# WHY DID THEY DO IT?

# UNDERSTANDING CORRUPTION IN

# PUBLIC SECTOR PROCUREMENT

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# Keywords

Australia, bad apples, bad barrels, bad orchards, clash of moral values, corruption, government procurement, economic rational choice, ethos of public administration, institutional logics, interdisciplinary, public sector procurement, qualitative thematic content analysis, theoretical triangulation.

# Abstract

Corruption in public sector procurement processes in developed countries is a significant and complex but under-researched global problem with substantial financial and non-financial impacts. The broader research into corruption is characterised by a profusion of competing theoretical explanations of the phenomenon, which makes it difficult to apply theory to particular instances of corrupt behaviour.

This study took an interdisciplinary approach to examining how corrupt behaviour was explained by participants from three units of analysis (individual, organisational, institutional) in the context of procurement processes in the New South Wales (NSW) public sector. It sought to understand whether participants' explanations reflected any of five key theories about corruption (economic rational choice, bad apples, bad barrels/orchards, clash of moral values, ethos of public administration), and whether any single theory, taken alone, could comprehensively explain the instances of corrupt behaviour that formed the basis of this study. It also sought to understand the consistency of explanations of corruption given by participants from the different units of analysis within and across the four cases that comprised the study.

The study adopted a qualitative multiple case study approach, using four cases purposively selected from published transcripts and reports of investigations into corrupt behaviour in public sector procurement by the NSW Independent Commission Against Corruption (ICAC). These data were analysed using qualitative thematic content analysis to identify which of the five key theories were referenced in explanations of corruption given by case participants.

The findings suggest that all five theories are useful in understanding corruption in procurement processes, but that no single theory taken alone is sufficient to comprehensively explain the corruption identified in this study. The study therefore supports the suggestion by the emerging body of literature that corruption can be better understood by considering multiple theoretical perspectives. This study was not able to answer the question definitively of whether context matters in the way that corruption is explained, suggesting a most interesting area for further research.

In terms of methodology, the study provided an example of theoretical triangulation using qualitative thematic content analysis. This was achieved by

operationalising the five key theories informing the study of corruption via content analysis codes which were applied to the data to identify the theories mentioned in explanations of corruption given by participants.

At the practical level, the study has identified a range of implications for public sector organisations and for managers in relation to understanding and preventing corruption. The findings suggest that public sector organisations could benefit from adopting broader theoretical underpinnings for their anti-corruption activities, including employee education programs, and from considering ways to assist suppliers to identify more closely with the values, ethos and obligations of public service. The study also highlights the critical role of managers in creating an organisational culture and work climate that discourages corrupt behaviour, and in modelling personal behaviours that support employees in adhering to their organisation's anti-corruption policies.

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# List of Abbreviations

| | |
|---|---|
| CMV | Clash of moral values theory |
| EPA | Ethos of public administration theory |
| ERCT | Economic rational choice theory |
| ICAC | Independent Commission Against Corruption |
| NSW | New South Wales |
| NZ | New Zealand |
| QUT | Queensland University of Technology |
| UK | United Kingdom |
| UN | United Nations |
| UoA | Unit of analysis |
| USA | United States of America |

# Acknowledgements

What's a qualitative thesis without a few numbers? Here are mine, for the time it has taken me to complete this program (part-time). On the positive side, I have enjoyed eight birthdays, added a daughter-in-law to the family and welcomed my first grandchild (the amazing Harriet) thanks to my daughter Sally and her wife Stephie. I have sold a business, and a house. On the health side, I have endured a knee replacement and major surgery to my dominant hand. I have persevered through the uncertainty and stress of the COVID-19 pandemic without medical misadventure despite catching COVID, but also without seeing my son, Derek, who lives overseas, for two years. And in the circle of life, I have sadly lost my beloved father to lung cancer (farewell Alan Curry, 1934-2018) and my wonderful mother-in-law to leukemia (farewell Doreen Bayley, 1935-2019). It certainly has been the marathon that everyone warns about. There have been highs and lows, and some days I truly doubted that I would ever get it done. On those days, I reminded myself of the great life advice from my personal trainer, Pip, who always tells me to 'just do it' - one rep (or in this case, sentence) at a time. I have also been shown by my amazing mother, Pat Curry, that you really are never too old to learn. Mum completed on-line university studies in 2021, at the age of 87, despite the pandemic and despite having never previously used a computer!

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# Chapter 1: Introduction

*"There is little doubt that corruption can and does flourish in the context of public procurement"* (Trepte, 2019, p. 137).

*"Public procurement remains the government activity most vulnerable to waste, fraud and corruption due to the size of the financial flows involved"* (Organisation for Economic Cooperation and Development, 2016, para. 3).

*"That such cases* [of corruption] *continue to occur decade after decade seems astounding – why are not the lessons learned?"* (Balch & Armstrong, 2010, p. 292).

## 1.1 INTRODUCTION

This introductory chapter provides an overview of the phenomenon of corruption in the context of public sector procurement within the NSW public sector. Section 1.2 outlines the background to the issue of corruption in public sector procurement in developed countries, including the significance, extent, costs and consequences of this corruption. Section 1.3 outlines the impetus for the study, and Section 1.4 elucidates the research problem, identifying that there is a gap in the literature relating to corruption in public sector procurement in Australia, as well as a potentially immature construct paradigm for the study of corruption as a result of the wide array of disciplines working in isolation from each other to study the phenomenon. This section also identifies the lack of contextual exemplars in relation to corruption in public sector procurement processes in developed countries, including Australia. Section 1.5 explains the aims of the study and the research questions that were developed to allow analysis and validation of the competing theoretical underpinnings addressing the phenomenon of corruption. Section 1.6 examines the context and scope of the study. Section 1.7 provides an outline of the qualitative case study methodology that was used, and key constructs which frame the study are defined in Section 1.8. Section 1.9 contains a chapter summary and provides an outline of the remaining chapters of the thesis.

## 1.2 BACKGROUND TO THE RESEARCH

Corruption in public sector procurement processes is a significant and complex global problem with substantial financial and non-financial impacts. Yet there is a paucity of research into corruption in public sector procurement in developed countries such as Australia, and what research there is leads to a variety of competing explanations of the phenomenon. This in turn leads to competing prescriptions for prevention, detection and treatment of corruption (Ashforth et al., 2008; de Graaf, 2007; Prasad et al., 2019; Villeneuve et al., 2019), which may be the consequence of competing, discipline-based research paradigms, each seeking to explain corruption (Bautista-Beauchesne & Garzon, 2019; Jancsics, 2014, 2019; Prasad et al., 2019).

Consistent with these research issues, there have been several calls for more research into corruption generally and into the context of public sector procurement in particular. One recurring research gap that has been identified is the lack of a comprehensive and well-validated theoretical framework to research into corruption (de Graaf, 2007; Huberts, 2010; Jancsics, 2014, 2019; Prasad et al., 2019; Villeneuve et al., 2019; Warren & Laufer, 2009). Another identified research gap is the limited examination of actual instances - or exemplars - of procurement corruption (de Graaf, 2007; de Graaf & Huberts, 2008; Graycar, 2019). This study, therefore, has focused on developing a comprehensive framework based on existing theories with an interest in understanding and explaining the phenomenon of corruption. This theory-based framework was then tested by application to a multiple case research study using qualitative thematic content analysis to examine real-life instances of corruption, in order to ascertain whether any of the theories in the framework were valuable in understanding and explaining corruption in these cases. The cases were drawn from the specific context of procurement processes in the public sector of New South Wales (NSW), a state of Australia, where corruption had been confirmed by the NSW Independent Commission Against Corruption (ICAC).

## 1.3 IMPETUS FOR THE RESEARCH

### 1.3.1 Corruption in Public Sector Procurement

The current study is situated within the context of procurement processes in the NSW public sector. Public sector procurement refers to the acquisition by a government or a state owned enterprise of goods, services or works (Organisation for

Economic Cooperation and Development, 2016), which may be used for delivering services to the community or for the internal operations of the public sector itself. Public sector procurement includes a wide range of steps, such as identifying a need, obtaining funding, and conducting market research through to preparing documents for approaching the market, such as requests for tender, evaluating offers received from potential suppliers, and awarding contracts. Delivery of the contracted goods and service and contract administration, including contract variations, reviews, audits and evaluations of the procurement process, are also usually included within the scope of the public sector procurement process (Kühn & Sherman, 2014; Organisation for Economic Cooperation and Development, 2016).

