Handbook of Research on Global Corporate Citizenship

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9 Corporations as citizens against corruption: an institutional entrepreneurship perspective

Gary R. Weaver and Vilmos F. Misangyi[1]

Introduction

The wide-ranging and negative impacts of corruption (Mauro 1996; Kaufmann 1997; Doh et al. 2003) have led many observers and policy makers to regard it as 'one of the world's greatest challenges' (Errath et al. 2005). In addressing corruption, multiple anti-corruption agencies (for example, the Organization for Economic Cooperation and Development (OECD), the UN, Transparency International (TI), the World Bank) increasingly have directed their attention beyond a conventional focus on governmental anti-corruption programs to consider as well the role of corporations in the mitigation of corruption. For example, in a speech to French business leaders, OECD Secretary-General Angel Gurria recently asserted that the cessation of bribery 'will only happen if companies put in place their own rules and controls against bribery. You are on the front line. You have to decide whether to give in to solicitation or whether to try to match or beat the bribe that your competitor may be willing to pay' (Gurria 2006). Meanwhile, the World Bank's 'Business, Competitiveness and Development' program involves the corporate sector actively in fighting corruption; the UN now includes fighting corruption as the 10th principle within its 'Global Compact' (UN Global Compact 2007); and non-governmental organizations (NGOs) such as TI focus on the potential role of the corporate sector in alleviating problems of corruption, advocating, for example, 'effective controls and greater transparency' in corporate actions (TI 2007). Most parties to international discussions of corruption also grant that the potential role of the corporate sector in fighting corruption is greater in societies with weak, ineffective or seriously corrupted political systems. In such circumstances, corporations might be the only entities with the capacity to address both individual and systemic corruption.

If corporations are to exercise a citizenship role, then, it seems reasonable to consider anti-corruption work as a potential element of that role. In a narrow sense, the call for corporations to be good citizens regarding corruption might simply mean that corporations should more carefully control their own actions *vis-à-vis* corruption, taking action to prevent employees from committing corrupt acts or violating the law and fostering an ethical, corruption-preventing organizational culture. But could corporate citizenship regarding corruption mean more than this, such that corporations become active agents of corruption-disabling change in society? If so, just what might a broader notion of corporate anti-corruption work involve? Can corporations act as citizens against systemic corruption? Much research has examined how corporations can foster non-corrupt behavior internally, on the part of their employees and managers (for example, Treviño and Weaver 2003). But little has considered an outward focus by which corporations function as sociopolitical actors working against entrenched societal corruption.

We address this topic in this chapter. After briefly reviewing the concepts of corruption and corporate citizenship, we summarize conventional approaches to corruption and their limits. In the light of these limits, we present a more expansive understanding of corruption, treating it as embedded in the cognitive and behavioral components of an overarching institutional logic, which in turn can be sustained or changed by social actors in possession of economic, cultural, social and symbolic resources. Based on this alternative account of corruption (developed in greater detail in Misangyi et al. 2008), we offer proposals as to how corporations might engage in anti-corruption efforts that spread beyond their own (admittedly porous) boundaries. In this, corporations function as citizens in the sense of taking on social and political responsibilities and as entrepreneurs intent on changing an institutional framework that enables corrupt behavior. But although we highlight certain potential corruption-disabling roles for corporations, we also consider the potentially quixotic nature of any expectation that corporations can or would engage in wide-ranging citizen-like behavior against corruption.

Corporate citizenship and corruption: basic concepts

Definitions of both corporate citizenship and corruption involve some controversy, and so it is useful to first establish what we mean by each of these concepts. For our purposes, we embrace what is at the root of most perspectives on corruption: (i) a social actor is entrusted within a social system with the allocation of resources or benefits (and costs) and (ii) the social actor has some level of discretion over this allocation and uses it to increase the social actor's (or its patron's) welfare at the expense of overall system welfare or the actor's legally, contractually, socially or morally defined role expectations.[2]

Several contentious perspectives on corporate citizenship exist within practitioner and academic literatures (Logsdon and Wood 2002; Moon et al. 2005; Crane and Matten 2008; DeGeorge 2008; Norman and Néron 2008a, 2008b; Wood and Logsdon 2008). Some scholars reject the plausibility of the concept in any form (for example, van Oosterhout 2008). Minimalist views of corporate citizenship confine it to philanthropic activity and/or behavior in conformity to law and morality (Saiia 2001; Matten and Crane 2005; Norman and Néron 2008a). More generally, in this private actor approach the corporation is a citizen in the sense of dutifully fulfilling formal and informal societal expectations, but not in any sense stronger than that. In other words, corporations are not acting as sociopolitical actors in their citizenship role; only others (for example, governments, NGOs, influential individuals) act in that capacity. Corporations merely are entities that follow societal rules and otherwise dispose of their property and contract with others as they please (within the constraints of market forces).

