resistance is superior to corruption prevention because it is difficult to measure how much corruption has been prevented; it is more feasible to research and document what active steps are being taken to increase resistance to corruption in an organization (Gorta 2006). Furthermore, ‘corruption resistance’ is a more accurate term than ‘anti-corruption’ and ‘corruption minimisation’ because they are widely used to describe public governance and institutional reform aimed at reducing official corruption from the international and national scales through to organizations. As a result different phenomena at different levels of analysis have been given the same label by different researchers. For example, anti-corruption has been applied at the national level by Bertot et al 2010 in which it is defined broadly in terms of administrative reform, law enforcement and social change. In contrast Vian (2008) defines anti-corruption at the organizational level as being about increased control of individual discretion of employees, whereas at Frank et al (2011) define it at the individual level as being about the prevention of illegal behaviour.

The varied use of terminology and lack of clarity about what is being examined in the field is perhaps due mainly to an absence of underpinning theory. In our analysis we apply institutional theory to develop a definition and typology that can be used specifically and consistently at different levels of analysis.

INSTITUTIONAL THEORY

The strength of institutional theory is that it draws attention to the environment as a socially constructed context of action that shapes decisions made within organizations (DiMaggio & Powell, 1983; Pursey, Heugens & Lander, 2009; Scott, 1995; Shadnam & Lawrence 2011). Taking such an approach two perspectives of corruption resistance in public sector organizations emerge: one that is based on the idea that corruption resistance arises from external forces (structures) and the other is that it is a product of action by and within organizations (agency).
When structures are considered as being of primary importance to public sector organizations it may be argued that they will tend to conform to similar patterns of performance and practice. This is due to isomorphic pressures arising from the external environment. DiMaggio and Powell (1983) identify these pressures coming in the form of coercion (e.g., regulation), mimesis (copying practices from successful counterparts), and social norms (e.g., accreditation). Isomorphic pressure may bring benefits in improved organizational performance (desirable in the realm of corruption resistance), it also causes a reduction in variation across the public sector which can compromise an organizations’ resilience in the face of external shock (Pursey, Heugens and Lander 2009).

Institutional theory though also includes the idea that such potential vulnerabilities caused by isomorphism leads organizations to respond by developing new behaviours and practices that differentiate them from their counterparts creating variability rather than similarity (Pursey et al. 2009). In this respect structures form the basis for organizations to develop autonomous behaviours and thus change and variability (Dacin, Goodstein & Scott 2002).

The structural perspective on corruption resistance in the public sector then is about reducing the presence of misconduct and illegal behaviour through isomorphic pressure. An example of these pressures may be found in the work of Hood and Peters (2004). They argue that public sector organizations prefer process and compliance oriented approaches such as procurement rules, external audit and surveillance systems that would prevent corruption through removing opportunity and deter through increasing chances of detection. These are generally standard administrative processes adopted across public sector organizations within a particular jurisdiction. Evidence that such isomorphic pressures lead to conformity among public sector organizations is quite strong. Frumkin and Galaskiewicz (2004) found that public sector organizations are liable to such pressure to the extent that external influences rival internal controls. Ashworth, Boyne, and Delbridge (2009) refine this conclusion. They discovered that it is important to distinguish the outcomes of external (structural) influences between compliance (direction of movement) and convergence (resemblance) because in their study the former is more significant than the latter. When applied to corruption resistance, these institutional perspectives focus attention on the main problematic of preventing corrupt behaviour through effective public sector-wide external measures that encourage compliance.
Institutional theory also leads us to consider that organizations also display autonomous behaviours. It is possible then to argue that it is not just structure that determines behaviours within the public sector but also agency. The findings of Ashworth et al. (2009) that convergence is a somewhat weaker influence than compliance suggests that while public sector organizations are subject to isomorphic pressures, this does not necessarily lead to an outcome of resemblance. According to Wry (2009) this brings into focus the interplay between enduring belief systems of organizations that serve as templates for thought and action, recurring patterns of behaviour based on organizational structures and logics, and the actions of people as they themselves understand them. Together these form frameworks that people draw on to justify their practices. Taking agency into account, corruption resistance depends on formal organization structures (e.g., policies and procedures), individual belief systems within organizations, and how individuals interpret these systems.