According to Kühn and Sherman (2014), writing for Transparency International, a global civil society anti-corruption organisation:

> Few government activities create greater temptations or offer more opportunities for corruption than public sector procurement. And with around US$2 trillion estimated to disappear annually from procurement budgets, few examples of corruption cause greater damage to the public purse and harm public interests to such a grave extent. (p. 8)

Corruption in public sector procurement has consequently become a topic of global concern to governments and inter-governmental organisations. This concern is appropriate because corrupt behaviour is widespread (Ashforth et al., 2008; Pinto et al., 2008; Punch, 2000); because corruption in procurement affects a substantial number of public sector organisations (Kühn & Sherman, 2014; UK National Fraud Authority, 2013); and because corruption in public sector procurement has a number of financial and non-financial consequences, which are elaborated in the following paragraphs.

Corruption in public sector procurement has been well recognised and researched as an issue in developing economies. See, for example, research in relation to Africa (Achua, 2011; Basheka, 2011; Dza et al., 2013; Ntayi et al., 2013; Persson et al., 2013), the Middle East and North Africa (Belwal & Al-Zoubi, 2008; Goldstraw-White & Gill, 2016; Halbouni, 2015; Maghraoui, 2012), and Asia (Hui et al., 2011; Jones, 2002, 2007, 2013; Prabowo et al., 2017; Vian et al., 2012; Wong, 2009).

In recent years, however, corruption in public sector procurement has increasingly been identified as a serious issue that also affects developed countries,

despite their apparently stronger governance and compliance systems. In developed economies, public sector procurement corruption causes financial loss that depletes the availability of public resources for delivering goods and services to the community (Jorna & Smith, 2019; Teunissen et al., 2020b; UK Cabinet Office, 2020; UK National Fraud Authority, 2013). It may also lead to reputational damage and loss of trust and confidence in public sector organisations, which results in the integrity, credibility and good reputation of government being undermined, and which attracts negative media attention (Jorna & Smith, 2019; Teunissen et al., 2020b; UK Cabinet Office, 2020; UK National Fraud Authority, 2013). Corruption in public sector procurement may also contribute to private sector organisations going out of business (UK National Fraud Authority, 2013), thus reducing the choice of suppliers available and limiting the achievement of value for money through competition. It may also result in social, emotional and psychological impacts on victims (Jorna & Smith, 2015; Teunissen et al., 2020b; UK National Fraud Authority, 2013). Further, corruption may have a negative effect on public sector policy innovation, and reinforce risk avoidant behaviour (Erridge, 2007). It may also give rise to risks to public safety (Commonwealth of Australia, 2017) or national security (Commonwealth of Australia, 2017; Teunissen et al., 2020b).

Corruption may also create a negative atmosphere in affected workplaces, reduce productivity, reduce morale, damage working relationships, and contribute to staff turnover (Jorna & Smith, 2018a, 2019; Teunissen et al., 2020b). Organisational victims may suffer loss of information (Jorna & Smith, 2015, 2019; Smith & Jorna, 2017). In Australia, the amount of money recovered in respect to fraud against the Australian federal government is variable and usually very low (Jorna & Smith, 2018b; Smith & Jorna, 2017; Teunissen et al., 2020b); therefore there is substantial value in research which can explain the antecedents of corruption in public sector procurement and recommend ways to prevent, detect and treat it.

Many governments in developed economies publish information about corruption in public sector procurement, including New Zealand (NZ Serious Fraud Office; State Services Commission New Zealand, 2010, 2014a, 2014b), the UK (UK Cabinet Office, 2020; UK National Fraud Authority, 2013), the United States of America (US Government Accountability Office, 2020; US Office of Government Accountability, 2013), and Singapore (Singapore Corrupt Practices Investigation

Bureau, 2020). For example, the United Kingdom (UK) National Fraud Authority published figures showing that in the financial year (FY) to April 2013 the cost of public sector procurement fraud was estimated at over £2.2 billion (UK National Fraud Authority, 2013). Procurement fraud is a narrower concept than procurement corruption, which also includes behaviour not amounting to fraud, as explained in the definitions provided in Section 1.8 below.

In Australia the public sector procurement process has been described as a "hotspot for fraudsters, because it is one of the primary areas of expenditure for government organisations" (PricewaterhouseCoopers, 2015, p. 18), with the "clear emergence of procurement fraud as one of the most common forms of economic crime [in the public sector]" (PricewaterhouseCoopers, 2015, p. 7). To deal with the issue of corruption in public sector procurement every state and territory of Australia has established an independent body with responsibilities that include the investigation of corruption in public sector procurement.

The NSW Independent Commission Against Corruption (ICAC), established by legislation (*Independent Commission Against Corruption Act 1988*, NSW) in 1988, is the oldest of these bodies. ICAC is established to be independent of the executive branch of government, with its operations "not subject to the direction of politicians, bureaucrats, any political party or the government. Unlike most other publicly funded organisations, the ICAC is not responsible to a Government Minister" (NSW Independent Commission Against Corruption, 2022b). ICAC's jurisdiction is wide and covers members of Parliament, ministers, the judiciary and the state governor, as well as employees and contractors of state and local government organisations (NSW Independent Commission Against Corruption, 2022c) as well as universities located in NSW (*Independent Commission Against Corruption Act 1988*, NSW). ICAC exercises powers similar to those of a Royal Commission (NSW Independent Commission Against Corruption, 2022a), which is "a form of non-judicial and non-administrative governmental investigation" (Commonwealth of Australia, 2022) via public inquiries into matters of public importance. ICAC's published reports of corruption investigations provide an indication of the extent of corruption within the NSW public sector. Over the eleven year period from 1 January 2006 to 31 December 2016, ICAC published the details of 27 investigations of substantiated corruption in procurement within the NSW public sector (NSW Independent Commission Against

Corruption, 2021b). ICAC made corruption findings against 144 people (68 public officials and 76 individual suppliers). A table showing the details of these investigations is provided in Appendix A. Ultimately, nine of these investigations were selected to form cases for this study, using the rationale and process outlined in Sections 3.2.4 and 3.2.5 of Chapter 3 of this thesis.

Finally, when considering the incidence, significance, and complexity of corruption in public sector procurement processes, it is important to appreciate that published figures are unlikely to reveal the full scope of the problem. This has been described as the "fraud iceberg" (UK Cabinet Office, 2017, p. 9), which may arise because of the secrecy that surrounds corrupt behaviour, the acknowledged difficulty of placing a financial estimate on the losses, and the reluctance of victims to report (de Graaf, 2007; Gorsira, Denkers, et al., 2018; Jorna & Smith, 2015; Teunissen et al., 2020a; UK Cabinet Office, 2020).

## 1.4 LITERATURE REVIEW TO SITUATE THE RESEARCH PROBLEM

There are two main problems with current research into corruption that this study has aimed to address. The first problem is that currently there is limited research into public sector corruption in developed countries, and even less in the specific context of public sector procurement. The second is, paradoxically, that there is a vast array of competing and sometimes contradictory research into the primary phenomenon of corruption, carried out by researchers from a broad range of disciplines, some of which is reviewed in Chapter 2. These competing, discipline-based explanations result in a confused paradigm (Kuhn, 1970b) when seeking to understand and explain the concept of corruption. This study has intentionally adopted an interdisciplinary approach to attempt to address this issue.

### 1.4.1 Limited Research

As previously noted, despite the cost and prevalence of corruption in public sector procurement as described above there is very little research specifically into corruption in the context of public sector procurement processes in developed economies. Some notable international exceptions include public sector procurement research in the USA (Adams & Balfour, 2009; Atkinson & Sapat, 2012; Goel & Nelson, 1998; Karahan et al., 2006; Karpoff et al., 1999), and the countries of Europe (Dorn et al., 2008; Gorsira, Steg, et al., 2018; Lennerfors, 2007; Sommersguter-

Reichmann et al., 2018; von Maravić, 2007a). This study will add to the literature in this context.

