

Corruption as part of National Culture: The disconnect between values, ethics and etiquette

Michael Segon*

National culture can influence how actions may be construed as corrupt or not corrupt, due to differences in perceptions and etiquette. This is consistent with Hofstede (1991) who distinguishes between cultural values and cultural practices, suggesting that national cultural differences can be identified according to values and, to a minor extent, variations in practices. Maingot (1994) stated that acts of corruption may be influenced by cultures and cultural value systems that may endorse, rather than condemn, such activities and because of the existing social structures of some nations, there may exist a propensity to resort to corrupt practices to achieve socially approved goals (cited in Beets 2005, p. 67) Trompenaars and Woolliams (1996, p 67) see cultural differences as based on a series of dilemmas that being two propositions in apparent conflict with the need to choose between two good or desirable options.“ Trompenaars and Woolliams (2003) and Schein (2001,2007) describe culture as having three aspects: the outer layer of the visual reality, the mid layer of Norms and Values – these are the values and standards that inform action- and the Inner layer – unquestioned implicit culture – the basic assumptions that inform the norms and values. An apparent contradiction can be identified in cultures with a strong basic assumptions and values that are linked to religious and social beliefs such as Buddhism, Islam and Confucianism which advance virtues of duty, honesty, truth and respect yet where acts of bribery and corruption are seen as a normal business practice. This paper will explore cross cultural models, put forward a possible explanation for the rationalisation and normalisation of corrupt practices and advance an hypothesis that explains the disconnect between values, ethics and etiquette.

Field of Research: Business Ethics, Cross Culture, Bribery and Corruption, Culture.

1. Introduction

When companies establish operations in foreign countries they are often confronted by cultural practices and legal frameworks that differ from their home environment. Donaldson and Dunfee (1999 p. 47) identify that ‘the importance of cultural differences to business are highlighted by Kluckhorn, Hofstede, Hamden-Turner and Trompenaars, yet the ethical implications remain largely unexplored’. Sanyal and Guvenli (2009) acknowledge that national cultures may influence behaviour within organisations that in

*Dr Michael Segon. Senior Lecturer, Graduate School of Business, RMIT, Australia, E mail: michael.segon@rmit.edu.au

Segon

turn influences the ethics of business executives within that culture. Hofstede (1991) and House et al. (2002, 2004) distinguish between cultural values and cultural practices, suggesting that national cultural differences can be identified according to values and, to a smaller degree, variations in practices. Thus national culture can affect how actions may be perceived due to differences in values and etiquette.

Organisations operating in foreign countries are often presented with the challenges of managing processes that are not transparent and characterised by the use of facilitation payments. Sanyal and Guvenli (2009) note that when organisations establish a business presence in foreign countries, they may adopt an ethnocentric approach whereby they utilise organisational values and practices based on their home country's practices or a polycentric approach adapting to practices of host countries. However these approaches do not always provide adequate guidance on how to address particular practices. Donaldson and Dunfee (1999) suggest behaviours and actions associated with bribery are not always interpreted in the same way. They note that the concept of bribery and facilitation payments, such as an additional payment to expedite a contract application or clearance of goods through customs is, for some, no different to tipping for better service in a restaurant. Gift giving is a good example of the challenges of ethnocentric versus polycentric approaches. Many companies who use ethnocentric approaches see the exchange of gifts and favours as a form of bribery, however, it can also be seen as an act of reciprocity to establish trust and build relationships. Guanxi or gift giving appears to be an important constituent of Asian cultures and can be seen as a form of relationship investment that if cultivated well can uplift interactions between businesses (D'Souza 2003 p. 27). This highlights the importance of understanding what bribery and corruption actually are, as they are interpreted differently around the globe.

1.1 Bribery and Corruption Defined

Bribery as be defined as gaining improper advantage for business activities such as successful tenders, applications for permits, customs permissions, taxation concessions and judicial and legislative rulings (Apke 2001). Ampratwum (2008, p.76) states that corruption is 'usually defined as the transgression of formal rules governing the allocation of public resources by officials in response to offers of financial gain or political support'. Wertheim's (1965) example of corrupt behaviour in the form of a public or civil servant who accepts gifts from a private person with the goal of inducing him to give favorable consideration to the interests of the donor, presents a similar position in terms of corrupt practice (cited in Alatas 1999 p.6). Requesting or demanding benefits, be they gifts, favours or financial advantage in the conduct of public duty similarly constitutes a type of corruption (Alatas 1999). An individual or a group is said to be corrupt if they accept remuneration for an undertaking that they are duty bound to do or not to do (Ksenia 2008). Ampratwum, (2008) opines that corruption can often be a legitimate discretionary activity but for improper reason or the breach of regulations by officials as a result of financial inducements or political influence. Rose-Ackerman (1974) describes it succinctly as an illegal or unauthorised transfer of money or an in-kind substitute.

Segon

Dion (2010) notes that the process of corruption has not been precisely described, suggesting that most commentators focus on an operational definition of corruption. He maintains that actual forms of corruption are grounded in prior phenomena of corruption, whether it is the corruption of principles, the corruption of moral behaviour, the corruption of people, the corruption of organizations, or the corruption of states. This is consistent with the perspectives of Ashford and Anand (2003); Spicer (2009) and Palmer (2008) that organisational systems, culture and socialisation processes support the take up and normalization of corrupt practices in organisations as organisational norms that eventually become unquestioned by organisational members. Aguilera and Vadera (2008) describe a similar concept of schematic corruption where questionable practices become accepted as routine conduct or part of the *modus operandi*. Gray and Kaufmann (1998) argue that where corruption has become systemic, the economic institutions, rules, and norms of business behaviour adapt to a corrupt *modus operandi*, with bureaucrats and other agents often emulating or taking the lead from the examples of role models in the political arena.