CORRUPTION RESISTANCE

In order to build understanding corruption resistance we first develop a definition of the term. Existing definitions often focus on agency aspects such as managerial control (Lange, 2009), minimising risk of corrupt behaviour (Gorta 2006), and the ability of organizations and individuals to ‘resist ethical spoilage’ (Kish-Gephart, Harrison & Trevino 2010, 23). On the other hand agency and structural dimensions can be incorporated through the idea of integrity (Mulgan and Wanna 2011) that involves behavioural change as well as organizational reform. As such it is ‘a relative, evolving and culturally defined aspiration’ (Evans 2012, 98). Taking into account these approaches, we define corruption resistance as, ‘the capacity of an organization to develop and maintain its integrity’.

In applying institutional theory to expand on this definition of corruption resistance, there are two dimensions that must be taken into account. The first is that an organization conforms to a sound set of external (structural) codified moral principles (e.g., honesty, fairness, justice, trust) by which it and its employees demonstrably stand. The second is about consistent agency in which the organization retains a state of internal connectedness and wholeness. The two elements of structure
and agency included in this definition can be used as two axes around which a two-by-two typology of corruption resistance can be constructed (Figure 1).

Figure 1: A Typology of Corruption Resistance

![Figure 1: A Typology of Corruption Resistance](image)

In Quadrant One the situation is low agency and low structure influence. In this case an organization has neither the external policy/regulatory/monitoring framework to support its operation or the internal capacity to take action to prevent corruption. As a result the organization is in a state of directionless ‘drift’ and vulnerable to the actions of corrupt individuals or networks. Quadrant Two refers to a situation of high agency and low structure that we call ‘Laissez-Faire’ in which the capacity to resist corruption within the organization is unsustainable. This is because this type of organization is unstable as it depends only on its own capabilities to resist corruption with no external support or framework. Quadrant Three is a situation of high structure and low agency. For these organizations there is only capacity to follow external guidance. We argue that this leads to compliance or ‘shallow resistance’ in which there is a tendency to adopt an insufficient lowest common denominator approach (i.e., ‘if it is legal it is ok’) (Menzel 2006). Quadrant Four is where
there is both high agency and high structure influences at work. In such an organization not only are there structures at work that foster and support corruption resistance, organizations have created their own capacity to resist corruption within these structures. We theorise that this is where internal and external influences are in alignment and corruption resistance is at its highest and most sustainable.

To expand on this typology the problems of identifying variables that may be used to measure corruption resistance and of explaining how structure and agency interact needs to be addressed. In this paper we begin this search by reviewing existing literature that relates to corruption resistance in public sector organizations.

**CORRUPTION RESISTANCE – STRUCTURE**

The vertical axis of our typology refers to the influence of structure. One of the most commonly researched structural influences in corruption resistance is the Anti-Corruption Agency (ACA). ACAs play an important role in promoting corruption resistance in public sector organizations. They have been key elements in the development of overall corruption resistance in the public sector over the past two decades (de Sousa 2010). Indeed, recent research provides clear evidence establishing ACAs as essential institutions because of the numerous cases of misconduct and corruption they have exposed (Prenzler & Faulkner 2010). As an external control, the power of ACAs arises from their investigative and prosecutorial powers, and activities that uncover corrupt behaviour that may be classified as ‘coercive’ influences. They also have a role in setting norms and encouraging mimesis because they have leadership and standard-setting responsibilities (Head 2012). The research by de Sousa (2010) suggests that ACAs have been particularly effective in this at the state and city level (e.g., New South Wales, Hong Kong and Singapore) through inter-institutional cooperation and networking, recruitment and specialization, wide competences, special powers, and the application of research.

Effective networks seem to be particularly important structural elements in corruption resistance in that they have strong mimetic and norming influences. Networks can have a detrimental effect on corruption resistance in that ‘old boy’ networks and nepotism can flourish (Viladsen and Ikola-Norrbaka 2010). They can also be used to establish strong corruption resistance across the
public sector in a jurisdiction and beyond (Anechiarico 2010). However, corrupt networks are some times difficult to discern from other types of network and it is difficult to control the creation of social networks, indeed limiting them would tend to compromise the work public sector agencies do (Warburton 2001). The challenge is ‘to formulate a theory of bureaucracy and policy formulation that can integrate the reality of personalised relations and social networks whilst ensuring decisions are always made in the interests of ‘the public’ alone’ (Warburton 2001, 235).