Other research touches indirectly on corruption in public sector procurement in developed economies as part of a broader focus on public sector corruption; for example in Canada (Atkinson, 2011), the Netherlands (de Graaf & Huberts, 2008; de Vries, 2002; Gorsira, Denkers, et al., 2018), and also in relation to corruption in the Winter Olympic Games in South Korea (Bayley & Egle, 2021). A limited number of similarly focused studies has been conducted in Australia. For example, Graycar and Sidebottom (2012) conducted an analysis of global examples of corruption which included the example of procurement corruption in NSW Railcorp. Furthermore, survey data relating to types of corruption perceived or experienced in the Victorian public sector, including procurement corruption, were analysed and reported by Graycar and Monaghan (2015). van der Wal et al. (2016) conducted an examination of qualitative survey data from the Victorian public sector relating to corruption risks, including in procurement. Masters and Graycar (2016) reviewed anti-corruption body investigations into corruption (touching lightly on procurement corruption) in local government in Victoria and NSW. Roberts et al. (2011) conducted a survey and analysis of whistle-blowing decisions by Australian public servants, which again touched lightly on procurement.

Some of the few examples of research specifically related to corruption in public sector procurement in Australia include a study into the use of probity audits in procurements conducted in the Queensland public sector (Ng & Ryan, 2001), a comparison of IT outsourcing risks in three public sector jurisdictions, including Queensland (Sullivan & Ngwenyama, 2005), a review of construction procurement for international sporting events in several countries, including Australia (Arrowsmith et al., 2019), and a descriptive mapping of 42 cases of procurement corruption in NSW (Graycar, 2019).

Despite the obvious existence of corruption in public sector procurement in Australia (Graycar, 2019), the majority of specific research into the phenomenon to date has been limited to descriptive statistical reports produced by global accountancy firms (Deloitte, 2020; EY, 2020; PwC, 2020) and by government (Jorna & Smith, 2019; Teunissen et al., 2020b), and descriptive case studies (Graycar, 2019; Graycar & Masters, 2018). This research is valuable in that it helps paint a portrait of the types

of procurement corruption that have arisen in the Australian public sector; it provides details of the frequency, extent and type of corrupt behaviour; and it provides a demographic outline of the perpetrators. However, this research does not draw on any of the recognised theoretical underpinnings of corruption outside of the discipline of criminology to explain public sector procurement corruption and how it could be prevented, detected and treated. In other words, this descriptive research tells us what corruption has happened, how it happened, and who did it, but does not explain why the corruption is happening.

Limited research in the specific context is an impediment to the effective management of corruption in public sector procurement processes because it is usually regarded as important to understand the antecedents of a phenomenon such as corruption in order to design effective prevention programs (Ashforth et al., 2008; de Graaf, 2007; de Graaf & van der Wal, 2008; Huberts, 2010; Jancsics, 2014).

According to de Graaf (2007), research into the causes of corruption in developed countries should therefore seek to understand "the particular circumstances" (p. 65) of corruption, which might include individual, organisational, institutional, professional, geographical or other factors. Study of the public sector procurement context in Australia would enable better understanding of these particular circumstances, and thus contribute to better practical management of anti-corruption efforts. This study has therefore aimed specifically at using an interdisciplinary approach to examine the theoretical underpinnings of explanations of corruption in procurement processes within the NSW public sector, which may partially address the identified gap in the current literature by providing an explanation of why corruption occurs in that particular context.

### 1.4.2 Too Many Paradigms?

In relation to the primary phenomenon of corruption, the literature review in Chapter 2 reveals that there is a significant body of mainly discipline-based research. The research reported here draws on the competing paradigms of these disciplines, which include anthropology, behavioural economics, criminology, economics, moral philosophy and development, organisational behaviour, political science, psychology, public administration and sociology. As may be expected, the wide range of discipline-based research has led to a plethora of partly intersecting and sometimes contradictory

and incompatible concepts, models, theories and findings (Ashforth et al., 2008; Collier, 2002; Prasad et al., 2019) related to the underlying phenomenon of corruption.

### 1.4.3 A Theory-Based Framework for Explaining Corruption in Public Sector Procurement

In the presence of competing discipline-based paradigms for research into the phenomenon of corruption, de Graaf (2007) proposed a useful framework for classifying and analysing the literature on corruption. By providing a theory-based framework that includes major theories from many different discipline bases, de Graaf (2007) attempted to address the limitations of discipline-based approaches to studying corruption identified in the previous section. The de Graaf (2007) framework was adopted to give initial structure to the literature review presented in Chapter 2 of this thesis.

The original de Graaf (2007) framework was presented as a table that contained six components. These categorised studies of corruption according to their underlying theory bases: economic rational choice theory, bad apple theories, organisational theories, clash of moral value theories (CMV), ethos of public administration (EPA) theories, and correlation 'theories'. Each of these theory bases is explained and examined in detail in the literature review in Chapter 2. For the purposes of this study, the de Graaf (2007) table was developed into the diagram presented in Figure 1.1 overleaf.

**Theories for Explaining Corrupt Behaviour**
**(based on De Graaf (2007))**

| Economic Rational Choice | Bad Apples | Organisational Culture | Clash of Moral Values | Ethos of Public Admin | Correlation "theories" |

| Examines Individual Factors | Examines Organisational Factors | Examines Institutional Factors | Examines Correlated Variables |
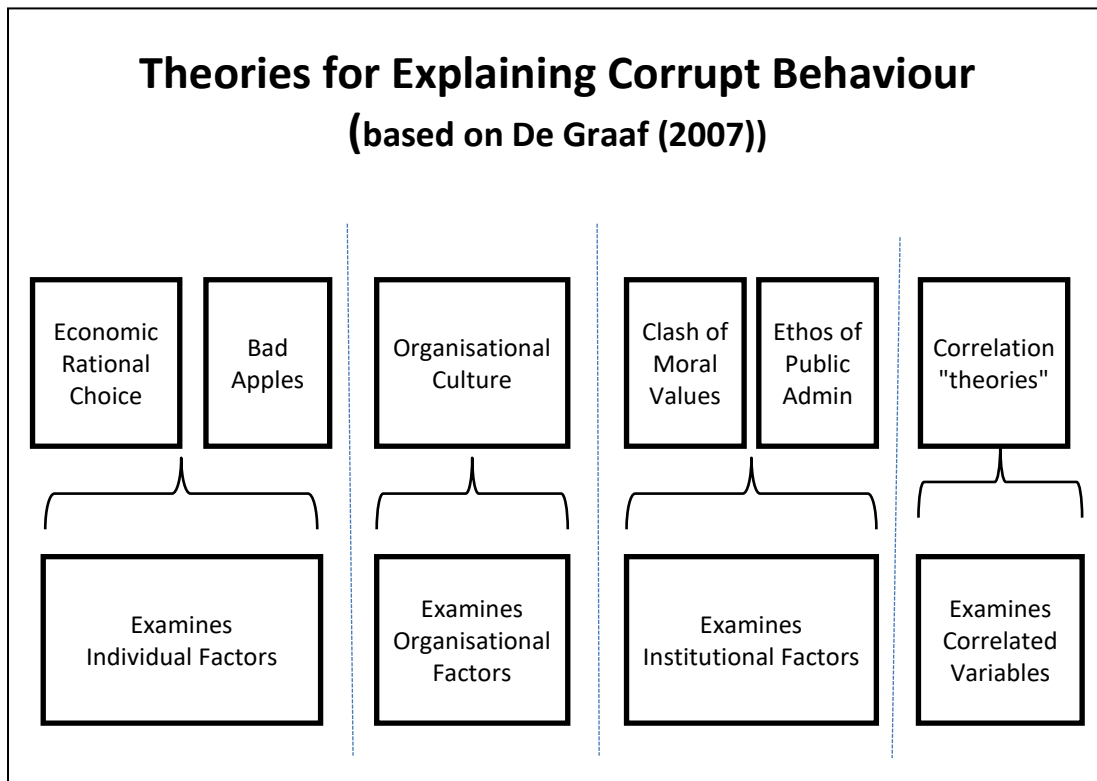
*Figure 1.1.* Theories for explaining corrupt behaviour (based on de Graaf, 2007).

Another useful tool for understanding theories and concepts related to corruption is the disciplinary matrix. A disciplinary matrix represents the shared commitments of a disciplinary community, including symbolic generalizations, beliefs and values (Kuhn, 1970b). Figure 1.2 below presents a disciplinary matrix developed by the researcher to illuminate the competing theory bases preferred by some of the major disciplines with an interest in corruption. This disciplinary matrix summarises the commonly held theory underpinnings for each discipline, using the categories from the theories identified by de Graaf (2007) and synthesised into Figure 1.1 above for the purposes of this study.