More expansive views treat corporations as sociopolitical actors responsible (with others) for maintaining or developing the overall framework of society (Scherer et al. 2006; see also Matten and Crane 2005). Here, corporations take on an active, republican (that is, civic virtue-oriented) identity (in contrast to a more private and reactive bourgeois liberal notion of citizenship; Scherer et al. 2006). Scholars working within this political actor perspective of corporate citizenship 'put the corporation in the *public sphere* and assume a *state-like role* of the corporation with regard to its corporate citizenship behavior' (Scherer et al. 2006, pp. 514–15, original emphasis). For example, corporations might step into a breach vacated by other institutions, as in situations of 'failed states'. Corporations also raise questions about their active sociopolitical role in so far as globalized, transnational business activity creates new venues of collective action and power that exceed the reach of traditional nation-states. But because corporations are not elected to administer political rights and obligations in lieu of conventional forms of political governance, questions arise as to the democratic legitimacy of corporate citizenship understood in this expansive way (Palazzo and Scherer 2006). Thus, Scherer et al. (2006) suggest that corporate citizenship behavior must be informed by a republican (rather than private, classically bourgeois liberal) political model of citizenship (see Steinmann and Scherer 2000; Ulrich 2002; Moon et al. 2005), wherein the corporation, as both a private citizen as well as a citizen of the community (Habermas 1998), takes on politically administrative functions while guided by an inherent responsibility and capacity to benefit the commonwealth.

Applied to corporate action regarding corruption, a minimalist, corporation-as-law-abiding-and-moral-citizen (hereafter, 'private-actor') perspective on corporate citizenship suggests attention to intra-organizational corporate practices aimed against corruption – such as efforts to prevent employees from paying or receiving bribes, to create an ethical corporate culture, to monitor employee behavior, and so on. Thus anti-corruption agencies sometimes recommend 'codes of conduct' for corporations (for example, the UN Global Compact, TI, the OECD, the World Bank). Intra-organizationally focused efforts to control corruption, of the sort appropriate to a private-actor view of corporate citizenship, have been addressed extensively by much organizational behavior research (for example, Ashforth and Anand 2003; Treviño and Weaver 2003). Our interest here, by contrast, is in an expansive ('political-actor') notion of citizenship, according to which corporations attend not only to their own affairs within general legal and moral constraints (that is, the classically liberal sense of citizenship), but rather become sociopolitical actors with respect to the mitigation of societal corruption. The key question implied by this expansive view is this: are corporations well-positioned to act (perhaps with others) as citizens taking on a corruption-disabling sociopolitical responsibility? Answering this requires considering (i) the means by which corporations might engage, as sociopolitical actors, in restructuring society so as to mitigate corruption, much as governments and NGOs do; while also examining (ii) the potential for corporate sociopolitical engagement *vis-à-vis* corruption to fail tests of legitimacy or otherwise create problems. To address these questions we need to consider a broader perspective that encompasses the insights of conventional accounts of corruption and its mitigation, while placing corruption in a more complex institutional analysis.

Mitigating corruption: alternative approaches

Corruption typically has been viewed from an economic perspective focused on rationally self-interested actors who respond to anti-corruption incentives (that is, penalties and rewards) and controls (for example, audits), and from an intra-organizational, behavioral perspective focused on managing the internal culture and structure of an organization in ways that foster good behavior and buffer the organization from external inducements to corruption. We briefly examine these perspectives before considering a wider-ranging institutional analysis of corruption (a fuller account appears in Misangyi et al. 2008).

Economic approaches to corruption mitigation

Economically oriented approaches generally consider corruption to be 'the abuse of public power for private benefit' (World Bank definition, see Tanzi 1998, p. 564), which arises when there exists control over economic costs or benefits and the discretionary power to appropriate gain from that control (Shleifer and Vishny 1993; Mauro 1996). This account of corruption rests upon a premise of self-interested behavior, and thus assumes that corruption

(for example, bribery) will occur whenever it is rational for individuals to engage in it: the opportunity exists (that is, discretion over allocations of resources/economic rents; Mauro 1996), it is a preferable option (for example, due to poverty, lack of trust and so on; Rose-Ackerman 2001), and there is little chance of any punitive effects (Klitgaard 1988).

The obvious remedies for corruption, in this view, stem from these same premises: curbing discretionary power or providing incentives to dissuade corrupt activities. Thus an economically oriented approach suggests that corruption can be mitigated by promoting: (i) market liberalization, in the belief that efficient product and capital markets constrain corrupt managerial behavior, and/or (ii) regulatory structures, supported by penalties or incentives, requiring accountability and transparency (Shleifer and Vishny 1993; Kaufmann 1997; Tanzi 1998). Evidence regarding these remedies, however, is not encouraging. For example, market liberalization policies implemented in some ex-Soviet countries (such as mass privatization in the Czech Republic; Spicer et al. 2000) failed to curb corruption, resulting instead in new forms of corruption (Kaufmann 1997; Open Society Institute 2002). Similarly, relatively little evidence suggests that the imposition of comprehensive government-sponsored programs (for example, laws requiring transparency, investigation and enforcement agencies, and public awareness campaigns) effectively reduces entrenched corruption in some settings (Tisné and Smilov 2004).

