

Review and Shortcomings of Literature on Corruption in organizations in Offering a Multi-  
faceted and Integrative Understanding of the Phenomenon

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Author Note

The authors wish to thank Michael Lamport Commons (Harvard Medical School), Sara Nora Ross and Cory Barker (both Antioch University McGregor) for critical comments and helpful advice during the revision of this article, as well as Cory Barker and Charu Tara Tuladhar (Dare Institute) for support with editing it.

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### Abstract

This article provides a brief overview of literature on corruption from different disciplinary perspectives. After a short look at contributions from history, sociology, anthropology and psychology, the paper primarily reviews articles on corruption in organizations from fields like organizational behavior (OB), behavioral ethics (BE) and management studies (MS). Despite frequent calls for a more interdisciplinary or even a “holistic view” of corruption in this literature, we claim that the literature reviewed here often fails to offer an adequate, i.e. multi-faceted and integrative understanding of the phenomenon, and that this is due to disciplinary constraints and traditions often inducing researchers to take less-than-desirably complex views onto the phenomenon. Moreover, we argue that many articles on corruption do not reflect, question and/or contextualize their own moral and/or ethical standards and evaluation criteria systematically. This is shown, first, with regard to the degree of reflexivity of the applied analytical terms and concepts in general and with regard to the extent to which value judgments are contextualized in particular. Second, our claim is illustrated by a tendency to underrate or ignore major aspects of the subjective dimension of behavior, namely actors’ empirical action logics.

*Keywords:* Corruption, contextualization, organizational behavior, management studies, behavioral ethics

Inadequacy of Literature on Corruption in organizations in Offering a Multi-faceted and  
Integrative Understanding of the Phenomenon

It has been repeatedly acknowledged that scholarly interest in ethical issues has grown in recent years. It is therefore not surprising that corruption has become a focus of study in many social science disciplines each of which, we claim, has important contributions to make. In view of proposing an integrative, interdisciplinary framework for understanding and explaining corruption, as well as attitudes towards corruption (see Fein & Weibler, this issue), the following paper provides a non-exhaustive overview of literature on corruption from different disciplinary perspectives with a special focus on their respective structural complexity and self-reflexivity. It begins by briefly referring to some of the most important “classic” social science perspectives such as history, sociology, and anthropology, giving a short summary of their central outlooks on and findings about corruption, as well as of the insights to be gained from them in view of a more systematic, integrative account of corruption and unethical behavior. The second, more detailed section of this paper focuses on how corruption is dealt with by different strands of organization studies, amongst others within Behavioral Ethics, Organizational Behavior and Management Studies (BE/OB/MS).

Note that our review of either of the fields considered cannot give encompassing or representative overviews of the research on corruption done in the respective fields. We would therefore like to stress that the main intention of this paper is not to give comprehensive evaluations, but rather to identify some of the central, typical features of looking at the problem in each of the disciplines considered, with a particular focus on the scope of their typical perspectives and the structure of their most frequently used patterns of argumentation. On the whole, we are looking for valuable insights, as well as for potential shortcomings, limitations and

reductionisms which might be overcome by more integrative perspectives on corruption and thus, a more complex and more effective corruption analysis, research, and practice.

### **Corruption Viewed Through the Lenses of History Sociology, Anthropology and Psychology**

Before turning to research on behavioral ethics in organizations, we take a brief look at what we think are the most valuable thoughts and contributions other social science disciplines have to make to a more integrative theoretical endeavor. The following paragraphs in this section are primarily intended to extract those contributions.

Historians are interested in historical phenomena and the dynamics of their development. They have thus not only described how corruption itself has historically changed, but have also started to study the emergence and the changes of value systems defining what was considered to be a legitimate and/or, in contrast, corrupt action across long periods of time.<sup>1</sup> As one of the first researchers, Joseph A. Senturia stated that the understanding of the term corruption depended on the opinion of the respective observer and on the dominant political and public morality (Senturia, 1930). Michael Johnston therefore suggests “that we use the concept of corruption to ask questions about state, society, and political change” rather than about particular behavior. For “corruption is a political and normative concept rather than a kind of ‘natural’ category of unacceptable action” (Johnston, 2005, p. 71-72). Many historians have come to understand what Vadim Volkov (2000) has called the “historical relativity of corruption” and its connectedness to “a specific type of social organization, the state”. They therefore mostly interpret corruption as a typical product of modernization. For example, Jens Ivo Engels, one of the leading German scholars on historical corruption, claims that the classic definition of corruption as a misuse of

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<sup>1</sup> See for example the research project “Under Construction. The Genesis of Public Value Systems” at the Vrije University of Amsterdam started in 2006 which analyzes corruption scandals in the Netherlands between 1650 and 1950 (Engels, Fahrmeir & Nützenadel 2009, p. 10).

public office for private gain “only makes sense within modern societies” (Engels, 2010), while in pre-modern societies, where public and private spheres had not yet been differentiated, it was common and thus normal to hold and treat offices as a means of personal enrichment. Engels therefore urges to distinguish, first, between the modern scientific notion of corruption and that of the respective times. Second, he suggests to distinguish between practices of and debates about corruption. While pre-modern times knew neither modern morality nor the differentiation of spheres necessary to engage in anti-corruption discourses and/or practices, the latter almost automatically contain a moral judgment typical of modern, self-reflexive discourses (Engels, 2010).

Similarly, Werner Plumpe (2009), referring to James Cameron Scott’s classic *Comparative Political Corruption* (1972) claims that “corruption and modernity are co-evolving” phenomena, since only modernity has set up extensive judicial rules governing economic life, while common behavior was not regulated before (no rule, no crime). In fact, Engels explains the scandalization and criminalization of corruption as opposed to civilization as a result of the intellectual quest for clear evaluations and categorizations which he sees as a typical feature of modern ambitions to “clean” public thinking, as well as social life, from ambiguities.