In order to validate theories about corruption originating in different disciplines, this study has expressly adopted an interdisciplinary approach.

| Disciplines (arranged alphabetically) | Economic rational choice | Bad apples | Organis-ational | Clash of moral values | Ethos of public admin | Correlation 'theories' |
|---|---|---|---|---|---|---|
| Anthropology | | | | ● | | |
| Behavioural economics | ● | | ● | | | ● |
| Criminology | ● | ● | ● | ● | | ● |
| Economics | ● | | | | | ● |
| Law/Jurisprudence | ● | ● | ● | ● | ● | |
| Moral philosophy | | ● | | ● | | ● |
| Organisational behaviour | | | ● | ● | | ● |
| Political science | ● | ● | ● | ● | | ● |
| Psychology | | ● | | | | ● |
| Public administration | | ● | ● | ● | ● | ● |
| Social psychology | | | ● | ● | | ● |
| Sociology | | | ● | ● | | ● |

*Figure 1.2.* Theory underpinnings by discipline that study corruption.

### 1.4.4 Limited Empirical Validation of Theories About Corruption

The literature review in Chapter 2 shows that there has been limited research that provides empirical validation of how the theories presented in Figure 1.1 above might apply to specific contexts of corruption. There have been calls for more research of this nature (de Graaf, 2007; de Graaf & Huberts, 2008; Huberts, 2010; Prasad et al., 2019; Trepte, 2019; Warren & Laufer, 2009).

## 1.5   AIM AND RESEARCH QUESTIONS

### 1.5.1 Aim of Study

The central phenomenon investigated by this study was corruption, and the context for the study was procurement processes within the NSW public sector.

The study has addressed problems of limited research in this area, of many competing theories, and of limited empirical validation of the theory framework for research into corruption in the context of procurement processes in the public sector in developed countries. The study has examined the ability of competing theories from

the framework derived from de Graaf (2007) (see Figure 1.1) to explain corruption in the context of procurement processes in the NSW public sector, using data from real instances of corruption in this context. This was achieved by analysing accounts of corrupt behaviour given by participants from three different units of analysis (UoA) - individual, organisational, institutional - in relation to the revised theoretical framework developed for this study and presented in Figure 2.2 in Chapter 2, which was synthesised from the earlier work of de Graaf (2007) presented in Figure 1.1 above.

The study contributes to a more coherent understanding of corruption by showing how and in which context(s) rival theory-based explanations can either individually or collectively explain the corrupt behaviour of individuals and organisations. The study's findings and the literature reviewed also illuminate the complexity of the phenomenon of corruption, and lead to a proposed conceptual framework for understanding this complexity. The study also attempts to distil theoretical progress in the study of corruption, and, finally, to contribute to the literature which informs analysis of corruption in public sector procurement in developed countries, thus responding to the calls for more research in this field (de Graaf, 2007; de Graaf & Huberts, 2008; Jancsics, 2014, 2019; Villeneuve et al., 2019; Warren & Laufer, 2009).

### 1.5.2 Research Questions

The research questions which form the basis for this study were developed using "gap spotting" (Sandberg & Alvesson, 2011, p. 28). As described above, the preliminary review of literature relating to corruption in public sector procurement processes in developed economies identified gaps related to three key elements described by Sandberg and Alvesson (2011). These were *confusion* (competing explanations), *neglect* (overlooked areas, under-researched areas, lack of empirical evidence), and *application* (different contexts, exemplars). The aims of this study were therefore translated into two research questions, each with two sub-questions designed to address these gaps. These were:

1. How is corrupt behaviour in NSW public sector procurement processes explained or justified?

a. Do the explanations reflect any theories about corruption from the framework used in this study, and if so, which theories?

b. Does any single theory comprehensively explain the instances of corrupt behaviour?

2. How consistent is the explanation of corrupt behaviour in this context?

a. How similar are the explanations of individuals from different units of analysis (individual, organisational, institutional)?

b. How similar are the explanations of individuals from the same unit of analysis, including across different cases?

## 1.6    CONTEXT AND SCOPE

To address the call for research in public sector contexts from developed countries (de Graaf, 2007; de Graaf & Huberts, 2008; Jancsics, 2014, 2019; Warren & Laufer, 2009), and to make the scale of the study manageable, the selected context for this study was a focus on the procurement processes of a selection of significant components of the NSW public sector that are subject to the jurisdiction of ICAC. These were the NSW state public sector, local government authorities in NSW, and universities operating in NSW (*Independent Commission Against Corruption Act 1988*) (the ICAC Act). Politicians, elected officials, the NSW Teaching Service and police officers were expressly excluded from this study to allow the research to focus more specifically on bureaucrats employed in the NSW public sector to perform administrative functions that include procurement. This scope is indicated by the inner circle (shaded) in Figure 1.3 overleaf.
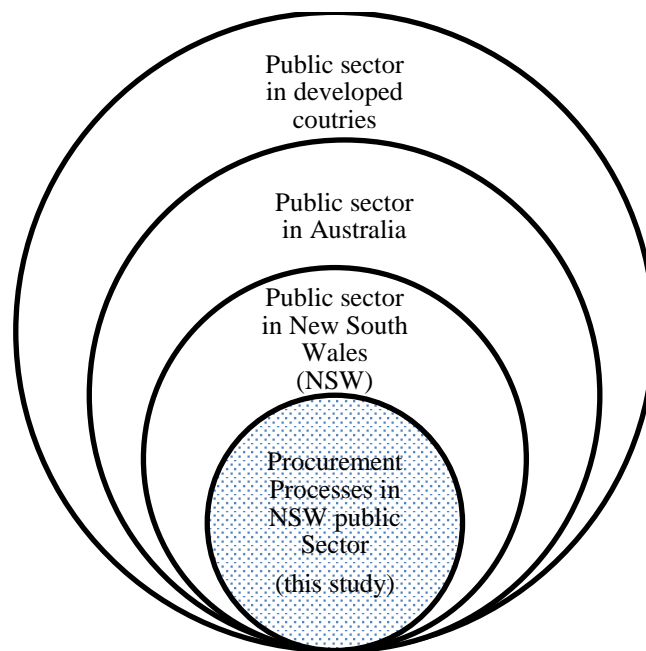
*Figure 1.3.* Situating the context for this study.

## 1.7 METHODOLOGY OUTLINE

This study applied a multiple qualitative case study methodology (Yin, 2018). The cases in the study were purposively selected from relevant ICAC investigations into corruption in procurement processes within the NSW public sector for their capacity to illustrate the phenomenon of corruption in this context. The data for the cases were sourced, with permission, from publicly available ICAC transcripts and reports. They were analysed using qualitative thematic content analysis, with content analysis codes developed to represent each of the theories included in the framework adopted for this study, developed from the earlier work of de Graaf (2007). This approach allowed for analysis of explanations of corrupt behaviour in procurement processes in the NSW public sector by case participants from the individual, organisational and institutional UoA, in relation to each of the theories represented in the revised framework, as presented in Figure 2.2 in Chapter 2. In this way the study provides an exemplar within the particular context of corruption in procurement processes within the NSW public sector. The methodology for the study is explained more fully in Chapter 3.

## 1.8 KEY CONSTRUCTS

Short definitions of key terms are provided below.

### 1.8.1 Fraud, Corruption or Misconduct?

The terms fraud, corruption and misconduct are frequently used interchangeably in the literature (see Chapter 2) to describe situations where public sector procurement has not been conducted to the expected standard of probity. Although there are some differences between the constructs of fraud, corruption and misconduct, mainly relating to the degree of seriousness and the intent of the perpetrator, there are a number of common underlying themes across all three terms. These include improper behaviour that is contrary to a code of conduct, policy or legislation; lack of transparency; seeking or receiving a benefit from a public position; allowing irrelevant extraneous factors to influence decision making; and misuse of official information for advantage.

*Misconduct*

Misconduct in the NSW public sector means behaviour that is contrary to the Code of Ethics and Conduct for NSW Government Sector Employees (NSW Public Service Commission, 2021a) which lays down behavioural obligations for public officials.

*Corruption*

There are many different definitions of corruption, and as noted by Pearson (2001), "nearly all mention the difficulties involved in formulating a definition" (p. 32). However, in the NSW public sector, the context for this study, corrupt conduct has a legislative meaning (*Independent Commission Against Corruption Act 1988*) (the ICAC Act). Under Section 8 of the ICAC Act, corrupt conduct is defined in terms that include behaviour that actually or potentially adversely affects the honest or impartial exercise of official functions; behaviour that involves the dishonest or partial exercise of any official functions; behaviour that involves a breach of public trust or that involves the misuse of official information.