The organizational behavior perspective on corruption

Organizational behavior research in this area similarly recognizes self-interest as a factor contributing to corrupt behaviors, but it also attends to the normative and cognitive aspects of such behavior in organizations (for example, Ashforth and Anand 2003; Treviño and Weaver 2003). Scholars in this perspective have, for example, examined how corrupt actions can become institutionalized in situationally defined role identities promulgated within organizations, with the result that normally honest people end up engaging in corrupt practices in fulfillment of their organizational roles (Brief et al. 2001; Aquino and Reed 2002; Weaver and Agle 2002; Ashforth and Anand 2003; Weaver 2006). Organizational behavior research is interested in corruption that results from the interaction of individual and situational factors *within* organizations, and thus focuses upon normative and regulative controls *within* organizations as remedies (Treviño and Weaver 2003). Thus some scholars promote cultural change within organizations as a means to mitigate intra-organizationally generated corruption, emphasizing that both formal elements (for example, incentive structures) and informal elements (for example, exemplary leadership) must be addressed in order to encourage organization members' identification with (and thus commitment to) ethical modes of behavior (Weaver and Treviño 1999; Weaver et al. 1999a; Treviño and Weaver 2003). Although these approaches may succeed in changing individual behavior within organizations, they do not address enabling conditions for corruption that reside in extra-organizational contexts.

An institutional approach to corruption and its mitigation

Economic perspectives on corruption lack attention to the complex role of normative and cognitive processes; it is assumed that people act (deliberatively) based upon fixed preferences (Fligstein and Mara-Drita 1996) and thus questions of identity, roles, depersonalization and related phenomena have no place in such accounts (Friedland and Alford 1991). Although organizational behavioral accounts address normative and cognitive processes, these approaches are limited by a primary focus on organizations as the context for action, and consequent inattention to the institutional environments within which both individuals and organizations are embedded (Granovetter 1985). This is important, because large-scale cultural and institutional factors influence behavior, cognition and affect in ways relevant to ethics in organizations (Weaver 2006).

Thus a more effective approach to mitigating widespread corruption must move beyond conventional economic and organizational approaches to consider the process by which institutional frameworks or, as we shall describe them, 'institutional logics' – constituted by the identities, cognitive frameworks and practices of people – are formed and sustained, how those logics enable corruption, and how they might be changed by social actors (such as corporations) using the resources available to them (Misangyi et al. 2008). This broader foundation for understanding societal corruption in turn can inform thinking about how corporations might exercise citizenship roles by using their often vast resources to bring about institutional change regarding corruption.

Institutional logics An institutional logic (Friedland and Alford 1991) is a 'socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material substance, organize time and space, and provide meaning to their social reality' (Thornton and Ocasio 1999, p. 804). Institutional logics provide a sense of meaning, coherence and order, as they incorporate social identities and cognitive schemas and role expectations which in turn delineate and guide behavior (Berger and Luckman 1966; Scott 1995). Identities, understood as cognitive self-schemas, motivate and guide behavior through specific role expectations within social settings (see Ashforth 2001) and through social categorization processes (for example, prototypical behavior, see Hogg and Terry 2000). Schemas, in turn, provide mental frameworks of how relations occur within any particular situation (DiMaggio 1997) and related cognitive scripts provide a ready stock of appropriate behavioral routines for a situation (Barley and Tolbert 1997), thereby promoting efficiency and facilitating interaction. Taken together, these elements of an institutional logic frame the way people understand their place in the world, including their relationship to others, and provide them with a repertoire of ways to act, think and feel.

The recursive relationships among identities, schemas/roles and practices within institutional logics opens up the possibility of purposive institutional change: just as the symbolic realm (that is, identities and their attendant schemas and roles) influences the substantive (that is, practices and actions), so the latter realm also influences the former (that is, practices help to define and shape identities, schemas and roles) (Giddens, 1976; Friedland and Alford 1991; Barley and Tolbert 1997). Thus the actions of individuals and organizations can affect the continued existence and influence of an institutional logic. Persistence of an institutional logic is not inevitable (Giddens 1984; Sewell 1992), and change is more likely in situations that trigger the kind of self-conscious, deliberative thinking by people that can make them aware of the logic and its influence on thought and action (Clemens and Cook 1999; Stinchcombe 1978). Such thinking might be encouraged by a serious challenge to the normal workings and outcomes of an institutional logic, such as a severe economic crisis (Fligstein and Mara-Drita 1996). But it might also be prompted by social actors within an institutional field who articulate and propagate an alternative institutional logic (or an alternative interpretation of the reigning logic), such that the established institutional logic no longer functions as a brute fact, but rather as something to be evaluated or even replaced (Friedland and Alford 1991; Sewell 1992; Barley and Tolbert 1997; Emirbayer and Mische 1998; Seo and Creed 2002).

Social actors and their resources Institutional logics – such as those that enable or disable corruption – cannot exist apart from the social actors that embody, practice and change them (Zilber 2002). Social actors who attempt to change institutional logics are, in effect, 'institutional entrepreneurs' (DiMaggio 1988; Seo and Creed 2002; Maguire et al. 2004). Their success depends in part upon whether they have adequate resources for the change effort (DiMaggio 1988; further discussed below) and on whether they can 'infuse new beliefs, norms, and values into social structures' (Rao et al. 2000, p. 240; see also Fligstein 1997). But institutional logics also have their defenders, persons who, for whatever reason, use their resources, positions and influence to maintain an existing institutional order, in part by highlighting the lack of harmony between the prevailing institutional logic and an emerging one (Henisz and Zelner 2005).