Norming influences also arise from the deployment of sector-wide Information Communication Technology (ICT) systems. ICT is a key supporting/facilitating technology in promoting and embedding of a culture of transparency and open access government that together increases corruption resistance of public sector organizations (Bertot, Jaeger, and Grimes 2010). In these ways ICT acts as a force that encourages isomorphism across the public sector and as a consequence improves corruption resistance (Kim et al. 2009).

Sector-wide initiatives such as assessment of operations, policies and procedures, training programs to identify organizations where the risk of corruption is greatest (e.g., procurement, disposal of assets, cash handling) have coercive, norming and mimetic influence. These include risk profiling of public sector organizations (Gorta 2006), and external control (enforcement) and internal processes (risk management and accountability measures) (Vian 2007).

Research evidence about the consequences of structure-based corruption resistance initiatives is rare. Fritzen and Basu (2011) find that the effectiveness of ACAs is enhanced through strategic distributing information about organizations to the public. Releasing of information is found to have a positive bearing on pubic trust. This is because it puts pressure on public sector organizations to conform to accepted norms of behaviour. In response, governments take this very seriously (Salminen and Ikola-Norbacka 2011) putting pressure on public sector organizations in regards to ‘getting their processes right, treating people fairly, avoiding favouritism and containing corruption’ (van Ryzin 2011, 755).
CORRUPTION RESISTANCE – AGENCY

The horizontal axis in our typology (Figure 1) depicts the shifting influence of agency from low to high. In this section we identify and expand on the possible dimensions that constitute and may be used to measure the influence of agency. Agency factors can be characterised in four ways: autonomy reduction, consequence (deterrent) systems, transmission of external requirements of conformity and compliance, and intrinsic control (Lange 2009). The strength of this is that it draws attention to the idea that agency is about individual employee responses and organizational control.

The focus on individual responses prompts questions about the influence of an organization’s demographic profile. For example, Frank, Lambsdorff and Boehm (2011) suggest that women are less susceptible to corruption than men. This conclusion is heavily qualified because that data were generated in a small, laboratory-based experiment. In spite of this it does raise the need to take into account the demographic profile of an organization and the traits of employees.

The nature of social interaction in an organization also seems to be a key factor influencing individual responses. For example, corrupt behaviour is less likely in organizations where strong psychological contracts exist with employees. Kingshott & Dincer (2008, 81) find that ‘strong PC, positive corporate society and high citizenship behaviour can work together in reducing the likely incidence of corruption within the public service’.

Organizational control is often manifest in management behaviour. As an agency factor, it can be seen to be an important element in creating situations in which corruption resistance interventions in public sector organizations can be successful. Particular management behaviours and attitudes towards corruption can help or hinder the development of corruption resistance. In particular the supervisory capabilities and ability to create an appropriate work environment are key factors (Lee et al. 2011). Management also has a role in the development and implementation of policies. For example, Abbink (2004) found that staff rotation policies may be a useful tool for developing corruption resistance however the research was an experimental laboratory research design and how such policies would play out in practice is not certain.

When considering agency factors, the interaction between the organization and individual influences corruption resistance. Simply relying on ensuring compliance with organizational policies
and procedures in public sector organizations are not sufficient because they ‘take power relations for granted … rather than understanding them as crucial to the process of making sense of rules and situated contexts’ (Gordon, Clegg, and Kronberger 2009, 94). Bearing this in mind it is important to focus on the day-to-day practices of employees and ‘the learned routines of doing things’ provide useful insights into corruption resistance (Gordon, et al. 2009). This then prompts attention to be paid to the relationships between power, discourse and ethics in establishing corruption resistance. For example Kim et al. (2009) and Lee et al. (2011) highlight the importance of leadership in determining the success of efforts to enhance corruption resistance.

Researchers who focus on agency also point to the role of individuals in that they can organise to resist isomorphic pressures. This is especially the case when they resist social norms (Pursey et al. 2009). This means paying attention to the possibility that corruption resistance depends on the responses of individual employees of an organization. Such an insight is provided by Rothstein (2011, 234) who conceptualises corruption as a ‘social trap’ (or ‘collective action’) problem brings into focus the idea that organizations exist through ‘deeply held system of beliefs about what can be expected of other agents’.