Although this definition is more complex than the widely adopted definition proposed by the World Bank (2014) - the abuse of public office for private gain - and by Transparency International (2021b) - the abuse of entrusted power for private gain - the ICAC definition of corruption was adopted for this study because it is directly applicable to the context of corruption in procurement within the NSW public sector, and is used in ICAC transcripts and reports, as source data.

*Fraud*

Fraud is a criminal offence in NSW (*Crimes Act 1900*). Under Section 192E of this Act, a person commits fraud if, by any deception, they dishonestly obtain property belonging to another or obtain any financial advantage or cause any financial disadvantage. Fraud includes a mental or fault element that "requires more than accident, carelessness or error" (Commonwealth of Australia, 2017, p. C7). It is a concept that is frequently included in literature from the disciplines of criminology and economics and in statistical reports prepared by global accounting firms.

The researcher's understanding of the relationship between these connected constructs is presented in Figure 1.4 below. This suggests that all fraud is corrupt, but not all corruption is fraud. Corruption that is not fraud could, for example, consist of a public official having an undisclosed conflict of interest. In a similar way, all corruption is misconduct, but not all misconduct is corrupt. Misconduct that is not corrupt could, for example, consist of posting comments on social media that bring the public sector into disrepute. For simplicity of expression, this study has used the term "corruption" to inclusively describe instances of fraud, corruption or misconduct that occurred in public sector procurement processes.
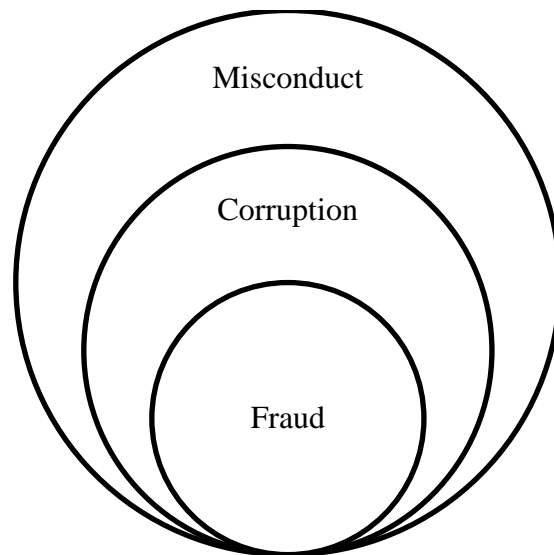


*Figure 1.4.* Relationship between fraud, corruption and misconduct.

### 1.8.2 Conflict of Interest

In the NSW public sector, a conflict of interest exists where there is an actual or reasonably perceived risk that an official's personal interests could be favoured over

the impartial performance of their public duties. Personal interests can include financial or other interests and also the interests of close connections such as family or other associates (NSW Independent Commission Against Corruption, 2019, p. 4). An unmanaged conflict of interest is considered as a form of corruption in the NSW public sector (NSW Public Service Commission, 2021a).

## 1.9    CHAPTER SUMMARY AND THESIS OUTLINE

This chapter has provided the background and context for the current study, demonstrating that corruption in public sector procurement is a global problem that diverts large amounts of funding away from government spending priorities and causes substantial financial and non-financial costs. Corruption in public sector procurement has been shown to be a problem in both developed and developing economies. The chapter has also outlined the impetus for this research, explaining that despite the size, complexity and impact of this type of corruption, a preliminary literature review revealed that there has been surprisingly little theoretically based analysis of public sector procurement corruption in developed economies, including Australia. Researchers such as de Graaf (2007), de Graaf and Huberts (2008), Huberts (2010); Jancsics (2014, 2019), and Warren and Laufer (2009) have called for more contextualised, theoretically based research into public sector corruption. The preliminary literature review has also identified the fact that many academic disciplines are interested in the phenomenon of corruption, and that this situation has led to a plethora of competing, overlapping and at times contradictory paradigms and theories seeking to explain corruption.

The aim of the research reported here was to address these identified problems by conducting a qualitative multiple-case study in the context of corruption within procurement processes in the NSW public sector, using a theory-based analytical framework developed and revised from earlier work by de Graaf (2007). The methodology, summarised in this chapter, involved conducting a qualitative thematic content analysis, using the revised theoretical framework to analyse explanations of corruption presented in public hearings conducted by the NSW ICAC. The results of this analysis allowed key findings to be developed that addressed the two research questions established for the study. The first of these research questions addressed the comprehensiveness of explanations, examining whether any theories were reflected in participants' explanations of corruption, and whether any single theory could

comprehensively explain the instances of corrupt behaviour investigated by ICAC. The second research question addressed the level of consistency in explanations of corrupt behaviour in this context, in terms of the consistency of explanations offered by individuals from different UoA and by individuals from the same UoA across the four cases. Finally, Chapter 1 has identified and defined some key constructs which inform the study.

In the remaining chapters of the thesis, Chapter 2 presents a review of literature related to corruption to orient the reader to the current extent of literature on this topic. The review is arranged according to the initial theory-based framework presented by de Graaf (2007) and developed into the revised theory framework used for the study, presented in Figure 2.2 on page 101.

Chapter 3 explains and justifies the selection of a qualitative, theory-driven approach to this study and explains how QTCA was used to analyse the multiple cases that formed the study. The chapter outlines the rationale and process adopted for selecting ICAC operations, with permission from ICAC to draw from public documents to form the cases for this study. It also discusses ethical requirements and potential limitations of the study, and how these were managed.

Chapter 4 reports on and explains the results of the QTCA for each of the four cases comprising the study. It also presents a cross-case analysis of results and draws conclusions that address the two research questions. Key findings from the analysis identify which theories are reflected in participants' explanations of corruption, consider whether any single theory could comprehensively explain corruption in the context of procurement processes in the NSW public sector, and also examines the level of consistency in how participants from each of the three UoA explain corruption within and across the four cases that comprise the study.

Chapter 5 presents discussion of these key findings with reference to the study's results and the literature on corruption.

Finally, Chapter 6 outlines the contributions of this study to both theory and methodology. It draws conclusions and implications from the study to provide insight for public sector organisations as to how they might use theory-based understanding of corruption in a practical way in their procurement processes. After considering the strengths and limitations of the study, recommendations are presented as to how

theory-based approaches might be used to illuminate and prevent corruption in public sector procurement processes. Finally, suggestions for future research are presented.

A number of appendices have also been provided. These contain information which is relevant to the thesis, but which may disrupt or overwhelm the logical flow of the text if presented in the main body of the thesis.

# Chapter 2: Literature Review

*"Time and time again, we have seen firms blaming it [corrupt behaviour] on a few bad apples ..., rather than taking responsibility by looking more closely at their organisation and implementing the necessary changes to address the root cause of the problem"* (Medcraft, 2016, p. 5).

*"Individual action can only be explained in a societal [institutional] context, but that context can only be understood through individual consciousness and behaviour"* (Friedland & Alford, 1991, p. 242).

## 2.1 INTRODUCTION

As identified in Figure 1.2 in Chapter 1 (p. 11), a wide range of academic disciplines have studied corruption, producing a sprawling literature on the phenomenon. To provide structure, this conceptually-based literature review (Jesson et al., 2011) has adopted the framework initially advanced by de Graaf (2007), previously presented diagrammatically in Figure 1.1 in Chapter 1. As noted, while the categories in this framework were advanced by de Graaf (2007), the diagram itself is original.

The next sections of the literature review examine in detail the particular contributions of research to each of the foundational theory-based categories included in the de Graaf framework, also identifying criticism of that particular theoretical basis. Section 2.2 reviews literature pertaining to Economic Rational Choice Theory (ERCT), which is sometimes also known as Principal-Agent Theory; and Section 2.3 reviews literature relating to the *bad apples* theories, including those of cognitive moral development, workplace deviance, criminology, and 'people are stupid' explanations of corruption. Both these theories propose that corruption arises from individual factors such as need or greed (ERCT), or from personal weaknesses (*bad apples*).

Section 2.4 reviews organisational theories, often referred to as *bad barrels/orchards* theories, which seek to explain corruption as resulting from organisational factors such as organisational culture, ethical work climate, the

normalisation of corruption in an organisation, and the role of organisational leadership.

Section 2.5 addresses theories that seek to explain corruption as arising from institutional factors. This section focuses on *clash of moral values* (CMV) theories, and includes literature addressing institutional theory and competing institutional logics. This section also includes literature relating to *ethos of public administration* (EPA) theories, as providing a specific example of competing institutional logics. This section includes discussion of the role of public sector values and the pressures of the New Public Management (NPM) movement on corruption in the public sector.