Any particular institutional logic is rooted in a foundation of resources that provides social actors with the capacity for carrying out the practices entailed by the logic, and for enacting the identities of the logic (Bourdieu 1985; Sewell 1992). For example, an institutional logic that normalizes mobility in the pursuit of enhanced socioeconomic status presumes access to certain transport and communication resources; another logic that embodies a high degree of individualism might presume and foster a certain degree of social isolation, whether in actual geographic terms or in the density of social networks. Resources can be economic (for example, material wealth), social (for example, social networks or status hierarchies), symbolic (for example, legitimacy, and more importantly the capacity it confers to further define what is legitimate), or cultural (for example, ethnicities, religions) (Bourdieu 1990; Oakes et al. 1998). The importance of any or all of these different types of resources is intricately tied not only to how they support the prevailing institutional logic, but also to how they are defined by it. Therefore, resource availability constrains the survivability of an institutional logic, and at the same time, the very value of any particular resource is dependent upon its definition granted by the logic (Friedland and Alford, 1991; Sewell 1992). Likewise, the spread of a new logic also depends upon either existent or new forms of resources; social change will be difficult for any institutional entrepreneur who lacks a sufficient base of resources in an existing institutional logic, at least in the absence of any kind of crisis or other unintentional trigger for widespread deliberative cognition which would enable the possibility for the redefinition of resources toward those possessed by the would-be change agent.

Corporate citizenship and the mitigation of corruption

The foregoing analysis of corruption indicates two primary ways in which corporations – in citizen roles – can act to mitigate corruption. Economic, behavioral and institutional approaches to corruption all grant that corporations might work against corruption because they are compelled or encouraged to do so – for example, by law, by incentives or by legitimation pressures such as reputational concerns. This view is common; governments and international bodies (for example, the UN, the World Bank), NGOs (for example, TI) and influential actors (for example, George Soros), individually or in concert initiate formal or informal structures of influence that promote non-corrupt corporate behavior or enlist corporations in efforts to thwart corruption by others. A corporation's anti-corruption role, in this private-actor view, is primarily reactive, as a dutiful citizen who obeys informal and formal societal expectations.

But from a political-actor account of corporate citizenship, corporations have a role as anti-corruption institutional entrepreneurs that can address the institutional logic within which corruption is embedded. This in turn involves addressing patterns of identity, cognition and behavior, and the social, economic, cultural and symbolic resources that sustain those patterns. In Matten and Crane's (2005) terminology, corporations might function as 'enablers', 'providers', or 'channels' of civil-society-enhancing, and corruption-disabling, practices in ways that go beyond putting their own internal organizational houses in order or simply following the schemas, rules and scripts of an anti-corrupt logic that is propagated by some other social actors (for example, government). But can corporations do this without raising questions of their overall fitness and legitimacy for the task?

Corporate influence on institutional logics

How can corporations influence an institutional logic so as to create or maintain the identities, schemas and roles that might either encourage or undermine practices of corruption? In considering this question, we should not simply be concerned with specifically corrupt or anti-corrupt elements of an institutional logic, but with any identities, schemas, roles and practices that might contribute to corruption in some way even if they themselves are not specifically framed in terms of corrupt identities and practices.

Corporate actors, individually and collectively, have clear impacts – whether intended or unintended – on the institutional structure of any society or any other institutional field (see, for example, Fligstein 2001; Maguire et al. 2004). Corporations engage in political action by waging public campaigns on issues, having direct engagement with political decision makers, contributing to elected officials' campaigns, lobbying for or against (and even writing) legislation, spinning the so-called 'revolving door' between corporate and government work and performing surrogate government roles. Their influence through economic action creates, destroys or transfers wealth within and among societies, provides goods and services to some or all, and has either productive (for example, suburban housing) or destructive (for example, suburban 'sprawl') consequences for some or all.

Corporations also function as creators or arbiters of individual citizens' identities. Their organizational structures embed persons in scripted repertoires of meaningful behavior and encourage persons to identify with particular social roles or statuses. But corporate influence on meaning and identity is not restricted to intra-organizational settings; in the effort to create market niches for consumption of corporations' goods, services and social status markers (Rindova and Fombrun 1999), corporate discourse (through engagement with or ownership of a wide array of media) influences individuals' tastes and preferences and encourages persons to identify with particular brands or other symbols, with particular social roles and statuses (for example, 'elite class' credit cards, or, more generally, the fashion industry and 'lifestyle brands'), and even with the corporations themselves. For example, contemporary internalized expectations regarding the form and meaning of romance and love are integrally linked in both genesis and form to the way such ideas have been symbolized in 20th-century advertising and other media (Illouz 1997), and to the commodities represented in those symbolic venues. Thus one cannot claim that corporations should not engage in actions to change institutional logics in corruption-disabling ways on the grounds that corporations do not have the capacity to do so; clearly they already exercise much capacity to influence institutional logics.

It is beyond our scope to discover and discuss *every* means by which corporate activity might affect the cognitive order of institutional logics in ways that support or undermine corruption. But if corruption constitutes a kind of taken-for-granted, or at least accepted, way of life arising from the identities, schemas and roles of an institutional logic, we can at least offer general insights as to how corporate decision makers, policy makers and NGO leaders might think about the relationship between corporations and the cognitive, affective and behavioral order of an institutional logic. In keeping with our theoretical summary, above, we first examine the factors pointed to by our understanding of the cognitive and related orders embedded in institutional logics – identities, schemas, roles and rules – and then examine corporations as social actors with resources.