1.2 Ethics, Morality and Corruption

As Donaldson and Dunfee (1999) suggest the ethical dimension of working in foreign environment and the challenges that arise, are often not explored from a descriptive or meta-ethical perspective. Ethics is concerned with the actions and practices that are directed towards improving the welfare of people and the quest for a good life and a concern for creating the conditions under which a good life can be attained. It is often described as the study of what is good or right for human beings, what goals people ought to pursue and what actions they ought to perform (Buchholz, 1989; Preston, 1996; Velasquez, 2005). The relationship between ethics and morality is somewhat more difficult to succinctly describe as the two terms are often used interchangeably. Buchholz (1989) suggests that a moral act is one that is judged as having intent and consciousness. The moral praise or blame that can be afforded to an individual for a decision or the consequences of an act, will be in part determined by the level of consciousness of the act, its consequences and the intent of the individual.

Ferrell Fraedrich and Ferrell (2005) identify that managers face many ethical issues on a daily basis, including marketing and advertising issues, product liability and safety, privacy of employee records, employee discipline and relations with competitors, and intelligence gathering. They have classified the ethical issues relevant to most organisations into four key areas of: conflicts of interest; honesty and fairness, communications and relationships within the organization and bribery and corruption can be viewed from some of these perspectives. Ferrell Fraedrich and Ferrell (2005) suggest that a conflict of interest exists when an individual chooses whether to advance their own personal interest, those of the organization or some other group. This is consistent with the definitions of bribery and corruption offered earlier in this paper. Similarly, honesty and fairness is described as an expectation that business people, at a minimum, follow all applicable laws and regulations. In addition they should not knowingly harm customers, employee, clients or competitors through deception, misrepresentation or coercion. The later points clearly are consistent with examples of bribery and corruption. Whilst organizational relationships considers areas such as

Segon

confidential relations, meeting obligations and responsibilities and not placing pressure of others that may encourage them to take unethical actions. Bribery and corruption is clearly based on taking advantage of relationships. Whilst this paper is not concerned with a normative ethical description of bribery and corruption it will consider the meta-ethical perspective or an analysis of the central terms of ethics in an attempt to understand the foundations of the ethical system and the functions of ethics in the social setting. It is not concerned with individuals who knowingly and consciously engage in an act they know to be wrong. In such cases the awarding of moral praise or blame is clear. However it is concerned with exploring how seemingly good people engage in corrupt practices without necessarily believing the intent to be unethical. Such an analysis requires an examination of the values of a culture, how these inform day-to-day activities and how on occasion these values are blocked or supplanted with a different set of values that are reinforced through various practices to become the norm.

2. National Values Culture and Relativism

Hooker (2009) proposes that the notion or hypothesis that different cultures tend to agree on the basics but differ on the details is erroneous because the cultures differ in their conceptions of human nature. He suggests that differences in behaviours may in part be due to different norms and etiquette but he also asserts that cultures can also truly differ in what they value and this is a more plausible explanation of cultural differences. Weltzien Hovik (2007) and Vogel (1992) suggest that cultural differences including variations in perceptions of justice, right and wrong, trust and relationship building etc, results in western management practices and concepts not being an effective strategy, particularly in Asian cultures. Bierstaker (2009) identifies that what may be considered legitimate in one country may be considered as unacceptable or perhaps corrupt on another. He also cites an example of how values also shape behaviour suggesting that the influence of Confucian ethics may result in intellectual property being regarded as a communal good in Asian societies rather than an individual property right.

2.1 Cultural Differences and Relativism

Hooker (2009) provides numerous examples and contrasts a range of perspectives that he maintains demonstrates differing interpretations of norms and values based on cultural perspectives. For the purposes of this discussion the contrasting of Confucian versus western perspectives will illustrate these differences. Hooker (2009) asserts that western approaches to business activities are typified by a functional approach that is based on concepts of rules, fair play and good faith. Thus agreements are negotiated and ratified through written arrangements or contracts. By contrast Hooker (2009) suggests that Confucian cultures do not have a strong commitment to rules or an agreed system of practice, rather they have the foundations of loyalty and obligation to friends, family, or superiors. As a result establishing and maintaining relationships is a stronger practice than rather than making deals. He further suggests that distributive forms of bargaining, commonplace in western business dealings, may be viewed as confrontational despite the presence of protocols. Such distributive approaches are prevalent in street markets because the individuals do not normally have an ongoing long terms working association. But when undertaking the major projects on which

Segon

civilization rests, it is best to develop harmony and trust among the parties rather than rely on Western-style negotiation.

Hooker's (2009) position seems to add weight to views expressed by Bierstaker (2009); Weltzien Hovik (2007) and Vogel (1992) of ineffective application of western management practices in Asian contexts. These perspectives are often used as the basis for the relativist argument that organisations and managers should adopt the practices of a host country and culture. Ethical relativism is often used to justify or explain differences in behaviours or values between different cultural groups or nationalities. Relativism is a theory that supports the maxim "when in Rome, do as the Romans do" and is often advanced by those who seek to defend their use of bribery (Kohls and Buller, 1994, p. 31; Boatright 2003, p. 427). Velasquez, Andre, Shanks and Meyer (1992); LaFollette (1991) and Buchholz (1989) describe ethical relativism as the theory that morality, and ethical principles or judgments are relative to the norms of one's culture and whether an action is right or wrong depends on the moral norms of the society in which it is practiced. Thus as Bierstaker (2009) identifies, the same action could be argued as morally correct in one culture but be morally wrong or corrupt in another.

The relevance of the relativist debate to bribery and corruption should be evident. It is possible that practices that are deemed to be bribery and corruption and seen as unethical in one country could be argued as consistent with the norms of another and thus ethical. Anecdotally managers often justify the paying of bribes and facilitation payments claiming that the practice and expectation is part of the values set or national culture. Donaldson and Dunfee suggest that some companies, whilst recognizing these cultural differences, simply accept these as the way business is conducted in a host country, thus engage in corrupt practices. They argue that this strategy is a "mistake because it exposes the company (and its brand names) to corruption and public affairs disasters, and because it misses the opportunity to find the glue that cements a moral and cooperative strategy" (1999 p. 46).