However, historical accounts have also observed that large parts of the population in most countries were not prepared to meet the moral demands of modernization (Engels, 2010) – a finding which still holds true for contemporary transforming societies and social organizations<sup>2</sup> and will be further discussed in relation to psychological, developmental theories below.

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<sup>2</sup> See Volkov 2000 on the Russian case.

Likewise, Sociologists typically interested in the emergence and acceptance of social norms and in individual behavior which either conforms to or diverges from those norms, similarly claim that corruption has social and cultural roots. Like historians, sociological perspectives therefore stress that “corrupt” behavior is not always considered as being unethical and divergent, but it rather still constitutes the norm in many social contexts today (Fleck & Kuzmics, 1985). Many sociologists who look at corruption through the lens of sociological scholarship have, for example, observed the same patterns of behavior (nowadays commonly evaluated as “corrupt”) in developing, i.e. modernizing third world countries as in historical pre-modern societies<sup>3</sup>, in the context of the Italian mafia (Arlacchi, 1989) or in socialist systems such as the Soviet Union (Voslensky, 1987). In each case, the respective practices were or are considered normal inside the respective socio-cultural context, and thus, no mens rea could be observed (Fleck & Kuzmics, 1985). Sociologists also found that whether or to what extent corrupt behavior comes to be critically reflected depends to a large extent on variables of education and social development.<sup>4</sup> So even more than historical perspectives, sociological ones look at the social self-descriptions defining what is considered as being corrupt/unethical and what is not in different contexts, thus clearly treating corruption as a “phenomenon of perception” depending on the perspectives of those who analyze it (von Alemann 2005, 23).

Widely supporting these findings anthropological studies, in turn, are interested in micro level behavioral practices such as reciprocity with regard to their social function as central principles of human communication and thereby, as means of establishing relations of mutual

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<sup>3</sup> With regard to 17<sup>th</sup>/18<sup>th</sup> century England historical corruption research speaks of “protocorruption” (Scott 1985), exactly because the respective phenomena were not considered problematic at the time.

<sup>4</sup> For example, the literature on the Italian Mafia reports that the well-known mafiosi were generally more or less illiterate (Fleck & Kuzmics, 1985).

trust (Mauss, 2002). A particular contribution of anthropology to the study of corruption can be seen in its focus on the perspectives of the acting individuals themselves. Moreover, studying the self-perception of “corrupt” actors shows to what extent social relations are a function of individual and collective sense-making, and how standards of measurement change with changing social ideals and identities. At any rate, anthropology teaches us that too strong or premature value judgments may prohibit an appropriate factual analysis of behavioral logics and the resulting social structures.

Last but not least psychological research has made important contributions to our understanding of corrupt behavior focusing, for example, on motives of bribe taking (Richter 1989). In view of a more complex and more integrative understanding of corruption, scholarship about the development of social perspective taking and moral judgment (Kohlberg, 1969; Rest, 1986; Chilton, 1988; Fein, 2012; and see below) is particularly interesting for two reasons. First, morality is at the basis of all our definitions of ethical and unethical/corrupt behavior, and second, this body of research is based on the idea of structurally different levels of complexity of possible ways to think about and act out morality. Even though this research has received considerable attention in the field of behavioral ethics (Treviño, Weaver & Reynolds, 2006), we claim that it is sometimes insufficiently understood and so far not been systematically exploited and utilized. This is especially the case for Kohlberg’s and others’ finding according to which the majority of the adult population in western countries is functioning at the conventional levels of moral judgment while more principled, post-conventional structures of reasoning are empirically rare (Kohlberg, 1991, for an overview of Kohlberg’s stages, see table 1 below). What does this mean for behavioral ethics in general and for corruption in organizations in particular?

### **Corruption Viewed by Behavioral Ethics and Organization Studies: Some of the Most Frequent Analytical Frames, Patterns and Lines of Argumentation**

Interestingly, academic economics have hardly perceived corruption as a problem for a long time. Due to the important role of neoliberal combined with rational choice perspectives in mainstream economics, deregulation tends to be generally appreciated by large parts of economic discourse while the merits of public regulation of markets have received much less attention. So while governmental and bureaucratic interventions into the “free play” of market mechanisms are often criticized, some economists have even hailed material incentives undermining state bureaucracies, for example in the case of the Soviet *Nomenklatura* (von Alemann 2005, 23). However, political economists like Susan Rose-Ackerman (2005) have meanwhile observed a growing readiness of business itself to accept broader ethical responsibilities. Also has ethics become an important issue in academic economic literature (White, 2009; Ulrich, 2008; Young, 1997; Sen, 1987), as well as in business ethics (Fisher/Lovell 2009, Waples et al. 2009) and (behavior focused) management studies (Kuhn/Weibler 2012; Treviño et al. 2006). Rose-Ackerman herself has given clear accounts of the negative impacts of corruption from a common welfare perspective (1999 and 2005).

The following paragraphs briefly review a number of more or less randomly chosen articles on corruption in organizations which have been recently published in leading academic journals in the fields of organizational behavior (OB), behavioral ethics (BE) and management studies (MS) which can, to some extent, be considered as being inspired by behavioral economics. Since this choice is not exhaustive and therefore only partly representative with regard to the discourse on

corruption in the fields mentioned above, let alone for academic economics in a more general sense, we do not claim to make statements about the overall state of discussion in the respective disciplines in either substantial, theoretical or methodological respects. Rather, our interest is to look at general structural patterns visible in the articles reviewed, and to point out typical modes and models of analysis and argumentation which we either find helpful or, inversely, problematic in view of a broader, more integrative understanding of corruption. More precisely, we will ask to what extent interdisciplinary horizons, namely the basic contributions and findings of the “classic” disciplines mentioned before are taken into account by the OB/BE/MS literature, and at what point shortcomings in the sense of disciplinary reductionisms can be observed which could be overcome by a more integrative perspective as proposed elsewhere (Fein & Weibler, this issue). For systematic reasons we will limit this discussion to four of the most frequently found aspects indicative of typical patterns of analysis and argumentation in the OB/BE/MS literature, trying to offer a critical review with regard to the questions mentioned above.