Literature covering correlation 'theories' is briefly reviewed in Section 2.7 for completeness in relation to the de Graaf framework; however correlation factors have not been included in the qualitative thematic content analysis (QTCA) conducted for this study. Section 2.8 reviews the emerging body of literature which draws on elements from theories from multiple levels (individual, organisational, institutional); and Section 2.9 identifies two key implications that emerge from the literature review. Section 2.10 proposes revisions to the De Graaf framework for application to the study in light of the literature review. These result in the development of a revised de Graaf framework (hereafter called the revised theory framework) that will be used as the basis for the QTCA in this study. Finally, Section 2.11 contains a chapter summary.

## 2.2 INDIVIDUAL FACTOR THEORIES – ECONOMIC RATIONAL CHOICE

Economic rational choice theory (ERCT) draws on concepts from the field of economics to explain corruption and is a form of principal-agent theory. In ERCT, the focus is on the individual, who makes rationally calculated decisions that maximise their own utility or self-interest after considering the benefits of the corrupt behaviour and balancing these against its costs, including the probability of detection and the potential severity of the punishment if caught (Goel & Rich, 1989; Green & Shapiro, 1994; Rose-Ackerman, 1978, 1999). According to this approach, corrupt behaviour will occur when the individual calculates that the benefits exceed the costs, with the intention of maximising individual benefit (Green & Shapiro, 1994; Klitgaard, 1997; Rose-Ackerman, 1978, 1999). ERCT typically involves public officials abusing the discretion afforded to them by their office to obtain private benefits (Jancsics, 2014; Klitgaard, 1988; Rose-Ackerman, 1978).

The next section reviews literature relating to how general economic concepts such as supply and demand, elasticity, and wage analysis can be applied to gaining an understanding of a social phenomenon such as corruption.

## 2.2.1 Applying ERCT to Understanding Corruption

Becker and Stigler (1974) proposed that bureaucrats with opportunity to be corrupt were less likely to act corruptly if they received high wages and were monitored in their activities. Appelbaum and Katz (1987) demonstrated mathematically that an increase in the salary of a (hypothetical) government employee working as a regulator would reduce bribe seeking by that employee in the short run. Goel and Rich (1989) conducted an empirical analysis of the factors affecting bribe taking by public officials at federal, state and local levels in the USA, a high income country, which found that public officials were more likely to accept bribes if their salary was low relative to the salary of a middle-level professional (e.g. accountants) in the private sector. Klitgaard (1997) also regarded the level of wages as a major, but not the only, factor that explained corruption in the public sector. Klitgaard (1997) advanced a model explaining corruption in the public sector in the following economic terms:

"corruption = monopoly power + discretion – accountability" (pp. 500-501).

Although most of his work concerned conditions in developing countries, Klitgaard (1997) argued that his model was valid regardless of country or sector – private, public or not for profit (p. 501). He emphasised his support for ERCT by stating, "when the size of the bribe is large, the chance of being caught small, and the penalty if caught meagre, many officials will succumb" (p. 501): the classic case of cost benefit analysis. While recognising that some are able to resist temptation to be corrupt, Klitgaard (1997) stated that "corruption is a crime of calculation [rationalising], not passion"(p. 501). Despite using many of the concepts of the economic rational approach, however, the emphasis that Klitgaard (1997) placed on dealing with corrupt systems rather than corrupt individuals and on using societal forces to control corruption is not consistent with traditional ERCT, unless, for example, his analysis were extended to attribute a cost to issues such as media attention and public humiliation, which relate to personal and social costs, not just financial costs.

Rose-Ackerman (1978) argued that bureaucratic corruption is the result of individuals making rational cost-benefit calculations to further their own self-interest. She posited that potentially corrupt officials consider the penalty that will accrue if caught, the probability of being detected, the likelihood of being terminated from employment, and the cost to the individual of violating their own personal moral principles. In her later work, Rose-Ackerman (1999) extended the concept of cost-benefit analysis to include consideration of the time frames in which corrupt benefits are received and the costs of corruption are borne. She identified that net corrupt benefits are received by an official in the present, whereas the costs for corrupt behaviour to the individual and to the organisation are only potentially realised in the future. This leads to corrupt individuals rationally applying the economic concept of discounting when considering the cost-benefit equation, and thus favouring projects where the opportunities for bribes or incentives occur earlier in the life of the project. According to Rose-Ackerman (1978), "the most obvious deterrent to corruption is a credible, apolitical monitoring system that searches out corrupt officials…[with] some rewards and punishments … tied to the bureaucrat's level of performance" (p. 78). However, this recommendation is at odds with the experimental findings of Schulze and Frank (2003) discussed later in this section. Brien (2001a) suggested that penalties must be "set at a level that deters the majority of potential miscreants" (p. 74), but warned that in many circumstances, this level could be "higher than the level that seems appropriate given the intrinsic wrongness of the violation" (p. 74), and would thus be unfair.

In relation to economic incentives for public officials in the USA to take bribes, Goel and Rich (1989) found that the classic ERCT tenets of a higher probability of being detected and a more severe punishment both reduced the likelihood of accepting bribes. Relevant to wage analysis concepts (Akerlof & Yellen, 1990; Becker & Stigler, 1974; Shapiro & Stiglitz, 1984; Van Rijckeghem & Weder, 2001), Goel and Rich (1989) also found that low relative earnings and high unemployment both increased the likelihood of accepting bribes. Goel (2013) proposed a theoretical explanation of the effectiveness of corruption control based on economic concepts depending on who initiates the corrupt exchange - the bribe payer (supply-push bribery) or the bribe taker (demand-pull bribery). He concluded that bribe payments will tend to be more prevalent when both bureaucratic salaries and the level of punishment if caught are

low. This situation yields a high benefit against lower costs for corrupt officials, thus making the choice of corrupt behaviour by requesting bribes economically rational for those officials. However, when corrupt officials request bribes, the level of bribe paid will tend to be lower if the bribe payer has the option to deal with other officials (alternatives, in economic terms). Goel (2013) also suggested that higher bureaucratic salaries will tend to reduce the number of bribe demands.

### *Experimental Research into ERCT and Corruption*

The experimental findings of Schulze and Frank (2003) relating to propensity to accept bribes imply that the usual ERCT prescriptions of tougher monitoring and higher penalties to detect and deter corruption may be ineffective. This finding is inconsistent with the experimental findings of Abbink et al. (2002), who conducted laboratory tests relating to the necessity for trust between the bribe payer and the bribe-taker (public official), because the bribe-payer has no legal recourse if the bribe-taker takes the bribe but then fails to deliver the expected benefits. They also examined the impact of the likelihood of detection and the severity of punishment on the bribe-taker's decision to accept a bribe. Their experimental results confirmed that cooperative relationships could be established through trust, even if there was no formal mechanism to enforce reciprocity; that neither the bribe-payer nor the bribe-taker paid much attention to the costs of their corruption that would be borne by other parties (in economic terms an 'externality'); and that fear of a severe penalty had a strong effect in reducing bribe paying/taking (Abbink et al., 2002). In experiments similar to those of Abbink et al. (2002), but specifically set to model bribe-paying behaviour of tenderers in a public sector procurement process, Büchner et al. (2008) concluded that "even framing bribes as socially detrimental does not prevent engaging in active bribery, at least when there is no threat of (legal) punishment" (p. 116).

This section has reviewed literature relating to ERCT concepts such as self-interest, cost-benefit, and the role of detection and punishment to corruption. The next section covers literature showing how ERCT concepts can be applied to corruption in public sector procurement.

### 2.2.2 Applying ERCT to Corruption in Public Sector Procurement

In one of the few studies that directly examines corruption in public sector procurement in a developed country, Karahan et al. (2006) reviewed the results of an

FBI investigation into procurement corruption at the county government level in the USA state of Mississippi. They made interesting findings in relation to salary levels. As anticipated by economic theory, fewer county supervisors participated in corruption when their salaries were relatively higher. However, those who did act corruptly sought larger or more frequent bribes. These findings support the standard ERCT conclusion that higher wages for officials will tend to deter corruption by making the financial gain from corruption less important – if salaries are high enough to outweigh the benefits of corrupt behaviours. Officials with higher salaries apparently perceive higher costs to their corruption and therefore need a higher bribe (benefit) to make them take that risk. Karahan et al. (2006) also found that competition for bribes between supervisors was shown to reduce the level of bribe paid, although not the prevalence of bribe paying, which also tends to support ERCT explanations of corruption.