Identities As noted earlier, identities underlie much behavior, and influence the nature of behavior as corrupt/non-corrupt and corruption enabling/disabling. In some cases this is because identity can be specifically moral in content (Aquino and Reed 2002; Weaver 2006). But even identities rooted in larger institutional logics – such as nationality, ethnicity, religion, family and the workplace (Friedland and Alford 1991) – which, in themselves, might be orthogonal to moral identity, nevertheless can contribute to circumstances that make corruption more or less likely. For example, ethnicity can contribute to a corruption-enabling logic because ethnic identities, and the social barriers they create, generate structural impediments to anti-corruption efforts (Misangyi et al. 2008). Thus advocates of corporate citizenship regarding corruption need to consider how corporations might influence a wide range of corruption-relevant identities.

Along with the corporate influences on identity described earlier (for example, identification with a brand), we also can ask how corporations

influence the compartmentalization of identities (Weaver and Agle 2002; Ashforth and Anand 2003; Weaver 2006), such that moral identity or other forms of identity conducive to good behavior are rendered less salient to individuals and thus less effective in guiding action. This occurs within organizations, as individuals 'leave their ethics at the door'. But corporate-influenced identity compartmentalization can occur outside the workplace, if a compartmentalizing, narrowly market-oriented message about how life is or should be constituted is proclaimed through a wide range of resources. For example, contextual influences present in the contemporary shopping mall or hypermart might effectively divorce materialistic 'consumer' identities from any other sense of self, so that shopping or consumption becomes an end in itself and moral identities are made less salient with respect to consumption activities. Identity work by corporations can have further impacts in so far as business or market axioms diffuse into other arenas of social life, becoming the standard by which (for example) political, educational, social or religious life are understood and conducted (as when career counselors advise potential job seekers to define their own personal 'brand').

How, then, can corporations foster a more integrative approach to identity, helping (for example) moral identity and other corruption-disabling identities to compete in salience with social identities that might enable corruption? The content and salience of corruption-relevant identities can be influenced by (for example) corporate actions that change social networks so as to subject people to different social–cognitive influences, or by structuring a corporation's engagement in everyday commercial life so as to present clear opportunities to exercise moral identity (for example, more elaborate labeling with respect to positive or negative externalities arising from the production of a purchased item). In addition, in so far as compartmentalized identities result from the social fragmentation and isolation often attributed to modernity (Taylor 1989; Giddens 1991; Twenge 2000), corporations also can foster anti-corruption institutionalized identities by attending to the impact of their own actions on social fragmentation. Also, if the development of features of a moral identity depends on involvement in a teleologically meaningful collective – as philosophers from Aristotle (*Nicomachean Ethics*) to MacIntyre (1981) have argued, along with some social scientists (for example, Hunter 2000) – corporations concerned about institutionalizing a moral identity can attend to the impact of their actions on the possibility of teleologically meaningful social collectives. In short, once we think about corruption in terms of institutional logics and their embedded identities, we open ourselves to a wide range of imaginative means by which corporations might use their proven ability to influence social behavior (Ewen 1988) to foster identities in a manner that will help to disestablish corrupt practices.

Schemas and language Institutional logics incorporate cognitive schemas (including schemas of self-identity). But schematic cognition does not occur in a vacuum, as the content of schemas is learned – consciously or unconsciously – from an individual's surrounding social context (DiMaggio 1997). Thus attention to the content of schematic frameworks is essential for understanding how corruption can be entrenched, in so far as schemas move phenomena (such as corruption) to the periphery or center of awareness. For example, social actors can minimize the significance of their own corrupt behavior through mechanisms of moral disengagement (Bandura 1999), which involve the mental reconstruction or reinterpretation of outcomes in ways that either minimize the actor's role in the outcome or the (corrupt) nature of the outcome, or denigrate or ignore the status of any victims.

Schematic cognition influences an individual's ethical sensitivity, accounting for why some persons are, or are not, aware of the ethical challenges around them (Sparks and Hunt 1998). Particular collective schemas can enable or disable corruption. For example, a view of corruption as the natural, inevitable order of society can be entrenched in a collective schema, such that people believe they are helpless in the face of corruption. Alternatively, a shared cognitive framework can direct judgments regarding who or what is responsible for desirable or undesirable outcomes (Jost et al. 2004). In addition, shared cognitive frameworks can make it difficult to imagine alternatives to existing and corrupt social orders, which is why changes in institutional logics are more likely in conditions that foster deliberate rather than schematic cognition (Emirbayer and Mische 1998; Seo and Creed 2002). And closely related to schematic cognition is the matter of the language used to label social phenomena. Thus, in one schema, a particular kind of overt behavior (for example, hiring an underqualified sibling) might be identified as corrupt (that is, nepotism), while in another schema essentially the same overt behavior might be identified as ethically proper (that is, loyalty).