In the following section, we first report and document our general observation that OB/BE/MS authors mostly do subscribe to the overall idea that the complexity of corruption can best be dealt with by using broader, i.e. more complex perspectives on the issue which is mostly understood as the challenge to integrate as many relevant aspects as necessary, and/or possible. However, we also detect that those general calls for theoretical and methodological integration and contextualization are often insufficiently met by authors themselves. This can be shown with respect to at least three aspects which we consider problematic: First, we found that moral and ethical judgments tend to remain insufficiently reflected and contextualized in most of the literature reviewed here. Second, actors’ perspectives are often insufficiently taken into account,

while rational choice presuppositions often remain insufficiently questioned. And third, disciplinary reductionisms are frequently visible in the shape of rather simplistic strategies of argumentation based on linear concepts of causation which go counter to the calls for contextualization cited in the first sub-section below.

### **Broader Perspectives and Contextual Sensitivity as Explicit Goals of Corruption Research**

To begin with, calls for a more interdisciplinary or even a “holistic view” of corruption can be found in a large number of publications. In fact, at first glance, most of the central requirements reported above (1. acknowledging historical and cultural contingencies of both corruption itself and our way of evaluating it, 2. acknowledging the difference between actors’ perspectives and cultural norms, 3. acknowledging the fact that different actors tend to act on the basis of different cognitive, moral, motivational and other predispositions) are principally taken into account by authors writing about corruption from BE/OB/MS perspectives. But how are these calls framed and how do authors conceptualize their respective ideas about a truly integrative outlook on corruption?

As a rule, researchers stress the complexity of the phenomenon and therefore also call for epistemological complexity and theoretical integration (Lange, 2008). The latter are mostly understood as research designs which include multiple aspects and dimensions of corruption. Sometimes authors also make explicit calls for a contextualized view of corrupt actions and corruption as a social phenomenon in general. To name just a few:

- Masoud Shadnam and Thomas B. Lawrence (2011), focusing on ethical discourse and decision making in organizations, stress that “morality in organizations is embedded in nested systems of individuals, organizations and moral communities”. Since they conceive of morality as “neither personal nor universal, but [as] always situated in a specific social and historical context”, they claim that individual and organizational factors must not be regarded as standing in isolation from one another but that they rather have to be treated as interdependent. Moreover, they see ethical discourse and decision making in organizations as being “significantly influenced by a broad set of mechanisms and flows that connect moral communities, organizations and individuals”. In particular, Shadnam & Lawrence urge for “thick descriptions” based on constructivism, i.e. for a more systematic inclusion of social and cultural contexts, as well as of methods and perspectives able to provide access to individual understandings of organization members’ own behaviors.
- Similarly, Tanja Rabl (2011) in her piece on situational influences on corruption in organizations stresses the interdependence of different factors influencing corrupt behavior which she conceives of as the result of a “complex interplay of motivations, volitions, emotions, and cognitions in an individual’s decision making process”. Deploring that “there is little research focusing on the corrupt actors themselves”, Rabl emphasizes the “relevance of all the person-related psychological components determining an individual’s behavior”.
- Focusing on the influence of administrative structures on corrupt behavior, Patrick von Maravic (2007a) criticizes that “conventional analysis of corruption ignores cultural dynamics and norms”. To remedy this shortcoming, von Maravic himself suggests combining institutional and behavioral perspectives. He therefore bases his analysis of

decentralized corruption in German municipalities on the theory of Actor-Centered Institutionalism (Scharpf, 1997).

- An explicit call for a “holistic perspective” on corruption is voiced by Yadong Luo (2004) who claims to deliver such a view by combining micro and macro-level perspectives, and considers, amongst others, aspects such as organizational design, task and institutional environments, organizational behaviors and anti-corruption practices (for a critique of Shadnam & Lawrence, Rabl, von Maravic and Luo see Fein & Weibler, this issue).
- Finally, among the contributions reviewed here, one of the most far-reaching and encompassing urges for a broader systems view has been pronounced by Ashforth, Gioia, Robinson & Treviño (2008). In their “Introduction to the Special Topic Forum: Re-Viewing organizational corruption”, they propose to view “corruption in organizational life as a systemic and synergistic phenomenon”. Focusing on the interrelations between “multiple perspectives and bodies of literature that can be brought to bear on the phenomenon”, they hold that interdisciplinary research should consider psychological, sociological, cultural, economic, and political factors. According to Ashforth et al., the complexity of corruption can only be grasped if systemic perspectives consider both formal and informal, in other words if they also consider processes, behavior, ethical standards, and cognitive moral development. Moreover, these authors claim that there is “much need for conceptual work that is integrative, interactionist, and processual in nature”, connecting micro, macro, wide, long and deep view: “We need a considerably more holistic or dynamic understanding regarding the interplay of environmental, organizational, and individual forces, i.e. a more macro view – to help us understand the etiology and evolution of corruption”. What’s more, Ashforth et al. assert a “necessity for a substantial shift in our way of thinking about both organization

and society” the dimension of which they frame as a need for a “next wave of societal-level thinking” which also “considers the wider societal and even global implications of our actions”.

To sum up, the authors cited not only perceive corruption as a challenging, complex phenomenon in the sense that they acknowledge multiple interrelations of structural/institutional/-organizational with personal/motivational/behavioral aspects of corruption, as well as with its social, cultural and (to a lesser extent) historical dimensions. This complexity is also considered as a major challenge to corruption research. Anyhow, despite these general acknowledgements, shortcomings in view of meeting the challenge of this complexity analytically can be observed in many of the reviewed publications. This might be due to disciplinary biases in either of the fields considered here (organizational behavior, behavioral ethics and management). Below, we will report and discuss three of those shortcomings in more detail as a basis for proposing a more integrative explanatory framework of corruption in a second step (see Fein & Weibler, this issue).