This section has examined the limited literature that relates ERCT concepts to corruption in public sector procurement. The next section considers criticisms of ERCT.

### 2.2.3 Criticism of ERCT

Rational choice theory has been described by MacDonald (2003) as a "useful fiction" (p. 551) that employs unrealistic assumptions and is not empirically well supported. The major challenges for ERCT as an explanation for corruption include the assumption that people always act rationally in their own self-interest and the failure of ERCT to give weight to non-economic motivations for people's behaviour (Akerlof & Yellen, 1987; de Graaf & Huberts, 2008; Green & Shapiro, 1994; Hindess, 2001; Karahan et al., 2006). According to Binmore (2007):

> The uncontroversial truth is that there are domains within which traditional economic theory…works badly or not at all, and other domains within which it works rather well. What is controversial is how large these domains are, and where they lie. (p. 16).

Mahmood (2005) agreed and stated that 'it [is] very difficult to explain the issue of corruption mathematically" (p. 64). Hindess (2001) similarly stated:

> Rose-Ackerman's treatment of corruption as if it were first and foremost an issue of financial gain and economic effect may not deny the existence of

…other forms of corruption, but it does suggest they should be seen as something of a sideline. (p. 1).

In her later work, Rose-Ackerman (2006) herself acknowledged that economic analysis of corruption tended to focus on the "concept most susceptible to economic analysis - monetary payments to agents … to induce them to ignore the interests of their principals" (bribes) (p. xiv) and did not adequately address other issues such as status, power and social acceptance.

### *People are Not Always Rational*

It has been observed by several researchers that rationality is bounded and ERCT cannot explain behaviours such as irrational (not consistent, not maximising, emotionally based) decision making, altruism and self-sacrifice (Akerlof & Yellen, 1987; Etienne, 2013; Frank, 1988; Güth et al., 1982; Kahneman et al., 1986). Akerlof and Yellen (1987) acknowledged that individuals may not always be fully rational in their decision making and may give weight to non-rational concepts such as fairness and equity. However, they also concluded, conveniently, that many instances of irrational behaviour were actually "near-rational" (Akerlof & Yellen, 1987, p. 138) and therefore sustained rational economic analysis. Experimental evidence has shown that some individuals do not always make the economically rational choice in a self-interest situation (Güth et al., 1982; Kahneman et al., 1986; Schulze & Frank, 2003; Thaler, 2008).

Further, qualitative case study evidence also raises questions about the applicability of ERCT to corruption in the public sector. For example, de Graaf and Huberts (2008) conducted an explorative case study which investigated ten cases of actual corruption by public officials, including in procurement, in the Netherlands. This study showed that the motivations of corrupt public officials certainly included financial gain, although the actual financial gain was, in many cases, relatively small. However, other powerful motivations were also found to be present. These included achieving status; impressing others; trust; and belonging, love and friendship obligations. de Graaf and Huberts (2008) observed that "in no case studied…was there a conscious cost-benefit calculation as to whether to accept the bribes or not. The nature of the process was more a slippery slope, with eventual amazement and frustration regarding the official's behaviour" (p. 644).

The previously mentioned study by Karahan et al. (2006) also cast doubt on the rational choice prescription that a high likelihood of detection is an important deterrent of corruption. Karahan et al. (2006) reported that in the third year of the police operation that they investigated, despite the many indictments for corruption that were already publicly underway, corrupt public officials were still asking for and taking bribes (p. 218), which is hardly rational behaviour.

### *People are Not Always Self-interested*

Frank (1988), Green and Shapiro (1994), and Binmore (2007) observed that there are many examples to demonstrate that human decision making is not conducted solely on the basis of maximised rational self-interest, including donating to charities, voting in elections when the vote does not change the outcome, and offering assistance to a victim in distress that exposes the helper to personal danger. Although not specifically writing about corruption, Bozeman (2002) also identified that economic approaches to decision making in the public sector may lead to insufficient recognition of public values, including the public interest. Public values are discussed in more detail in Section 2.6.

Frank (1988) argued that situation and context (organisational factors), character traits, tastes, impulses, emotions, conscience (bad apples), the level of communication between parties (organisational factors), and cultural pressures (organisational factors, institutional factors) all operate against behaviour driven entirely by rational self-interest. Further, Frank (1988) noted that ERCT prescribes that a person would always choose to undertake an unfair transaction as long as that transaction is profitable; however, he observed that many people will refuse even a profitable transaction when the terms of that transaction are perceived as too unfair, citing intrinsic fairness experiments by Kahneman et al. (1986) and ultimatum bargaining experiments by Güth et al. (1982).

Since the experiments of Güth et al. (1982), numerous investigations have been carried out using the ultimatum bargaining approach. These studies tend to show that traditional ERCT does not account for the full range of factors that people consider when making decisions, and that people do not always make their decisions on the basis of economic self-interest. For example, Ochs and Roth (1989) showed that perceptions of fairness influenced decisions, which were not therefore made on the basis of monetary payoff alone; Straub and Murnighan (1995) showed that people

"occasionally reject free money" (p. 345); Pillutla and Murnighan (1995) showed that decisions were influenced differently by offers that seemed to be fair, offers that were actually fair, and offers that were labelled fair by third parties; and Handgraaf et al. (2003) concluded that people take into consideration the outcome of the other party when reaching a decision. Abbink (2006) identified that a bribe recipient has considerable veto power to refuse a bribe in this type of experiment.

### *External Factors May Play a Role*

A further major limitation of ERCT is that by placing deliberate, rational, individual economic choices at the centre of motivation for corrupt behaviour the impact of factors (including non-economic factors) outside the individual is discounted. ERCT does not take account of factors within the situation, the organisation, or society (institutions) that might be part of the causal chain (de Graaf, 2007; Friedland & Alford, 1991; Treviño, 1986). This observation has led to the development of broader models of corruption which are discussed in more detail in later sections of this literature review. By corollary, the major advantage of ERCT is its relatively selective focus on a specific, limited situation and the individual's decision making in that situation.

### *If Corruption is Rational, Why Aren't More People Corrupt?*

As de Graaf (2007) identified, ERCT does not explain why some officials calculate that corruption is worthwhile whilst others facing the same situation feel that the costs outweigh the benefits and do not behave corruptly. This is consistent with the conclusion of Mahmood (2005) that "corruptibility amongst various government officials might widely vary even within a small department" (p. 63) because of variability in the personal susceptibility of individual officials.

Many researchers have noted that the vast majority of people do not succumb to corruption (Gorsira, Steg, et al., 2018; Graycar & Masters, 2018; Graycar & Monaghan, 2015; Heath, 2008), suggesting that an individual's susceptibility to corruption is both personal and variable (de Graaf & Huberts, 2008; Gorsira, Steg, et al., 2018; Heath, 2008; Mahmood, 2005), and that people are not always "rational maximizers of interest or utility" (Green & Shapiro, 1994, p. 3). According to Heath (2008):

> What the criminologist regards as mysterious is not the fact that some people commit crimes but rather the fact that more people do not commit more crimes more often…only a tiny percentage of those who could advance their individual interests through criminal activity actually choose to do so. (p. 597).

This section has examined literature that is critical of the ability of ERCT to explain corruption. It has encompassed observations that people are not always rational, or self-interested, that external factors may play a role in corruption, and has asked why, if corruption is a rational act, more people are not corrupt. The next section provides a summary of the key principles of ERCT in relation to corruption extracted from the literature reviewed.

### 2.2.4 Summary - ERCT

ERCT posits that individuals behave corruptly because they make rationally calculated decisions that maximise their own individual utility or self-interest after rationally considering the benefits of the corrupt behaviour and balancing these against the costs of the corrupt behaviour, including the likelihood of detection and the potential severity of the punishment if caught. Therefore, corrupt behaviour can best be prevented by increasing the severity of punishment, increasing the likelihood of detection and thus reducing the personal gain from corrupt activity.

ERCT has been criticised on several grounds, including that people are not always rational; that people are not always self-interested; that ERCT does not explain why some people behave corruptly and others do not even though they face the same opportunities for corruption; and that ERCT denies or minimises the impact of other factors on the corrupt individual. These factors might include work group pressures and other organisational situations, the organisational culture and ethical climate of the workplace, and broader social obligations, including those to family and friends, which are discussed later in this literature review.

The next section will review the literature relating to *bad apples* explanations of corruption.