Corporate actions can influence both the content and availability of identities and their attendant schemas, and the language used to articulate them. Even the identity of 'corporate citizen' and its associated schema is a case in point. *If* this identity (corporate citizen) gets articulated and schematically entrenched in a way that legitimates corporate anti-corruption activity, it can contribute to a reduction in corruption as decision makers in corporations (and in the institutions that deal with them) begin to think in terms of a 'political-actor' corporate citizenship schema. This is not inevitable, however, as any such schema faces stiff competition from other reigning schemas of social and economic life (for example, a private-actor schema). Indeed, the growing prevalence of the corporate citizen identity in part stems from visible corporate use of the idea, which

often constructs the identity as merely philanthropic activity (Matten and Crane 2005; Norman and Néron 2008a). To the extent that the schema underlying a minimalist definition of a corporate citizen identity narrowly involves rationally self-interested behavior, compartmentalization, and a 'business is business' mentality, a private-actor corporate citizenship schema runs the risk of becoming just another 'window-dressing' contributor to the problem of corruption. Such a schema most certainly conflicts with the corruption-disabling political-actor schema, preferred by many academics, policy makers and NGOs, because a political-actor schema suggests that effective corporate citizenship – understood as a sociopolitical identity driving corporate efforts to remedy corruption – should attend to the impact of corporate practices on the promulgation of cognitive schemas and the languages by which they are articulated.

Multiple corporate practices are implicated in such an effort. In so far as language is essential to schematization and awareness with respect to corruption, it is essential for corporate actors to talk openly about corruption, thereby both legitimating such discussion in public and helping to make corruption awareness a part of the shared schemas in a society. So corporate activities with respect to communication media (for example, advertising) are relevant. But so is funded research (via universities, 'think tanks' and so on), which often follows, rather than leads, practitioner concerns (Barley et al. 1988). Corporations have substantial power to create or frame public perceptions and categories of understanding, and they can use this power to frame anti-corruption as a legitimate endeavor (for example, by aligning themselves with other, more-informed but perhaps less powerful anti-corruption institutional entrepreneurs). Indeed, the institutionalization of any new logic depends upon framing processes that not only identify problems and offer solutions, but also delineate identities (of antagonists and protagonists) and define and motivate schemas, roles and behavior that constitute the new logic (Hunt et al. 1994; Misangyi et al. 2008). For example, AES, the American energy company, after purchasing the privatized electricity distribution system in Tblisi, Georgia, in effect took on the role of anti-corruption entrepreneur fighting entrenched corrupt interests in the Georgian energy ministry and key industry sectors, complete with AES executives engaging the Georgian public in awareness-building efforts by means of mass media and personal interaction (Henisz and Zelner 2006). In the process of doing this, AES spokespersons both framed the elimination of corruption as a legitimate goal and also helped to identify antagonists and protagonists in the struggle over entrenched corruption.

Scripts, roles and rules Closely related to the issues of schematic cognition and identity is the role of corporations in fostering the behavioral scripts and role expectations embedded in institutional logics. Identities – understood cognitively – incorporate sets of role expectations and scripted behaviors. However, conflict can arise among different sets of role expectations, and persons sometimes choose among multiple available behavioral scripts in their responses to situations (Ashforth and Johnson 2001; Weaver and Agle 2002).

Through their impact on organizational and societal cultures, corporations generate behavioral scripts and role expectations. This is particularly true in the light of the increasing extent to which individuals' interactions are with large, relatively abstract and impersonal corporate systems (for example, a call-center on a different continent) rather than with entities of a more local scale (for example, a local service provider). In such situations, high visibility actors (including large corporations and their executives) take on increasing significance as models and arbiters of behavior by their capacity to define, propagate and embody behavioral scripts. Thus (for example) celebrity chief executives foster scripts for management behavior (for example, 'lean and mean'); the design of products and commerce helps to structure people's lives; corporate involvement in land-use planning processes ultimately influences social interaction, with implications for the kinds of role expectations that get developed out of such interaction (because land-use decisions can influence social network development). Regarding corruption specifically, the structure of work and careers is highly subject to influence by corporations, and thus corporations have the potential to build corruption-relevant elements into the scripts, role expectations and schemas that constitute popular senses of career and work (for example, so that reporting on corruption is seen as an in-role rather than extra-role behavior). In addition, corporations can carve out certain areas of social and economic life as guided by corruption-free scripts. Thus some Indian corporations – Infosys and the Tata group, for example – by an incessant refusal to cooperate in traditional forms of corruption, have in effect generated new company-specific scripts in the minds of public servants, such that officials 'typically don't even bother asking Tata executives for bribes' (Wehrfritz and Moreau 2005, p. 36). Such actions create a zone of economic activity free of corruption-fostering scripts, and also legitimate corruption reduction as a viable option within an overall institutional logic.

Corporations and their resources Resources are crucial for institutional change, and so successful anti-corruption entrepreneurs must possess or create the kinds of resources needed to bring about a change in institutional logic (Misangyi et al. 2008). With regard to conventional anti-corruption efforts, many of these resources are obvious: legal authority and enforcement power; the ability to compel business partners to sign legally enforceable

contracts; influence in the media that can increase public awareness of corruption; human resources sufficient to disseminate knowledge of corruption and its impact; tangible or intangible support from other key social actors; and so on. But also important is the status and resource base of those who would maintain an existing, corruption-enabling logic. They, too, might be able to deploy multiple resources, and, in so far as the corruption-enabling logic is integrally linked to elements of identity that appear, on the surface, corruption neutral (for example, ethnicity, religion), they might have high levels of legitimacy in the eyes of most participants in the institutional logic.