### **Insufficiently Reflected and/or Contextualized Value Statements**

The first problematic, yet frequently found structural characteristic of many OB/BE/MS articles on corruption, is that even though the influence of social, situational and cultural contexts on both corrupt behavior and on its evaluation is generally acknowledged, scholarship from those fields often does not reflect, question and/or contextualize its own moral and/or ethical standards and evaluation criteria in any systematic way. How does this relate to the general observation reported above?

We have just cited a number of statements arguing that cultural dimensions of corruption such as differing ethical standards in different social contexts and moral communities, as well as cognitive differences among individuals had to be included into our understanding of the phenomenon. This implies, first, that to behave (un)ethically or corrupt means different things in different contexts and for different people/social actors, and, as cultural historians have shown (see above), that it has also meant different things in different times. (This does not mean that what is considered as moral is or was completely contingent, see Fein & Weibler, this issue.) This insight implies, second, that standards and categories of evaluation need to be reflected, explained, contextualized and possibly also to be justified. Third, it implies that our own (personal and scientific) notions of moral and ethical behavior are themselves equally subject to and indicative of particular, often implicit sets of norms and values. In the following paragraph, we give a few examples of insufficiently reflected and contextualized value judgments with regard to ethics and morality in OB/BE/MS literature on corruption. However, the fact that we criticize this shortcoming in a number of cases does not mean that the respective publications do not otherwise make valuable contributions to our understanding of corruption. Moreover, the examples from literature on corruption cited in this article are merely intended to illustrate our respective claims and observations. We do not intend to thereby give comprehensive evaluations of the publications cited in any more general sense.

In this regard, as a first example, the CfP for a Special Issue on “Unethical Behavior” by a journal like [\*Organizational Behavior and Human Decision Processes\*](#) can be interpreted somehow ambivalently. While calling for a critical, refreshing reorientation of the field, the call also

includes the tacit methodological presupposition of an “individual behavior that is subject to or judged according to *generally accepted* moral norms or social prescriptions”.<sup>5</sup> Yet, what is “generally accepted” differs largely between contexts, amongst others between different organizations, as well as between different actors within the same organization, as has been shown, amongst others, by studies from the fields of OB/BE/MS (Treviño, Weaver & Reynolds, 2006, Barmeyer & Davoine, 2011). Moreover, “general acceptability” appears to be a rather vague, if not questionable category, at least within a scientific context where the acceptability of corrupt behavior is one of the variables to be analyzed. We will therefore argue that the presupposition of a universal acceptance of certain norms is misleading when dealing with corruption, empirically and theoretically.

Nevertheless, our random literature review has discovered a surprisingly high number of similarly ambivalent statements made by corruption researchers from OB/BE/MS. For example:

- Luo (2004, see above), despite her supposedly “holistic” perspective, does not reflect and contextualize terms like “moral”, “ethical” etc. used in her article. Summing up her description of the behavior of different “business types”, she solely claims: “All these behaviors and underlying methods in response to task and institutional environments are illicit, immoral, unethical and illegal” (Luo, 2004).
- Studying corruption in financial institutions, Bertrand Venard and Mohamed Hanafi (2007) claim that “corruption is a cultural notion” (2007). However, they do not define the criteria for cultural variance with regard to corruption and how this relates to their study.

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<sup>5</sup> Published at: <http://www.journals.elsevier.com/organizational-behavior-and-human-decision-processes/call-for-papers/special-issue-on-behavioral-ethics-in-organizations/>. emphasis added.

- In his article on corruption in organizational practice, Seraphim Voliotis (2011) does acknowledge that “organizations are embedded within a societal context, (that) widespread corrupt practices within the society are likely to be diffused to the organizations” (2011), and that thus, problematic practices like the “abuse (of authority) depend on the prevailing norms”. He also stresses that therefore “each [type of corruption] needs to be treated distinctly”. However, Voliotis does not problematize his notion of “deviant” as opposed to ethical behavior accordingly, but merely demands that organizations should offer ethical trainings to have their members comply with the organization’s normative standards.

In fact, similar calls for compliance or conformism with organizational norms and standards are a pattern of argumentation we rather frequently found as an important aspect of the definition of “ethical behavior”. The (rather circular) argument that if everyone of the organization’s members behaved in the way implicitly or explicitly declared as ethical by the organization – and/or by the respective authors – there would be no problem, can thus be explained as a result of insufficiently reflected and/or contextualized notions of ethics and morality. This can be demonstrated with reference to the well-known stage model developed by Kohlberg (1981). For those calls for moral/ethical behavior suggest that making ethical decisions means conforming to particular rules. However, conforming to rules, according to Kohlberg’s model (see table 1), is a conventional moral behavior (stage #4) as long as those rules are not questioned in the light of higher, more precisely universal principles (#5). Actually, many of the publications reviewed here make rather global demands on moral behavior, and in many of them, it is unclear whether by this they mean a conventional (Kohlberg stage #3 or #4) morality, i.e. that actors should behave in a certain “generally accepted” way, or a principled morality – which may

at some point also imply questioning particular moral demands or conventions made by the organization if they are not compatible with higher principles. For example,

- Constant Beugré (2010), dealing with “deontic justice” as a way of preventing socialization into organizational corruption, suggests “to train employees in considering fairness as a moral obligation” without defining what “fairness”, “morality” and “justice” mean and how their meanings possibly differ in different contexts and/or on different levels of moral development. Instead, the author gives two (possibly incompatible) definitions of fairness both of which can be interpreted very differently depending on the level of personal/moral development of the respective actor. First, that “people seek fairness because it is the right thing to do”. This can either be understood in a #5 principled way, i.e. as the demand to act according to higher principles that are independent of concrete social norms, or it can be a conventional moral reasoning in the sense that you just do things because you are expected to by some social group (#3) or norm (#4), and that you don’t question what is considered to be the right thing to do by this group or norm. Second, Beugré argues that “a behavior is fair as long as it conforms to norms of moral obligation not only for oneself but also for others”. This definition can equally be interpreted both in a conventional (conforming to norms) or in a principled way (moral obligation). So even though Beugré acknowledges that “corruption is both an act [outside, behavioral perspective, E.F., J.W.] and a state of being [actors’ consciousness perspective, E.F., J.W.]”, i.e. that both corruption and justice are relative in several respects, depending on inner/personal and outer/social or cultural factors, he does not differentiate and contextualize the moral ideals and concepts he uses accordingly. Rather, his poorly defined label “deontic” seems to qualify all actions as “ethical/moral” which

correspond to his own, implicit principles.<sup>6</sup> We will come back to another problematic aspect of Beugré's argumentation after the next example.