If ethical relativism is correct, there can be no common framework for resolving moral disputes or for reaching agreement on ethical matters among members of different societies. On this basis it would allow the perpetuation of activities and practices that many would find unacceptable, because these would be only matters of opinion, not fact (Buchholz, 1989). Whilst relativism can account for differences in practices and etiquette to some extent, it does not explain how countries with cultures that have fundamental moral values based in some form of belief system, such as Christianity Judaism, Islam, Buddhism etc., all of which have a set of rules and cannons that discourage certain acts such as lying, cheating, fraud etc. Yet in many of these countries bribery and corrupt practices remain major problems. Segon and Booth (2009) highlight that some individuals in countries that experience bribery and corruption such as Vietnam and to a lesser extent Malaysia, are able to differentiate relationship building activities such as Guanxi, from more overt forms of corruption and bribery such as large facilitation payments and extortive demands for licences or contracts to be approved for international companies. This would suggest that an alternative explanation needs to be

Segon

sought for why such practices are tolerated and even encouraged in such circumstances.

2.2 Bribery and Corruption and Cultural Values.

Maingot (1994) stated that participants in acts of corruption may be influenced by cultures and that cultural value systems may endorse, rather than condemn, such activities because of the existing social structures of some nations. There may exist a propensity to resort to corrupt practices to achieve socially approved goals (cited in Beets 2005, p. 67). Dion (2010) suggests that the most prominent economic measure identifiable with bribery is per capita income and it suggests that bribery is lower in high-income level countries. He also cites the World Bank's formula to describe bribery: $C=M+D-A-S$, where C stands for corruption, M for monopoly, D for discretion, A for accountability, and S for salary. Both the World Bank (1997) and Dion (2010) claim that formula indicates supports the notion that countries that pay their officials poorly but afford significant discretion and have poorly defined accountability systems, are likely to have higher levels of bribery and corruption. Dion (2010) further asserts that highly regulated economies create conditions for bribery to thrive, with low-income countries characterized by a lack of transparent polices, are highly regulated, have ineffective public sector, poor education, and inconsistent enforcement of laws. Ksenia, (2008); Gray & Kaufman (1998); Goldsmith (1995) and Alatas (1990) suggest that corruption is a symptom of fundamental economic, political and institutional causes and typically, is more widespread in economies that are either developing and or in transition, not as a result of significant differences in values or ethics of people, rather the motivation for monetary gain is usually accentuated by poverty, low public sector salaries, little accountability and poorly enacted laws and principles of ethics.

Dion (2010) contrasts these assertions against high-income countries suggesting that the incident of bribery is lower in these countries and that organisations develop and introduce strategies designed to promote integrity based cultures and corporate governance systems that minimise bribery. In countries with high income levels, the need and expectations for bribes are thus likely to be less. He also suggests that such countries have introduced legislation against bribery, typically ratifying the United Nations Convention on bribery and corruption, in addition to more robust corporate law that provides a more transparent economic and legal system that minimises corporate wrong doing. Transparency International (2006) argues that national economies that are open and integrated with world markets, combined with robust political, social and legal systems, appear less prone to corruption than those which are not.

Corruption often remains due to the fact it has become institutionalised and essentially becomes accepted (United Nations Development Program, 2008). Okogkule (2006) provides some evidence that the decision to engage in corrupt practice may not necessarily be associated with a conscious intent to be unethical or immoral. He cites a study of corruption on Nigeria and suggests that such practices have become a socialized phenomenon where people adopt an amoral perspective towards its practice. This is consistent with Aguilera and Vadera (2008)'s concept of schematic corruption where it becomes a routine practice in the conduct of daily business, or part of the

Segon

modus operandi. Dion (2010) explores Zekos' (2004) concept of the corruption of moral behaviour to include the corruption of practices and customs and states that the corruption of morality is due to the corruption of reason, and thus the decision making process, so that they can no longer analyse situations to identify their moral complexities. Thus the corruption of the ability to make rational decisions or engage in a rational decision making process creates unethical parameters so that unethical behaviour is perceived as normal within that culture.

Culture has been described and defined from various perspectives including national and organisational. Harris, Moran and Moran (2007) describe culture from a set characteristics that includes; sense of self and space, communication and language, dress and appearance, time and time consciousness, relationships, values, norms, beliefs and attitudes to work habits and practices. Hofstede, (1993, p 89) has suggested "culture is the collective programming of the mind which distinguishes one group or category of people from another". Trompenaars and Woolliams (1996, p 67) see cultural differences as based on a series of dilemmas that being two propositions in apparent conflict with the need to choose between two good or desirable options." At an organisational level, Daft (2003) identifies culture as a set of values, norms, guiding beliefs and understandings that are shared by members of an organisation and taught to new members as being correct. It represents the unwritten feeling part of the organisation. Leadership has been identified as critical in the formation and maintenance of organisational culture. What appears crucial is the action of visible leaders in the organisation. Trevino & Nelson (1999) argue that the behaviour of senior executive sets the tone for employee behaviour and role modelling by leaders is seen as significant in establishing the actual acceptable behaviour of an organisation.

Davis and Ruhe (2003) found that corrupt practices increase when national culture is associated with high levels of power distance, masculinity, and collectivism. This aligns with Hofstede's assertions that such characteristics are more prevalent in the Asian countries (Hofstede, 1980). D'Souza, (2003) opines that gift giving in Asian cultures is seen as an act of reciprocity and an important process in the establishment of trusting relationships, yet often misconstrued as bribery, in particular by western managers and organisations. Getz and Volkema (2001) establish a relationship between individuals with positional power in high power distance cultures and corrupt practice. They suggest that these individuals may associate position with the opportunity or privilege to obtain individual benefits. This is also consistent with observations by Park (2003) who indicated that higher power distance cultures are likely to be more corrupt than low power distance cultures. Similarly a positive correlation was established between Hofstede's power distance and a propensity towards corruption (Davis and Ruhe 2003). It is argued that countries with a high power distance are more likely to accept a lack of equality regarding power and authority; therefore, their individuals are more likely to have corrupt values and to accept corrupt practices.

2.3 Values, Action and Etiquette -Disconnect

Trompenaars and Woolliams (2003) and Schein (2001, 2007) describe culture using the metaphor of an onion with three significant layers

Segon

1. Outer layer of the visual reality – these are the behaviours, clothes, food language and attributes that allow us to visibly distinguish cultural characteristics
2. Mid layer of Norms and Values – these are the values and standards that inform action-
3. Inner layer – unquestioned implicit culture – the basic assumptions that inform the norms and values.