Recognition of the symbolic and substantive resources needed for institutional change regarding corruption points toward anti-corruption institutional entrepreneurship as an element of corporate citizenship. In some social settings, corporate actors might have more resources and legitimacy than any other potential anti-corruption institutional entrepreneurs. Indeed, corporations, whether individually or collectively, clearly have access to a great variety of economic, cultural, social and symbolic resources, so the possibility that they can act as institutional entrepreneurs is beyond question. Although their economic resources – especially in the case of transnational corporations (TNCs) – often are vast, enabling them to persist in long-term efforts at social change as long as their shareholders (in the case of public companies) would tolerate such, perhaps of more interest are their cultural, social and symbolic resources.

Corporations have cultural resources, both internally and externally. As mentioned above, their own internal cultures might function well as laboratories for social innovation (for example, new scripts, roles and rules). The global reach of transnationals also gives them access to multiple cultures and those cultures' varying approaches to problems and issues, which then can be adapted into corporate efforts to mitigate corruption. That is, TNCs can function as conduits for the diffusion of anti-corruption strategies; AES in Georgia and elsewhere, for example, modeled a relatively transparent and decentralized form of executive decision making (Paine and Leamon 2000; Devlin 2003). In addition, in highly corrupt and politically unstable environments, non-corrupt corporations might function as outposts of stability and order, providing a kind of sanctuary in which an alternative schematic framework of identity and practice can be developed, with the potential for gradual diffusion into the surrounding environment.

Corporations also can have significant social resources, in so far as they are integrated into important and supportive local and global social networks. In some contexts, corporations also enjoy considerable symbolic resources, either because of brand identification on the part of the public or because of public identification with the corporation as a source of something valued (for example, products, employment or simply as a national symbol). Similarly, a respected position in an industry network can enable a corporation to encourage other corporations to reduce their respective involvement in corrupt practices.

Corporate citizens and corruption: private action or institutional entrepreneurship?

Corporations face multiple opportunities to use their often extensive resources to engage in institutional entrepreneurship against corruption. Because of this, the potential exists to move beyond a conventional private-actor corporate citizenship approach to corruption mitigation to a political-actor one in which corporations work actively to undo the institutional logic of corruption. Conventional approaches, which rely on non-corporate institutional entrepreneurs to stimulate change (that is, national and international governmental bodies, NGOs, individuals) have their merits and limits. Government enforcement of non-corrupt practices, for example, sometimes works, but is limited in reach by national boundaries. In today's global economy, the visible hand of conventional government policy might not be strong or large enough to be effective against endemic corruption, yet the invisible hand of market liberalization has an at best mixed track record with regard to corruption mitigation (and, more generally, the historic record of commerce's influence on institutional logics is open to serious debate; see Hirschman's (1982) discussion of the contest between 'doux-commerce' and the 'self-destruction' theses about capitalism).

Yet anti-corruption initiatives by non-corporate institutional entrepreneurs such as NGOs and international agencies often get stuck in the diagnostic (that is, 'corruption is bad') or prognostic (that is, 'here is what to do about it . . .') framing of the issue, failing to generate genuine change because they fail to offer a motivational framework for other important actors (including corporations). For example, the UN Global Compact, in its 10th principle (which discusses 'the fight against corruption') takes a step toward framing the appropriate conditions for a non-corrupt institutional logic (thereby defining as non-corrupt the identity of legitimate corporations). But this is where it ends, leaving open questions as to how this anti-corrupt identity is to be enacted (that is, schemas, roles, practices), and leaving itself susceptible to merely symbolic (that is, window dressing), rather than substantive, corporate compliance with the principle. Moreover, the success potential for conventional efforts clearly depends on the resources available to governmental and NGO institutional entrepreneurs: the development of transnational corporations raises serious questions about the relative power of non-corporate actors with respect to enlisting corporations in successful anti-corruption efforts.

So perhaps we need to set aside questions of democratic legitimacy and encourage corporations to adopt an expansive notion of corporate citizenship after all, one in which – as republican, civic-virtue-oriented social actors – corporations actively seek to influence institutional logics in ways that reduce corruption. But why would corporations do this? What would be their motivation? After all, corporate action regarding corruption presently is limited by the institutional logics governing the corporate world. And the logic of global capitalism and global markets might not always mesh well with whatever is required for corruption mitigation in a particular setting. In other words, if we take the identity/institutional logic perspective on corruption seriously, there are things that corporations could, in theory, do to help create anti-corruption institutional logics, but whether they ever would do such under the varied constraints and expectations of the present institutional logic of global business is an open question. (For example, financial pressures ultimately were sufficient to motivate the investors in AES to reign in a management team given to talking first about intra- and extra-organizational social goals and change, and only secondarily about profit making.) And in the light of such constraints, whether corporations should engage in institutional entrepreneurship regarding corruption is an open and important question.