- Kathie L. Pelletier and Michelle C. Bligh (2006) study the effectiveness of ethics programs in public sector organizations and the conditions “for an ethics program to be successful in educating employees about how to make decisions that are ethical” in the sense that they “serve the best interest of their customers and stakeholders”. But they do not discuss what “morally/ethically appropriate” means if those interests conflict with other interests, as it is usually the case in real life moral dilemmas. While proposing that “ethical decision making is the process whereby individuals use their moral base to determine whether a certain situation or issue is right or wrong”, the nature of this “base” is not specified, nor how its use may differ between individuals in various contexts and what this implies for the construction of ethics programs (which could, for example, also try to meet the needs of the different “clients” they wish to “serve” in a more flexible way). Even though the authors stress the “importance of informal norms on ethical behavior”, the focus of their analysis is primarily on outcome effectiveness, i.e. on the effectiveness of given ethic programs. This effectiveness is studied through its perception by the organization's members and, supposedly, by the extent to which the latter conform to the respective standards of ethical decision making.
- A conformist definition of ethics/morality is also proposed Hal Hershfield, Taya Cohen and Leigh Thompson. In their study on the influence of self conceptions on unethical behavior, they claim that ethical behavior is “what is acceptable to the larger community” (2012).

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<sup>6</sup> In this regard, note also his seemingly surprised remark that “otherwise decent people can end up engaging in questionable practices as a result of their immersion in, and socialization into, the social and cultural environment of a corrupt organization (2011: 534).

- An even stronger conformist stance is contained in Shadnam & Lawrence's paper (2011) when they propose "continuous surveillance or members' perception of continuous surveillance (along with enclosure)" as a "requirement for moral regulation to be effective". Otherwise, "if employment conditions undermine enclosure and/or work arrangements diminish the effectiveness of surveillance, moral collapse is more likely to occur", so they claim. In other words, if members' thinking and acting is not controlled and "regulated", Shadnam & Lawrence see little chance that they observe the organization's rules.

These examples not only show that recent publications on corruption often take certain moral and ethical standards for granted without systematically defining, explaining or contextualizing them. What we consider particularly problematic is that despite frequent references to Kohlberg's theory of the development of moral judgment capacities, it appears that Kohlberg's findings are not being adequately perceived and have not been systematically integrated by all authors who make similar claims or demands to ethical behavior. While Kohlberg's model clearly defines, frames and differentiates between five structurally different understandings of morality – and the logics of (moral) behavior connected to them – the use of vague concepts such as "general acceptability", "moral obligation", "moral responsibility", "fairness" and "conformism to norms" leaves unclear what level of morality and judgment is desired. This therefore sometimes leads to problematic conclusions.

While Kohlberg's theory stresses that in general, not only post-conventional, but all behavior is considered "moral" by the respective actors, i.e. in their respective understandings of morality, authors writing about corruption/unethical behavior from OB/BE/MS perspectives often

seem to just refer to common language uses of those terms. In common language, “moral” and “ethical” generally appeal to a high level of reflexivity (and often also to intensive inner and/or public debates) in order to arrive at truly “moral/ethical solutions”. In other words, common language uses both terms in an almost Habermasian (1991) sense which has often been identified with Kohlberg’s highest level of morality, stage #6 (for a discussion see Commons & Sonnert, 1994), i.e. it simply means the highest ethical standards available.

Given that more precise definitions are often missing in the literature, authors implicitly seem to have in mind those rather high moral standards, which would correspond at least to Kohlberg’s concept of principled morality (#5, since evidence for a stage #6 has been rare), when they urge for “morally” or “ethically appropriate” behavior (see for example Pelletier & Bligh, 2006). In fact, some authors explicitly subscribe to this ideal, such as Constant Beugré (2010) by stressing that higher levels of moral development result in more ethical decisions, and that therefore people at post-conventional levels of development should act as “deontic agents” until fairness has been “internalized” by other members of the organization. Similarly, Pelletier & Bligh (2006) call for ethical leadership and for the recruitment of “ethical individuals in key leadership positions to foster an ethical culture” and “effective ethics program(s)”. However, neither of them substantially differentiates between stage #4 and #5 moralities. Instead, Kohlberg’s stages are rather treated as mere analytical “concepts” (Beugré 2010).

A more systematic theoretical integration of the dimension of moral development – which in our view scholarship on corruption cannot afford to ignore – would have to acknowledge three things: First, empirical findings by Kohlberg and others according to which stage #5 moral

judgment capacities are very rare among the average adult population in western societies<sup>7</sup>, and that we are therefore unlikely to find a lot of them in social and business organizations.

Undifferentiated calls for principled morality, post-conventional deontic agents and ethical leadership therefore (to some extent) seem to mix up ideals with reality. A more realistic approach would rather expect to find a majority of conventional reasoners (#3 and #4) among organizations' members and consequently ask how those can best be motivated to act morally to the best of their current capacity.<sup>8</sup>

Second, the nature and complexity of principled morality also has implications for efforts to actively “educate” people in this direction. In principled morality, there is no simple “right or wrong”, since there is no more focus on external authorities that could be consulted (in contrast to relevant others in #3 or social norms/laws in #4). What counts on stage #5, according to Kohlberg, is the process of comparing and evaluating norms and to decide about their hierarchical status in relation to universal values. This is why higher, post-conventional levels of moral reasoning can hardly be acquired by simple education programs in, say, a weekend training course. Rather, developing individual judgment capacities usually takes years of practical exposure to and experience in complex ways of dealing with conflicts between competing moral norms (Kohlberg, 1981).