When employee reactions are considered, researchers seem to pay close attention to examining affect and behaviours. A common theme is encouraging resistance to corruption through reducing individual ambiguity and uncertainty about what is acceptable and unacceptable conduct. Murphy and Dacin (2011) identify lack of awareness, intuition coupled with rationalization, and reasoning as elements in corrupt behaviour and call for research that achieves a greater understanding of these mechanisms to facilitate the development of effective approaches that prevent corruption. Cunha and Cabral-Cardozo (2006) introduce the concept of ‘liminality’ to help understand why sometimes it is difficult to separate what is legal and illegal activity in organizations. They describe situations that are at the limits of existing norms and rules where decision makers are required to confront doubt and ambiguity – they then, through retrospection, create a ‘liminal space’ where existing rules are softened and no longer apply to their actions. This dissonance then opens up possibilities for corrupt behaviour to be ‘normalised’ and embedded within the individual’s practices or within a group or network of employees. Corruption resistance then arises from the ability of
organizations to enable employees to recognise dissonance generated at ‘limen’ and examine and change organizational policies and practices. Cunha and Cabral-Cardozo (2006, 221) argue that, ‘for that to occur, conditions must be created for reflection around the normalization process’.

The above studies point to the importance of belief and expectation in establishing corruption resistance in public sector organizations. Beenan and Pinto (2009) adopt this approach in suggesting four steps (‘4P’) that lead to increased resistance to corrupt practices namely: perceive, probe, protest, and persist. The work by Pelletier and Bligh (2006) support these findings. In their examination of employee perceptions, it is found that organizational-level factors and the behaviours of leaders are important in the success of ethics programmes in the public sector.

DISCUSSION AND CONCLUSION

It seems that the research on corruption resistance in the public sector is still in its early stages of development. Kish-Gephart et al. (2010) provide an insight into research about the causes of corrupt behaviour and call for studies that develop the idea of corruption resistance. There is a need now for theory building research that will help establish and develop conceptual frameworks that will assist in research and establishing evidence-based policy and practice. We argue that research focussing on two areas would be useful. Firstly establishing the variables and constructs that constitute antecedents, reactions, and outcomes of corruption resistance and secondly to develop and test theoretical perspectives that explain connections between antecedents, reactions and outcomes.

This paper contributes by presenting a theory-based typology of corruption resistance (Figure 1). In applying institutional theory the role of structural elements, particularly the roles of ACAs (e.g., de Sousa 2010) and ICT (e.g., Bertot et al. 2010) can be identified. There is also research evidence pointing to the significance of agency action by public sector organizations (e.g., Lee et al. 2011) and individual employees (e.g., Pelletier & Bligh 2006). In applying the typology, four points of intersection between agency and structure appear each of which suggest different modes of corruption resistance.

The main limitation of a typology is that it is more descriptive than analytical. It is useful for describing what but it does not have adequate explanatory or predictive power. It does though raise
some questions that are worthy of further examination. The first question relates to how the typology can be elaborated into a framework that will assist in identifying the major dimensions and components of corruption resistance and the elements within these dimensions. The second question is about how this can then be employed to develop measures that can be used to develop explanation as to how structure and agency interact in producing varying levels of corruption resistance.

There are considerable gaps to be filled. As the research into this area builds, it is important to pay attention to the conclusions of Gorta (2006) that an overall framework for understanding be established in which there is consistency of language and a clear distinction is formulated between antecedents, reactions and outcomes so that different studies can be compared and integrated. In Figure 1 we conceptualise corruption resistance using institutional theory. This may be used as a foundation for further research. We argue that in addition to the identification of more variables and constructs it is likely that our presentation of structure and agency will require modification to encapsulate the complex realities of governmental systems. There is also the intriguing prospect of establishing how structure and agency interact with each other and with moral issues encountered. Kish-Gephart et al. (2010) argue that this is an important causal variable in corrupt behaviour – the question arises then as to how this can be incorporated into corruption resistance.

As well as theoretical implications, the typology outlined in this paper also has practical relevance. Research into corruption resistance has the potential to produce new understandings that will assist organizations aiming to increase awareness and support for such programs. The view that corruption resistance is a function of structural and agency factors will help practitioners broaden their approach and inform the activities of ACAs. Together, the definition and typology presented in this paper provide directions for governments and public sector organizations in their search for improving how they respond to the need for corruption resistance.
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