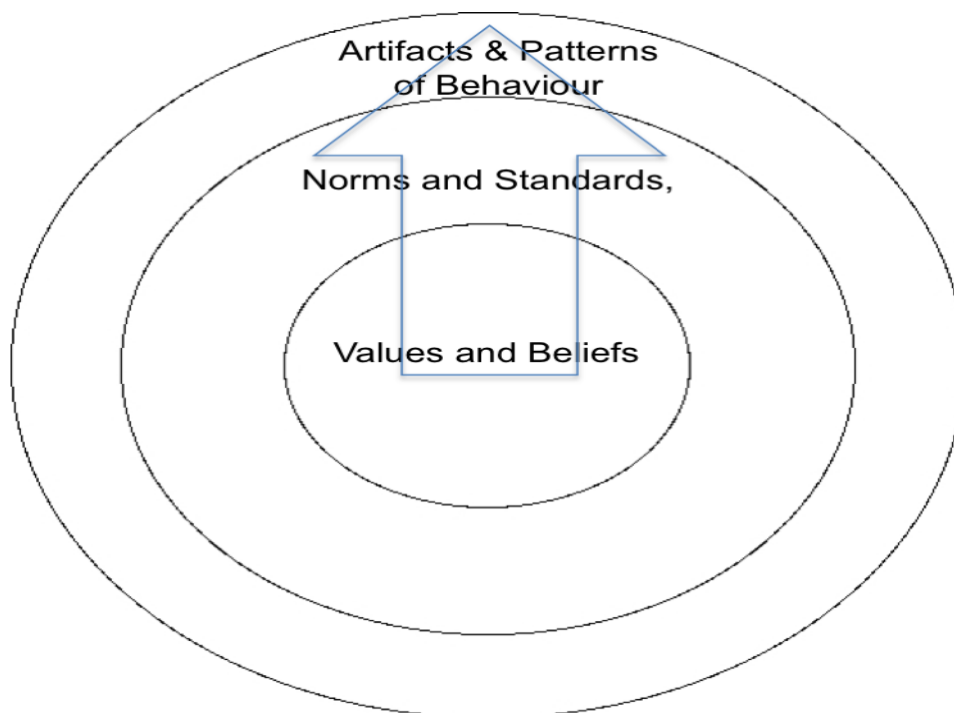


Diagram 1: The Onion Cultural Metaphor Model: Adapted from Trompenaars and Woolliams, 2003.

They state, “understanding the core of the cultural onion is the key to successfully working with other cultures and achieving successful alliances and cross border collaboration” (Trompenaars and Woolliams, 2003, p 27). In effect they suggest a reinforcing or informing relationship with the inner core’s the beliefs and implicit assumption radiating out to the next two layers informing values, norms and ultimately determining behaviour as artefacts and products.

Whilst the model is useful to distinguish the relationship between the visible and invisible aspects of culture it does not provide insight into how unacceptable norms become accepted artefacts. This is because it does not appear to account for behaviour reinforcement radiating inward from the outer layer as a way of modifying the perception of norms. From an ethical perspective, norms and values are not synonymous and should therefore not appear in the same layer. Norms can be defined as standards or rules of conduct where as values are fundamental beliefs or principles that guide norms. The onion metaphor can be used to explain variations between action and intent, providing a modification is made to the model. It is suggested that the mid layer should

Segon

contain only norms- or standards of behaviour where as values belong in the third inner layer. However, this modification is still consistent with Trompenaars and Woolliams, (2003) cultural model and the manner in which values informs norms and practice. In order for it to explain unethical practices as norms, the addition of a fourth layer “Surplanted Values - Corrupted Virtues” needs to be included as feedback or inward radiation, that effectively blocks appeal to underlying values through the creation of false values via the use of virtues that have been corrupted to gain compliance with corrupt behaviour. This creates a feedback loop that continues to reinforce corrupt behaviours at the artefact level by the establishment of corrupt norms based on corrupted virtues. The individual is effectively blocked from appealing to true underlying values, due to the presence of the corrupted virtues that inform the corrupted norms and behaviours.