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<sup>7</sup> According to Treviño, Weaver & Reynolds (2006), “fewer than 20% of American adults reach the principled level, stages 5 or 6 (...), where actions should be more consistent with moral thought. See also Rest et al. 1999. Other sources see the average dispersion of stage 5 morality among adults in western countries is below 10 percent (Cook-Greuter, 2000; Kohlberg, 1981). Michael Commons (personal communication) even estimates that only 1.5 % of the population is meta-systematic (which in his Model of Hierarchical Complexity approximately corresponds to Kohlberg's stage #5, see table 1).

<sup>8</sup> In this regard, Bengres assertion that there was “no systematic research on the impact of moral development on allied concepts such as ethics” and that “corruption remains largely unexplored in the OB literature because of the lack of theory to guide empirical research” (2010) appears at least surprising.

Finally, since moral reasoning in a principled way also includes solving conflicts between universal principles and other organizational norms and goals, high level ethics and morality can very easily run counter the latter and result in “deviant behavior” (from the organization’s perspective) which, – for ethical reasons – does not conform to organizational goals and principles. This is probably why this aspect is hardly ever discussed in any of the articles reviewed.

On this basis, we assume that the demands for moral/ethical behavior cited above are actually just stage #4 claims for norm conformism – which, after all, would not only be enough for an organization to function properly, but would enforcedly be in the best interest of most organizations, unless organizations are really prepared to receive transformative feedback and critique from their members, and given the statistical average dispersion of conventional reasoning structures among the adult population.

To sum up, our impression with regard to the overall outlook and way in which concepts of ethics and morality are treated in many of the reviewed articles, is that ethical behavior tends to be regarded as a pre-conceived analytic variable rather than as an object of more detailed, qualitative study of itself. Besides the problem of insufficiently contextualized values and concepts, the misunderstandings of Kohlberg reported here might also be linked to a second frequently found shortcoming which, we suggest, is equally due to disciplinary bias.

### **Insufficiently Reflected Anthropological Presuppositions**

The second structural characteristic we found problematic in many OB/BE/MS publications on corruption in view of a more integrative, “holistic” understanding of the phenomenon, is that authors often argue on the basis of reductionist rationalistic anthropologies without either supporting their empirical validity nor discussing their theoretical and epistemological implications. In this respect, it is probably less interesting to give examples of rational choice inspired theoretical and empirical scholarship, “generally assum[ing] an individualistic and rationally self-interested focus on fairness for the self”<sup>9</sup>, and which, according to Treviño, Weaver & Reynolds (2006) has been the standard perspective until recently. Instead, we prefer to point at some typical self-contradictions within the literature concerning this matter and to discuss the bias and reductionism contained within similarly strong anthropological presuppositions. In a second step (Fein & Weibler, this issue), we will then re-interpret those views on the basis of a wider epistemological perspective, using the Model of Hierarchical Complexity (MHC) and other developmental models of structural complexity.

Though authors often stress the importance of balanced views and despite frequent calls for combining different perspectives, our general observation is that rationalist behaviorist approaches, to different degrees, still dominate most of the publications on corruption from the fields of OB/BE/MS reviewed here. More precisely, this means that (1) presumptions on human nature and on the nature of human behavior tend to be limited to the assumption of rather simplistic rationalistic action logics (“what’s in it for me?”), (2) that at the same time, internal realms of actors’ cognitions, motivations and volitions are rarely studied in more detail, let alone in an open, explorative fashion, while instead 3., behavior is mostly analyzed as influenced by

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<sup>9</sup> For a classic example see Chang & Lai 2002.

external factors. In this respect, again, we found oxymorons in a number of publications. For example

- In his piece on corruption control, Donald Lange (2008) presents an interesting model of four different strategies of corruption control, each of which proposes a reaction to corruption from a different level of moral development, even though Lange does not discuss this connection. In fact, his model makes interesting suggestions for dealing with the complexity of corruption. For why, we will come back to this later. Lange himself, however, conceives of the four control strategies he identified as mere “types of reaction” without looking at the structural relation between those types of reaction and the level of personal (cognitive/moral) development of the actors setting them up on the one hand and of those who are to be controlled by them on the other.  
  
Moreover, despite his warning to “be aware (of) implicit assumptions about human nature” and his efforts to look at the latter in a more differentiated way, Lange uses implicit generalizing anthropological assumptions himself, when he talks about the “prototypical employee” who’s behaviors had to be “predicted”. By analyzing corruption control systems as “external influences”, Lange essentially treats behavior as a dependent variable, more precisely, as a variable depending primarily on the external influences he studied (which, of course, is not to say that those influences are completely irrelevant).
- Dealing with situational factors influencing corruption in organizations, Tanja Rabl, as reported above, does stress the interdependence of different such factors, but she nevertheless assumes rational behavior as the standard logic of reaction of individuals to whatever situational influence she considers to be relevant. So here again, behavior is perceived as a

predictable variable, depending on quantifiable factors such as the size of bribes, time pressure and the degree of abstractness of the business code of the respective organization. Focusing exclusively on the relationship between these external variables and individual behavior, factors internal to the individual such as, for example, the level of complexity of their personal meaning making and/or moral development, which cause different individuals to react differently to the same external influences, are not taken into account. Even though, as reported above, Rabl (2001) deplores the lack of research on “person-based determinants of corruption”, she does not make own efforts in this direction herself, but seems to assume that all individuals act according to the same “motivations, volitions, emotions and cognitions”.