Thus, for example, it is fair to ask whether an institutional entrepreneur that itself might be rooted in the logic of individualist consumer materialism (for example, a global brand company) is necessarily the appropriate entity for enacting changes in an institutional logic in order to reduce corruption, in so far as corruption also arises from a self-interested framework. After all, typical conceptualizations of corruption define it in terms of private gains. Thus, would a social actor rooted in the market logic of private gain (that is, a corporation) be able to challenge clearly the identities and underlying schemas of such an institutional logic, were they in need of challenge with respect to corruption? Or would institutional entrepreneurship in such a situation end up involving not the mitigation of corruption as currently understood, but instead attempts to change the present identities and schemas so that participants slowly learn to ignore or forget corruption, or view it as a positive good, through processes of schema change and redefinition? Are there ways, in effect, in which corporate anti-corruption efforts can end up not merely as decoupled window dressing (Weaver et al. 1999b), but rather as something more akin to a 'through the looking glass' or quasi-Orwellian institutional logic that leaves the beneficiaries of corruption in place while yet providing the appearance of corruption mitigation? This, then, is a paradox of a political-actor view of corporate citizenship with respect to corruption: much as we might want corporations to act to alter an institutional logic of corruption, their embeddedness in an existing logic likely will influence any institutional entrepreneurship they exercise. So how, then, does real change become possible?

Of course, corporations might engage in institutional entrepreneurship against corruption if they were spurred into action by other social actors. But the obvious candidates for that influential role – government, NGOs and the occasional George Soros – have unclear power and influence regarding TNCs (which, as noted earlier, is why the conventional private-actor approach to corruption is not enough), and it is that lack of clarity that, in part, gives credence to the case for an expansive notion of corporate citizenship *vis-à-vis* corruption. The alternative is to attend to the role of key corporate decision makers in guiding their organizations into a newly conceived, sociopolitical notion of corporate citizenship. There is precedent for this. Research on efforts and programs to foster ethics intra-organizationally in the corporate world highlight the key role played by top management's commitment to that specific task as valuable in itself (and not merely for any instrumental benefits; Weaver and Treviño 1999; Weaver et al. 1999a, 1999b), and to ethical leadership generally (Brown and Treviño 2006). Also, both theory (Barley and Tolbert 1997; Emirbayer and Mische 1998; Seo and Creed 2002) and the experience of some corporations suggests that corporate crises or incoherence surrounding ethics and corruption can give rise to deliberative cognition, leading to radically changed top management attitudes regarding a corporation's role as institutional entrepreneur about corruption, ethics or other issues (just as societal crises can give rise to societal-wide reconsideration of an institutional logic and encourage institutional entrepreneurs to take advantage of opportunities to reshape conventional logics). For example, Royal Dutch Shell embarked on a number of significant initiatives with respect to sustainability and stakeholder performance in part because of top management commitment to those issues, which in turn was stimulated by several high-profile failures to deal well with sustainability and stakeholder issues (Macalister 2003).

Hopefully most major TNCs will not go through crises of corruption of the sort that stimulate institutional entrepreneurship regarding corruption; there must be more benign ways to stimulate new forms of management cognition. So for policy makers and NGOs there is a lesson in this: corporate institutional entrepreneurship regarding corruption might best be achieved by leveraging forms of influence over individual executives who in turn can work to redirect their companies (and their companies' constituents) toward significant and meaningful anti-corruption institutional entrepreneurship. As cognition and identity have strongly social elements and strongly drive any kind of concern for ethical matters such as corruption (Weaver 2006), it is important to attend to the social network positions

of key corporate decision makers, and to give policy makers and others concerned with corruption some degree of entry into those networks. Moreover, the adoption of an anti-corruption institutional entrepreneurship role by some corporations serves to put a competing institutional logic in play in society, making it at least slightly more likely that other actors will recognize and adopt that new logic (Friedland and Alford 1991). Innovations spread when influential or institutionally skilled organizations adopt them; thus if policy makers and NGOs want to spur corporate anti-corruption institutional entrepreneurship, they might target key decision makers within potentially influential corporations.

Conclusion

Our purpose in this chapter has been to examine the potential of corporations to exercise a citizenship role as institutional entrepreneurs in the mitigation of corruption. Corporations are increasingly being called to take on such tasks, and whether we like it or not, in some cases they may be the only social actors in the position to do so. For the most part, 'corporate citizens' are well equipped to take part in institutional entrepreneurial activities aimed at mitigating corruption: they have the resources and 'social skills' (Fligstein 1997, p. 398) required for fostering the identities and institutional logics that might encourage good behavior and undermine institutional logics that support corruption. We have attempted to shed light upon some of the ways that they can bring this capacity into action. But we have not done so with blinders on, as it always is fair to question the legitimacy of a 'corporate citizen' in taking on a role such as this. This is not just an abstract matter of cognitive or moral legitimacy (Suchman 1995), but a very practical question as well (Scherer et al. 2006): can individual citizens expect corporate citizens to exercise their skills, power and discretion as institutional entrepreneurs in a manner that will benefit the civic order? And should individual citizens entrust such a task to corporations, and submit to it? However, unless the power and influence of conventional political institutions parallels that of TNCs (that is, both strong or both weak), so as to compel appropriate and relevant corporate action against corruption, reliance on corporations as sociopolitical actors regarding corruption might be not only possible but inevitable – provided that corporations and their decision makers are willing to take on the task.

Notes

1. Both authors contributed equally to this chapter.
2. In general, we use the term 'social actor' to cover individuals, individuals acting as agents of other social actors or collective actors such as corporations. However, our primary focus here is on corporations as social actors in their larger economic and social contexts, and therefore, although we typically refer just to corporations, we do so without denying

decision-making behavioral roles for the persons who individually or collectively act on behalf of a corporation.

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