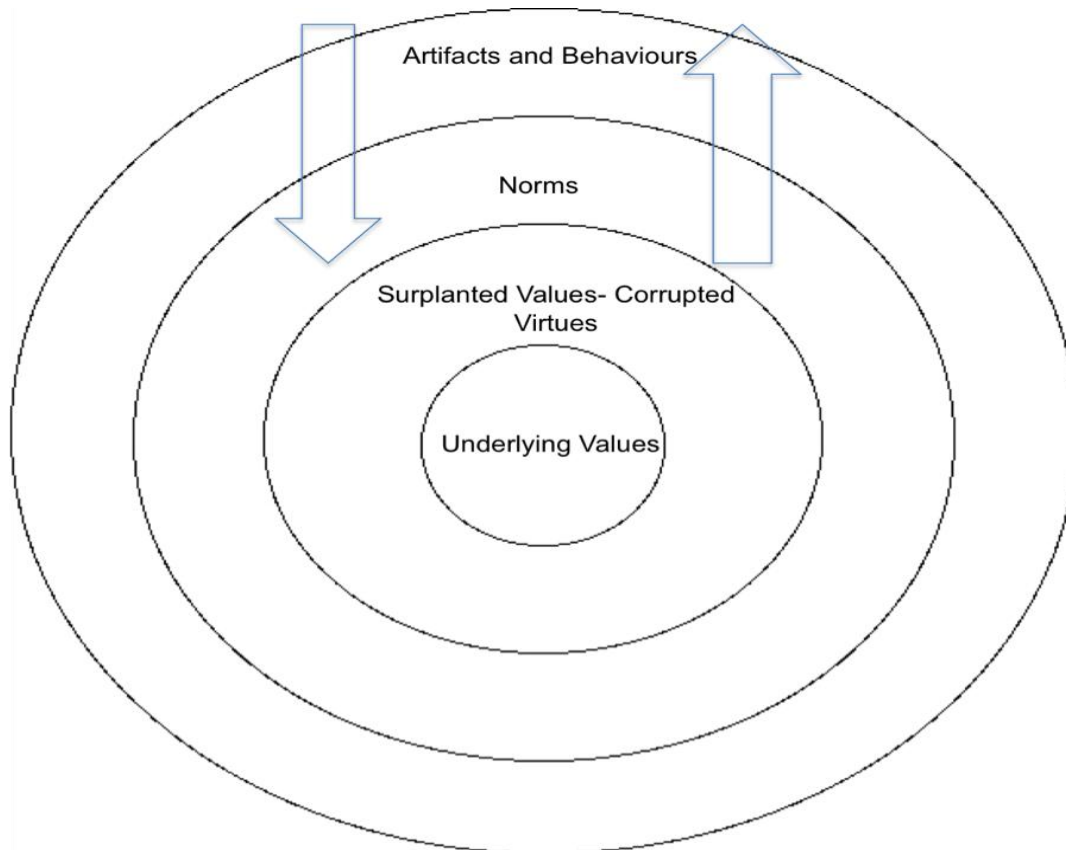


Diagram 2: Corrupted Culture Model

This distinction assists in understanding seeming contradictions in culture classifications yet clearly evident in countries as described by Okogkule (2006) depiction of Nigeria and Segon and Booth (2009) descriptions of similar approaches in Vietnam where facilitation payments and bribery are considered normal practice. The modified model explains how practices become accepted due to disconnect between underlying values and norms and action and the inclusion of a set of corrupted virtues that reinforce the behaviours as acceptable.

3. Normalisation of Corruption

Ashford and Anand (2003) Spicer (2009) and Palmer (2008) identify that corrupt practices can become accepted as norms through a process of rationalisation and reinforcement. Ashford and Anand (2003) define normalization as behaviour that has become embedded and internalized by individuals who see it as permissible and even desirable behaviour. These actions are then passed on to other individuals under the guise of normal practice. Ashford and Anand (2003) also describe the rationalisation of the practice to include, embeddedness, and repetition, such as culture and organizational memory. They primarily focus on how an environment develops that promotes corruption, once the acts have already been carried out, not what inspires the corrupt acts in the first place. Rationalizations capitalize on the complexity and ambiguity and dynamism of the situation. Actions that appear corrupt in hindsight may have been taken on an adhoc basis, under pressure or with incomplete information. Once initial acts of corruption occur they tend to gain momentum, as the organisation tends to count on the rewards of the action. With the decision already made, it becomes easier to perpetuate the acts rather than to stop them. Ashford and Anand (2003) also identify a range of factors that individual use to rationalise corrupt behaviour several of which appear to have relevance within a larger national context. The denial of responsibility involves the actors engaged in corrupt behaviours perceiving that they have no other choice than to participate in such activities, that it is a necessary aspect of their activities. The metaphor of the ledger also has great relevance particular give the points made earlier concerning the issue of relatively low wages in the public sector. The individuals rationalize that they are entitled to indulge in corrupt behaviours because of their accrued credits (time and effort) in their jobs for which they are not directly financially remunerated. This is consistent with Cressey 's (1973) concepts based on his study of white collar criminals in US gaols in the 1950s of pressure, motivation, opportunity and the final condition of rationalization which is the process by which individuals justify their actions to themselves and others as being acceptable (Albrecht et al, 2008; Dellaportas et al. 2005; Cressey, 1973)

Anand, Ashforth, and Joshi, (2005) suggest that the desire for group acceptance reduces individual concerns, which leads to acceptance of and the development of a social cocoon. This is consistent with Kohlberg's conventional level of cognitive moral development that suggests the desire to be accepted by the group or broader society leads individuals to accept defined group norms and engage in actions that are desired and rewarded by the recognised leader (Ferrell, Fraedrich and Ferrell, 2005, French and Granose, 1995). Once formed, corruption may be facilitated through the following steps:

- (1) veterans and organisational leaders role model the corrupt behaviour,
- (2) individuals are encouraged to affiliate, bond with and develop desires to identify with, emulate, and please veterans and leaders,
- (3) strong and consistent information and ideological statements are made so that corrupt acts are seen in a positive light

Segon

(4) Individuals are encouraged to attribute any misgivings they may have to their own shortcomings (particularly naiveté) rather than to what is being asked of them.

3.1 Normalisation through Leadership

The reinforcement strategies are consistent with the role of leaders within groups and organizations and their influence over individuals and culture. McCoy (1985), Drummond and Bain (1994) and Sims and Brinkmann (2002) argued that one of the most critical aspects of culture is the moral tone and example set by leadership. Sims and Brinkmann (2002) identified that the relationship between leadership and ethical culture or climate determines the level of behavioural consistency, that unethical leaders tend to attract more attention than ethical ones, and they have greater potential to influence employee behaviour. Schein (1997) suggested that leadership is crucial because it is the leaders who create, maintain or change culture. The notion that leaders are responsible for ethical culture has also been identified by a number of theorists including Barnard (cited in Robbins 1998), Paine (1994), and Trevino and Nelson (1999). Similarly Hosmer (1991) contends that leaders define and espouse beliefs and norms. Sims and Brinkmann (2002) suggest the consideration of culture as an indicator of ethical climate can provide greater insight into the relationship between leadership and individual behaviour. Schein (1985, 1997) argued that the leader's focus of attention, and thus his or her actions, communicates priorities, values and beliefs through their actions, previously described as role modelling. Sims and Brinkmann (2002) suggested that if leaders are consistent in their behaviour then employees receive clear signals about what is important in their organisation. This can clearly include unethical as well as ethical practices. However, inconsistent actions by leaders result in employees spending significant time trying to decipher and find meaning in the signals. Sims and Brinkmann (2002) suggested that is the case with any cultural value, as employees look to the behaviour of the leaders to find out what is valued. Schein (1985, 1997) also linked the rewards conferred by leaders as a significant signal to organisational members as to the type of behaviour that is expected in the organisation.