- The same critique applies to the structural logic of Patrick von Maravic’s study on decentralized corruption mentioned above. By choosing the theory of actor centered institutionalism as a way of connecting two important perspectives, von Maravic (2007a) tries to overcome unidimensional perceptions of corruption. However, when combining institutionalist with rational choice perspectives, he equally limits his analysis to external influences on behavior. Even though he rightly criticizes “pure rational choice analysis” for neglecting certain “factors that have been considered important in the literature”, his own strategy does not eliminate this blind spot. For when he studies the “influence of institutions on the individual set of preferences”, von Maravic assumes that rational “risk calculation”, in this case depending on the institutional environment”, is the only relevant logic of individual behavior. Even if actors now “make their decisions within institutions” exerting various influences on them, it is apparently still theorized that the reactions of all individuals to the same influences are the same. They namely consist of calculating the risk of being caught

against the chances of getting advantages through corrupt behavior – a behavior typical of Kohlberg's stage #2 morality.

In contrast to those generalizing presumptions, developmental models studying the growing complexity of cognition, moral judgment, meaning making etc. such as those of Commons, Kohlberg, Kegan, Cook-Greuter and others, argue that rational risk calculation is the typical behavioral strategy of *one* particular developmental action logic<sup>10</sup>, namely the formal stage (#10) in terms of the Model of Hierarchical Complexity (MHC, see table 1, for a detailed discussion see Ross & Commons, 2008 and Fein & Weibler, this issue), or the institutional or conscientious self in the models of Kegan and Cook-Greuter, but that it is not at all representative of other stages and their action logics (Commons, 2008; Ross & Commons 2008; Kegan, 1994; Cook-Greuter, 2000, see also Fein & Weibler, this issue). Admittedly, a considerable number of adults in contemporary societies function on the basis of this action logic. However, given the well-established empirical basis of developmental theory (Modgil & Modgil, 1985), theoretical and explanatory models aiming at generalizable statements about human behavior, in our view, have to take into account that behavioral motivations differ significantly in relation to personal development, and therefore cannot be reduced to one uniform action logic mistaken as being able to explain the behavior of all humans.

Yet, to a lesser degree, the use of implicit rationalistic presumptions about human behavior is visible even in OB/BE/MS publications that do place a strong focus on inner, psychological

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<sup>10</sup> The term "action logic" has originally been introduced by Bill Torbert for describing stage dependent differences in the behavior of leaders. The definitions of stages are based on stage descriptions of the development of the self by Jane Loevinger and Susanne Cook-Greuter. For a brief introduction see for example Torbert 2000 and 2004, or [http://www.azzur.co.uk/knowledgebank/Torbert\\_Action\\_Logics.pdf](http://www.azzur.co.uk/knowledgebank/Torbert_Action_Logics.pdf).

aspects of the individual. Hal Hershfield, Taya Cohen and Leigh Thompson (2012), for example, study the influence of self conceptions on unethical behavior, but they still seem to have trouble going beyond traditional mental habits of their discipline, i.e. beyond the usual rational choice anthropology. Focusing on the degree to which corrupt tendencies are linked to the sense of continuity of the individual self over time, they argue that “one underlying cause of unethical conduct is a fundamental inability to project one’s self into the future” and that “feeling disconnected from one’s future self is intimately linked to unethical decision making”. In other words, individuals with rather short horizons are more likely to give in to tempting offers and/or situations whereas those with a stronger sense of self continuity tend to resist similar temptations, i.e. behave (more) ethically. This hypothesis is completely in line with theories of moral and self-development, and Hershfield et al.’s findings are therefore not surprising. Since short horizons (because of their relatively low degree of complexity of perspective taking) are a typical feature of less advanced levels of cognitive and moral development, their relationship with corruption can easily be predicted from Kohlberg’s and related theories even without empirical testing. However, in this structuralist perspective, short horizons are just a secondary effect of a more basic, primary fact, namely the structure of cognition (in its various dimensions).

Even though the authors explicitly refer to and take notice of “individual differences in cognitive moral development” and their effects in practical “ethical decision making and moral behavior”, they do not link their findings systematically to the meta-frames made available by developmental theories, but rather treat the two categories (short horizons and continuity of self) as two among “many (other possible) determinants of unethical behavior”, as if they were probing into completely unknown territory. So obviously, here again, the quality of developmental

complexity theories as meta-models offering non-arbitrary hierarchical ordering principles not only for understanding human behavior, but also for evaluating theories making anthropological claims, is not fully appreciated.

This assumption is supported by the fact that Hershfield et al. treat developmental theories of the self (despite their empirical basis demonstrating that the structure of the self becomes more complex as it develops) just as one of several speculative *models* of the self, besides other models some of which claim, for example, that “people do not possess a continuous self over time” at all (Strotz, 1956, cited after Hershfield et al., 2012), and which thus clearly contradict empirical findings. On these grounds, in order to solve their theoretical dilemma, the authors suggest that an individual may have “multiple selves” which they see as types coming to determine individual actions in different situations one after another in a more or less random way. In other words: Theoretical integration comes down to the relativist assertion that each theory of the self is equally true, and that to choose between them is either arbitrary or impossible.

Nevertheless, the authors still seem to be looking for general laws and mechanisms “under what circumstances these alternate decision making selves emerge”. Moreover, their research design, trying to achieve, or at least to study ethical behavior based on monetary gift certificates of \$ 50, and thus, on the assumption of a rational choice motivational structure, shows that the rationalist bias is still influential, even though they admit that “it is fairly difficult to change future self-continuity with short-term interventions”.