3.2 Corruption of Virtues as Normalization

In many ways the use of these reinforcement and socialization techniques can be viewed as a corruption, not only of individuals, but also a corruption of virtue ethics. Solomon, (2005) suggests that a virtue is a pattern of behaviour and feeling: a tendency to act, desire and feel in a particular way in appropriate situations. Virtue ethics views character traits as stable, fixed, and reliable dispositions and that person with a certain character can be relied upon to act consistently over a time i.e. an honest person will tend to be always honest- even in difficult circumstances. Virtues can include honesty, courage, compassion, generosity, fidelity, integrity, loyalty, fairness, self-control, and prudence etc and according to Aristotelian approaches, these are acquired as habits first and later in life an individual comes to understand the ethical dimension of the action (Solomon, 2005). However it is proposed that concepts such as loyalty, fairness, fidelity and respect could be used within the normalisation and rationalisation of corrupt behaviour to encourage compliance, e.g. stressing loyalty to the leader and abiding by group norms to ensure behavioural compliance. Similarly one could rationalise facilitation payments or bribes as

Segon

underpinned by fairness or establishing equity compared to others, i.e. using Ashford and Anand (2003) metaphor of the ledger to restore a just balance of reward etc. In this way the virtues become corrupted and the individual is encouraged to accept them, which then informs the new corrupted norms manifesting itself as corrupt practices of behaviour. As identified in diagram 2, the socialisation strategies described above then establish a feedback loop to the new corrupted virtues with the individual not taking the time to reflect on whether these are true values informed by either religious or other normative systems such as Confucianism. Thus the possibility exists for a person to act corruptly without the intention of being unethical.

4. Conclusion

This paper has presented a summary of literature concerning bribery and corruption and that an operational definition is difficult to ascertain. It has explored the relationship between culture and corruption and identified a link between some cultural aspects such as power distance and uncertainty avoidance and the prevalence of bribery and corruption. It also proposed that the ethical dimension of bribery and corruption needs to be further explored and in particular how values inform normative ethics and ultimately behaviour. However, a dis-connect between cultural values and business etiquette was also advanced as an explanation of how cultures with strong moral principles may still engage in seemingly inconsistent corrupt behaviour. It is proposed that rationalization and normalization of corruption can occur through such techniques role modeling of leaders, offering of rewards for behaviors and an appeal to virtues such as loyalty, fairness and respect that in effect corrupt the concept of underlying values supplanting an individual's beliefs. This then allows an individual to act unethically without the conscious intent to do so.

As this is in effect a hypothesis, further research needs to be carried out to verify the model and the possibility of the values-norms- actions disconnect. This could be achieved through qualitative and quantitative research methods such as semi-structured interviews and questionnaires with individuals in power distance and uncertainty avoidance cultures.

References

- Abdullahi, Y. 2005. "International initiatives against corruption and money laundering: an overview" *Journal of Financial Crime*, Vol. 12, No. 3. pp.221 - 245
- Ades, A. and Di Tella, R. 1994. "Competition and Corruption", *Oxford Applied Economics Discussion Paper Series*, No. 169 (April)
- Agguilera, R. and Vadera, A. 2008. "The dark side of authority: Antecedents, mechanisms and outcomes of organizational corruption," *The Journal of Business Ethics*, Vol. 77, pp 431-449.
- Albrecht, C.O. and Albrecht, C.C. 2008. "International ethics, fraud, and corruption: a cross-cultural perspective", *Cross Cultural Management: An International Journal*, Vol. 16 No. 3.

Segon

- Ampratwum, F.E . 2008. "The fight against corruption and its implications for development in developing and transition economies", *Journal of Money Laundering Control*, vol.10, No. 1, pp. 76-87
- Anand, V., Ashforth B.E. and Josji, M. 2005. "Business as usual: The acceptance and perpetuation of corruption in organizations" *Academy of Management Executive*, Vol. 19, No. 4, pp 9-23
- Andenas, M, 1995. 'Illicit Payments Abroad', *Journal of Financial Crime*, Vol. 3, No. 1. pp. 59 – 61.
- Apke, T. 2001. "Impact of OECD Convention anti-bribery provisions on international companies", *Managerial Auditing Journal*, Vol. 16, No. 2, pp.58 - 63
- Ashforth, B.E, and Anand, V, 2003. "The normalization of corruption in organization", *Research in Organizational Behavior* Vol. 25, pp.1-25
- Asia Monitor: South East Asia Monitor, 2008. "Anti corruption key in 2008", Vol. 19 No. 2, p. 4,
- Alatas S.H. 1999. *Corruption and the Destiny of Asia*, Prentice Hall, Selangor.
- Alatas. S.H. 2008. "Corruption and kleptocracy", *The Edge*, Vol. 23 June.
- Batabyal, A. A and Yoo, S. J. 2007. "Corruption, Bribery, and Wait Times in the Public Allocation of Goods in Developing Countries", *Review of Development Economics*, Vol. 11, No. 3, pp. 507–517.
- Beets, D. 2004. "Understanding the demand-side issues of international corruption", *Journal of Business Ethics*, Vol. 57, No. 1, pp. 65-81.
- Bierstaker, J.L. 2009. "Differences in attitudes about fraud and corruption across cultures: Theory, examples and recommendations" *Cross Cultural Management: An International Journal*, Vol. 16 No. 3, pp. 241 - 250
- Buchholz, R. 1989. *Fundamental concepts & problems in business ethics*, Englewood Cliffs, Prentice-Hall.
- Budima, G. 2006. "Can corruption and economic crime be controlled in developing economies, and if so, is the cost worth it ?" *Journal of Financial Crime*, Vol. 13, No. 4, pp. 408-419.
- Carmichael, S. 1995. *Business ethics: The new bottom line*, London.
- Cressey, D. 1973. *Other People's Money: A Study in the Social Psychology of Embezzlement*, Patterson Smith, Montclair, N.J.
- Daft, R. 2004. *Organization theory and design*, 8th edn, Sage, London.
- Davies, H., Leung, T., Luk, S. and Wong, Y. 1995. "The benefits of Guanxi: The value of relationships in developing the chinese market". *Industrial Marketing Management*, Vol. 24, No. 3, pp. 207-214
- Davis, J. and Ruhe, A. 2003. "Perceptions of country corruption: antecedents and outcomes", *Journal of Business Ethics*, Vol. 43, No. 4, pp. 275–288.
- Dellaportas, S., Gibson, K., Alagiah, R., Hutchinson, M., Leung, P., and Van Homrigh, D. 2005 *Ethics, governance and accountability: A professional perspective*, Wiley, Milton, Qld.
- Dion, M. 2010. "Corruption and ethical relativism: what is at stake?" *Journal of Financial Crime*, Vol. 17, No. 2, pp.240 - 250
- Donaldson, T. 1996. "Values in Tension: Ethics Away from Home?" *Harvard Business Review*, (September October), pp. 48-57.

Segon

- Donaldson, T. and Dunfee, T. W. 1999. 'When ethics travel: the promise and peril of global business ethics'. *California Management Review*, Vol. 41, No. 4, pp.45-63.
- D'Souza, C. 2003. "An Inference of Gift-Giving Within Asian Business Culture", *Asia Pacific Journal of Marketing and Logistics*; Vol 15, No. ½, pp 27-38
- Feng, Y, 2000. "Corruption: Main Dangers to Economic and Political Stability and Root Causes", *Journal of Money Laundering Control*, Vol. 4, No. 1, p. 44 – 50.
- Ferrell, O.C., Fraedrich, J. and Ferrell, L. 2005. *Business ethics: ethical decision making and cases*, 6th edn, Houghton Mifflin, Boston.
- Ferrell, O.C, Fraedrich, J. and Ferrell, L . 2008, *Business ethics: ethical decision making and cases*, Houghton Mifflin, Boston.
- French, W. and Granose, J. 1995. *Practical business ethics*, Prentice Hall, Englewood Cliffs.
- Gainsborough, M. 2006. "National Integrity System Country Study". *Transparency International*, Berlin.
- German, P. 2002. "To bribe or not to bribe - A less than ethical dilemma, resolved". *Journal of financial crime*, Vol. 9, No. 3, pp. 249-258.
- Getz, K. and Volkema, J. 2001. "Culture, perceived corruption, and economics", *Business & Society*, Vol. 40, No. 1, pp. 7-30.
- Goldsmith, A.A. 1995. "Democracy, property rights and economic growth", *Journal of Development Studies*, Vol. 32, No. 2, pp. 157-175.
- Goudie, A.W. and Stasavage, D. 1998. "A framework for the analysis of corruption", *Journal of Crime, Law & Social Change*, Vol. 29, No. 2-3, pp. 113-159.
- Graham, T. 2000 "Legal and Other Issues Raised by Grand Corruption", *Journal of Financial Crime*, Vol. 7, No. 4, pp. 324 - 329
- Gray, C.W. and Kaufmann, D. 1998. "Corruption and development", *Finance and Development*, March, pp. 7-10.
- Hofstede, G. 2001. *Cultures Consequences: Comparing values, behaviours, institutions and organisations across nations*, 2 edn., Sage Publications, Thousand Oaks.
- Hofstede, G., and Hofstede, G. 2005. *Cultures and Organisations; Software of the mind*. New York, McGraw Hill.
- Holmes, R. 1979. "The concept of Corporate Responsibility", in Beauchamp, T. and Bowie N. (Ed), *Ethical Theory and Business*, Prentice-Hall, pp. 151-160.
- Hooker, N.J. 2009. "Corruption from a cross-cultural perspective", *Cross-Cultural Management: An International Journal* Vol.16, pp.251-267
- House, R.J., Hanges, P.J., Javidan, M. , Dorfman, P.W. and Gupta, V. 2004. *Culture, Leadership, and Organizations*, Sage Publications, California.
- Kluckhohn, C. 1967. "Values and value orientations in the theory of action: An exploration in definition and classification". in Parsons T and Shils E.A.(Ed.), *Toward a general theory of action*. Harvard University Press, Cambridge, MA:.
- Johnstone, P. and Brown, G. 2004. "International controls of corruption: recent responses from the USA and the UK", *Journal of Financial Crime*, Vol. 11, No. 3, pp 217-248.
- Kaufmann, D. 1997. "Corruption: the facts", *Foreign Policy*, No. 107, Summer, pp.113-131.

Segon

- Kauffmann, D. and Wei, S. 1998. "Does 'Grease Money' speed up the wheels of commerce?" *American Economic Association*, January, Chicago. pp 1-17
- Klitgaard, R. 1988. *Controlling corruption*, Berkeley, University of California Press
- Kluckhohn, F.R and Strodtbeck, F.L. 1973. *Variations in value orientations*, Greenwood Press.
- Kohls, J J. and Buller, P.F. 1994. "Resolving Cross-cultural Ethical Conflict: Exploring Alternative Strategies." *Journal of Business Ethics*, vol.13, pp.31-38
- Krueger, A. 1974, "The political economy of the rent-seeking society", *American Economic Review*, Vol. 64, No. 3, pp 292-30.
- Ksenia, G, 2008. 'Can corruption and economic crime be controlled in developing countries and if so, is it cost-effective?', *Journal of Financial Crime*, Vol. 15, No. 2, pp 222-233
- LaFollette, H. 1991 "The Truth in Ethical Relativism. " *Journal of Social Philosophy*, Vol. 20, pp.146-54
- Lambsdorff, J.G, 2002. 'Corruption and rent-seeking', *Public Choice* 113:97-125, Kluwer Publishers, Netherlands
- Lewis, R.D. 2006. *When culture collide: leading across cultures*, 3rd edn, Nicholas Bearly, Boston
- Li, S. and Ouyang, M. 2007. "A dynamic model to explain the bribery behavior of firms", *International Journal of Management*, Vol. 24, pp 605,
- Maingot, A. P. 1994. 'Confronting Corruption in the Hemisphere: A Sociological Perspective' *Journal of Inter-American Studies and World Affairs*, Vol. 36, No. 3, pp. 49-74.
- Mauro, P, 1995. "Corruption and growth", *Quarterly Journal of Economics*, No. 441, (August), pp 681-712
- McKinney, J. and Moore, C. 2008. "International bribery: does a written code of ethics make a difference in perceptions of business professionals", *Journal of Business Ethics*, Vol. 79, pp. 103-111.
- Moran, R.T., Harris, P.R and Moran, S.V. 2007. *Managing cultural difference: global leadership strategies for the 21st century*, Butterworth-Heinemann, Elsevier.
- Nieuwebeerta, P., Geest, G.D. and Siegers, J. 2003. "Street-Level Corruption In Industrialized and Developing Countries", *European Societies*, Vol. 5, No. 2, pp. 139-165
- Nwabuzor, A. 2005. "Corruption and development: new initiatives in economic openness and strengthened rule of law", *Journal of Business Ethics*, Vol. 59, pp. 121-138
- Osbourne, D. 1997. "Corruption as counter-culture: attitudes to bribery in local and global society", in Rider, B.A.K. (Ed.), *Corruption: Enemy Within*, Kluwer Law International, London, pp.9-34.
- Oskooee, B., Goswami, M. and Gour, G. 2005. 'The impact of corruption on the black market premium', *Southern Economic Journal*, Vol. 71, No. 3, pp 483-493
- Palmer, D. 2008. "Extending the process model of collective corruption" *Research in Organizational Behaviour*, Vol. 28, pp. 107-135
- Park, H. 2003. "Determinants of Corruption: A Cross-National Analysis" *The Multinational Business Review*, Vol. 11, No. 12, pp 29-48.