Finally, a similar perspective is visible in Zyglidopoulos, Fleming & Rothby’s (2009) study on rationalization which, put in MHC terms, describes the action logic of the rational

individual trying to “beat the system” (MHC #10; see Fein & Weibler, this issue) very well, but does not reflect the limits of this action logic in a broader sense. Again, the authors make generalizing claims with regard to human behavior such as that all humans tend to use rationalization strategies in order to defend and/or legitimize corrupt actions, without differentiating between behaviors motivated by different degrees of complexity of their action logics. While the statement above concerning rationalization is true for the formal stage which is able to coordinate two variables (own interest and the functioning of the system), and can thus be expected to have a minimal sense of wrongdoing, less complex action logics are unable to perceive the difference between their own interest and the requirements of a normative system. Hence, they would probably be less inclined to use rationalization. Moreover, Treviño, Weaver & Reynolds (2006) and others, in line with anthropological and historical research, have observed that “corrupt individuals (on those less developed levels) tend not to view themselves as corrupt”. The perception of corruption is thus, to a large extent, a matter of perspective. In contrast, more complex action logics might either use more sophisticated rationalization/justification strategies, but might as well – more probably – just refrain from corrupt actions altogether, because they see their own interest less separate from that of the overall system as a whole.

Again, even though the cognitive dimension is referred to by Zyglidopoulos et al., it seems to be treated merely as an open container for different kinds of thoughts and motivations rather than as a recordable precondition structuring all thinking and acting in a non-arbitrary, non-contingent way. So when the authors state that “what counts as corrupt is culturally and historically contingent”, this claim (which is not systematically elaborated), is apparently merely used to imply that there is no way of explaining historical and cultural differences. In contrast to

this (empirically insufficiently based) relativist position, we argue that cultural in combination with developmental studies have provided sufficient evidence to discard this relativist position in favor of a more complex, more multi-dimensional meta-perspective interested in the reasons for and the deeper causes of those cultural differences.

A rare exception among the articles on corruption considered here which comes closest to our own integrative vision (see Fein & Weibler, this issue) is the conclusion of the meta-study by Treviño, Weaver & Reynolds (2006). Since their contribution is itself a review of recent literature on behavioral ethics in organizations, it is perhaps more susceptible to the different aspects and dimensions studied by authors in the field, as well as to the complex interrelations between those dimensions, namely between thinking and acting, between individual and contextual factors, as well as to the fact that individuals behave differently in different contexts “based on their cognitive predispositions”.

Treviño et al. not only clearly state the relation between self, moral identity and the respective action logics (“behavior, affect, and cognition are closely linked to self-identity” since “identity itself is formed through social cognition processes”, cited after Bandura 1986). They also account for their changes in character and their changing influence on behavior in relation to developmentally acquired increases in complexity. As to the latter, Treviño (1986) has made clear that “the influences of contextual variables on decision making and behavior depend upon the individual’s cognitive moral development, with those at the highest stages being less susceptible to contextual influences”. In other words: Contextual factors lose their impact on individual action with increasing cognitive and self development, a fact that is hardly ever taken

into account by the rest of the literature dealing with external influences on behavior which has been reviewed here.

Finally, Treviño et al. (2006) also stress the practical relevance of their statements: All of this “has clear implications for behavioral ethics in organizations” and therefore has to be taken into account in view of creating and shaping appropriate organizational motivational systems, they claim. Moreover, they consider a vital management task not only to invite organization’s members to behave ethically, but to do this in a way that is adequate to the average structure of reasoning of the respective actors. Anyhow, they make clear that “leaders’ moral reasoning is linked to their leadership style” which is why “organizations should consider using measures of moral reasoning to identify individuals for leadership development or to assign them to leadership roles, particularly if they are going to lead group decision making about ambiguous ethical issues” – a proposition to which we subscribe and which is taken on in Fein & Weibler, this issue.

So how can the overall epistemological problem of the structural complexity of research designs, as well as of analytical perspectives in the literature reviewed here be summarized?

### **Conclusion**

This paper has argued that OB/BE/MS literature on corruption often fails to offer an adequate, i.e. multi-faceted and integrative understanding of the phenomenon, due to disciplinary constraints and traditions apparently inducing many researchers to take less-than-sufficiently complex views onto the phenomenon. This has been shown, first, with regard to often

insufficiently reflected analytical terms and concepts in general and to a widespread lack of contextualization of value judgments in particular. Second, our claim has been illustrated by a widespread tendency to underrate out or ignore major aspects of the subjective dimension of behavior, namely by the reluctance to explore actors' empirical action logics. Both of these aspects can be synthesized within a broader epistemological critique concerning the dominant strategies of analytical perspective taking. In this regard, we argue that a considerable number of contributions to current academic discourse on corruption in the fields mentioned above choose analytical perspectives that are narrower than necessary to understand the complexity of corruption adequately.

Moreover, these mainstream western notions of corrupt and/or unethical behavior (which are usually taken for granted as "generally accepted" in large parts of the Behavioral Ethics, Organizational Behavior and Management Studies literature, for example) are not at all representative for other than the present-time western context and are therefore not very helpful for dealing with corruption in many of those other contexts (see also Barmeyer & Davoine, 2011), at least according to our preliminary estimate. In this regard, it has to be asked to what extent and how these mainstream notions can and/or have to be contextualized – or at least to be made more explicit – in order to be able to make more generally valid claims about the phenomena in question (for answers see Fein & Weibler, this issue).

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Table 1

*Correspondence of Stage Models (Kohlberg – MHC)*

MHC stages		Kohlberg stages of moral development		
14	Cross-paradigmatic	(7)	(hypothetical)	Post-conventional morality
13	Paradigmatic	6	Universal ethical principles	
12	Meta-systematic	5	Social contract (may conflict with moral principles)	
11	Systematic	4	Authority and social-order maintaining, law and order	Conventional morality
10	Formal	3/4		
9	Abstract	3	Social expectations, interpersonal accord and conformity, good boy/girl	
8	Concrete	2/3		Pre-conventional morality
7	Primary	2	Exchange, self-interest, <i>what's in it for me?</i>	
6	Pre-operational	1/2		
5	Sentential	1	Obedience and punishment	n.a
4	Nominal	0/1		
3	Sensory-motor	0		
2	Circular sensory-motor	-1/0		
1	Sensory or motor	-1		
0	Calculatory	-		

*Note.* This table has been adapted from Commons & Sonnert 1994.