Segon

- Pope, J. 1998. 'Enhancing accountability and ethics in the public service' in *New Perspectives on Combating Corruption*, Transparency International and the Regulatory Reform and Private Enterprise Division of the Economic Development Institute of the World Bank
- Preston, N. 1996 *Understanding ethics*, Federation Press, Sydney.
- Reed, D. 2002. 'Corporate governance reforms in developing countries', *Journal of Business Ethics*, Vol. 37, pp. 223–247.
- Rose-Ackerman, S. 1999. *Corruption and government*, Cambridge University Press
- Salifu, A. 2008. 'Can corruption and economic crime be controlled in developing economies – and if so, is the cost worth it?' *Journal of Money Laundering Control*, Vol. 11, No. 3, pp. 273-283.
- Sanyal, R. and Subarna, S. 2004. "Correlates of bribe giving in international business", *Indian Journal of Community Medicine*, Vol. 14, No. 2, pp. 1-13.
- Sanyal, R. and Guvenli, T. 2009. "The Propensity to Bribe in International Business: The Relevance of Cultural Variables". *Cross Cultural Management*, Vol. 16, No. 3, pp. 287-300.
- Sato, Y. 2009. "How to deal with corruption in transitional and developing economies: A Vietnamese case study" *Journal of Financial Crime*, Vol. 16, No. 3, pp. 220-228.
- Schein, E. 2001. *Organisational Culture and Leadership*, Josey Bass, San Francisco
- Schein, E. 2007. *Organisational Culture and Leadership*, Josey Bass, San Francisco
- Segon, M.J. & Booth, C. 2010. "Perceptions of Bribery and Corruption in Vietnam." *International Review of Business Research Papers*, Vol. 6, No. 1, Pp.574-589
- Shleifer, A. and Vishny, R.W. 1993. 'Corruption', *Quarterly Journal of Economics*, Vol. 108, No. 434, pp 599-618
- Smith, E. and Pham, C. 1996. 'Doing business in Vietnam: A cultural guide'. *Business Horizons*, May - June, p.47.
- Spicer, A. 2009. "The Normalization of Corrupt Business Practices: Implications for Integrative Social Contracts Theory" *Journal of Business Ethics*, Vol. 88, No. 4, pp. 833-840
- Transparency International, 1995. 'Building a global coalition against corruption', *Annual Report*, Berlin, Transparency International
- Transparency International. 2006. *Global Corruption Report*, Transparency International, Berlin.
- Transparency International. 2007. *Global Corruption Report*, Transparency International, Berlin. Transparency International (TI), 2007, *Corruption Perceptions Index Rankings*,
http://www.transparency.org/policy_research/surveys_indices/cpi/2007, viewed Sep 3, 2010
- Trevino, L.K. and Nelson, K. 1999. *Managing business ethics: straight talk about how to do it right*, 2nd edn, Wiley and Sons, New York.
- Trompenaars, F. 1995, *Riding the waves of culture: understanding cultural diversity in business*, Nicholas Brealey Publishing Limited.
- Trompenaars, F. and Hampden-Turner, C. 1998. *Riding the waves of culture: understanding diversity in the global business*, 2nd edn, McGraw-Hill, New York, NY.

Segon

- Trompenaars, F. and Woolliams, P. 2003. *Business Across Cultures*, Capstone, Oxford
- United Nations Development Program (UNDP), 1999. *Fighting corruption to improve governance*, Management Development and Governance Division, UNDP, New York
- Velasquez, M. 2005. *Business ethics: Concepts and cases*, Prentice Hall, Upper Saddle River.
- Velasquez, M., Andre, C., Shanks, T.J. and Meyer, M.J. 1992. "Ethical Relativism" *Issues in Ethics*, Vol. 5, No. 2.
- Vogel, F. 1998. "The supply side of global bribery" in *New Perspectives on Combating Corruption*, Transparency International and the Regulatory Reform and Private Enterprise Division of the Economic Development Institute of the World Bank
- Warren, M.E. 2004. 'What does corruption mean in a democracy?' *American Journal of Political Science*, Vol. 48, pp.328-343
- Weltzien Hovik. H. 2007. "East meets West: Tacit messages about business ethics in stories told by Chinese managers." *Journal of Business Ethics*, Vol. 74, pp. 457-469.
- Welsch, H. 2004. "Corruption, growth and the environment: a cross-country analysis", *Environment and Development Economics*, Vol. 9, pp.663-693
- World Bank. 1997. "Helping countries combat corruption: The Role of the World Bank", Poverty Reduction and Economic Management, September.
- Zekos, G.I. 2004. "Ethics versus corruption in globalization", *Journal of Management Development*, Vol. 23, No. 7, pp.631 - 647