### 2.3   INDIVIDUAL FACTOR THEORIES - BAD APPLES

Bad apples theories focus on individual factors which may result in corruption, and draw on concepts from fields of research including those of cognitive moral development, workplace deviance, individual psychology, and criminology to explain

corrupt behaviour. According to bad apples theories, if people have "wrong values" (de Graaf, 2007, p. 49) they are more likely to become corrupt; and, conversely, when moral character is exemplary, theories explaining unethical behaviour are unnecessary (Brass et al., 1998). Bad apples are seen as individuals who are "exceptional and problematic" (Jancsics, 2014, p. 361) within an organisation.

The human weaknesses that are viewed as contributing to corrupt behaviour are connected with individuals having low levels of moral cognitive development (Kohlberg, 1981; Kohlberg et al., 1983; Rest et al., 1999); or individuals displaying deviant workplace behaviour (Robinson & Bennett, 1995; Robinson & Greenberg, 1998; Robinson & O'Leary-Kelly, 1998), criminality (Hirschi & Gottfredson, 1989; Sutherland & Cressey, 1978; Sutherland, 1983), and/or stupidity (Aczel et al., 2015; Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Baron, 1985; Kihlstrom, 2004). The next section reviews the literature covering these key bad apples contributors to corruption.

### 2.3.1 Individual Cognitive Moral Development Explanations

Several researchers have suggested that corruption arises when individuals lack the cognitive moral development to avoid it. Drawing on earlier research in the area of cognitive moral development in children (Kohlberg & Hersh, 1977), Kohlberg (1981) subsequently developed a model of adult cognitive moral development suggesting that adults pass sequentially through three major levels of moral development which are considered to be universal and invariant across national cultures, religions and social classes (Kohlberg, 1981; Rest, 1979). However, the rate at which an individual progresses through the stages is variable and unique to the individual (Kohlberg, 1981).

The first level in the Kohlberg (1981) model of cognitive moral development is *pre-conventional*, which is characterised by complying with rules to avoid external sanctions, advancing self-interest, and satisfying individual needs (Kohlberg, 1981; Kohlberg et al., 1983); all of these elements have resonance with ERCT concepts as described in Section 2.2 above. The second level is *conventional*, in which individuals may eschew immediate self-interest and voluntarily adopt the norms of broader society and its institutions, such as the family, social groups and work organisations (Kohlberg, 1981; Kohlberg et al., 1983). At this level of development, there are clear links to the concepts of institutional logics, which are discussed in more detail in

Section 2.5 below. Empirical research has suggested that most adults operate at the conventional level of cognitive development (Rest, 1979, 1986; Stewart & Sprinthall, 1993). The third level is *post-conventional*. People operating at this level of cognitive moral development guide their behaviour by their own principled and reflective beliefs about right and wrong (Kohlberg, 1981). Research has suggested that few people attain this level of cognitive moral development (Treviño, 1986), and also that people at higher levels tend to make more ethical decisions than people at earlier levels (Prabowo et al., 2017; Treviño & Youngblood, 1990). Using the neo-Kohlbergian approach of Rest et al. (1999), Petrick (2003) specifically theorised that corrupt behaviour may be attributable to the stage of cognitive moral development of the individual.

Moral development theories have been critiqued, questioning whether people take actions on the basis of morals (Jones, 1991; Rest, 1979) or even on the basis of principles and cognitions (Gergen, 1994). Other critiques of this approach include arguments that moral development is not actually universal and invariant (Donleavy, 2008; Gilligan, 1982), and that it is not correct that an individual's moral identity is sufficiently fixed as to serve as a stable point of reference when that individual faces a situation requiring a moral choice (Harmon, 2003; Jones, 1991). Gilligan (1982) specifically challenged the validity of applying the Kohlberg stages to women, on the basis that women were not included in Kohlberg's original studies, and that this was a result of Kohlberg's failure to consider the different experiences of women that "give rise to the ethics of justice and care" (p. 63). The criticisms made by Gilligan (1982) have in turn been rejected by Donleavy (2008).

This section has addressed literature which suggests that corrupt behaviour may be explained with reference to the individual's stage of cognitive moral development. The next section examines workplace deviance explanations for unethical behaviour in organisations.

### 2.3.2 Workplace Deviance Explanations

Negative workplace deviance is defined by Robinson and Bennett (1995) as "voluntary acts undertaken by organisational members that violate significant organisational norms, such that the well being of organisations and/or their members are adversely affected" (p. 556). Key foundational research into individual negative workplace deviance includes a study by Hollinger and Clark (1982) which examined

the effect of formal and informal sanctions on workplace deviance. Robinson and Bennett (1995) expanded the work of Hollinger and Clark (1982) to classify examples of workplace deviance provided by their survey participants as minor/serious, harmful/not harmful to the company, harmful/not harmful to individuals, unethical/ethical, and covert/overt. Using this classification, Robinson and Bennett (1995) identified a four factor typology of individual workplace deviance that consisted of property deviance (Hollinger & Clark, 1982), production deviance (Hollinger & Clark, 1982), political deviance (including favouritism, gossiping, competing with each other and blaming others), and personal aggression (including sexism, verbal abuse and stealing from co-workers). These ideas were further developed by Robinson and Greenberg (1998), who suggested, with classic bad apples logic, that "some people are, by nature, prone to be deviant" (p. 12). Workplace deviance has also been associated in the literature with a wide range of individual factors including perceived injustice (Greenberg, 1990, 2002; Henle, 2005; Kantur, 2010), mediating influences of personality traits such as socialisation and impulsivity (Henle, 2005), negative affectivity (Kantur, 2010; Skarlicki et al., 1999), Type A personality (Baron et al., 1999), agreeableness (Salgado, 2002; Skarlicki et al., 1999), and conscientiousness, emotional stability, extraversion and openness to experiences (Salgado, 2002).

An interesting aspect of the definition of negative workplace deviance as voluntary behaviours which violate organisational norms (Robinson & Bennett, 1995) relates to situations where the organisational norms are themselves unethical or corrupt (Appelbaum et al., 2005; Brief et al., 2014; Brief & Smith-Crowe, 2016; Palmer, 2013; Sims, 1992a; Sims & Brinkmann, 2002, 2003), and therefore perhaps should be ignored or violated. Such corrupt organisational norms have been described as counternorms (Sims, 1992a, 1992b). Behaviour which would normally be regarded as corrupt becomes "redefined as harmless or even desirable by those embedded within the culture for deviance" (Brief et al., 2014, p. 484), often by making honest employees feel guilt, shame or embarrassment for failing to engage in corrupt behaviour (Brief & Smith-Crowe, 2016).

Palmer (2013) and Palmer et al. (2013) extended this concept by suggesting that wrongdoing in organisations is as normal, prevalent and frequent a phenomenon as "right-doing" (Palmer et al., 2013, p. 2), and is perpetrated by people who are

otherwise ethical and upstanding (Palmer, 2013). Campbell and Göritz (2014) noted that this can go so far that non-corrupt behaviour can actually become regarded as the deviant behaviour in organisations with corrupt norms (counternorms). In such circumstances, violating an organisational counternorm is probably not truly a negative (deviant) behaviour, and it may be more useful for organisations to consider positive sets of behaviours that could operate to minimise corruption in the organisation (Appelbaum et al., 2007; Spreitzer & Sonenshein, 2004). The definition of positive workplace deviance by Spreitzer and Sonenshein (2004) as "intentional behaviors that significantly depart from the norms of a referent group in honorable ways" (p. 841) is relevant in this regard. Corrupt organisational norms are discussed in more detail in Section 2.4 below.

As has been shown in this section, workplace deviance theories, for both negative deviance and positive deviance, focus mainly on individual psychological factors for understanding corruption. The next section addresses criminological perspectives on corruption.

### 2.3.3 Criminological Explanations

A number of criminologists have presented bad apples explanations of corruption. For example, Gottfredson and Hirschi (1990), in their General Theory of Crime, and Hirschi and Gottfredson (2000) noted that poor self-control is a commonly prevalent contributor to criminal behaviours. Low self-control, or similarly described characteristics such as impulsiveness or irresponsibility, is a persistent and dominant explanatory personality trait in the criminology literature (Blickle et al., 2006; Collins & Schmidt, 1993; van Gelder & de Vries, 2016).

Another influential individual factor in the criminological approach is the fraud triangle (Cressey, 1986), which considers individual psychological factors to understand why an individual commits fraud against an organisation where they hold a position of trust (Cressey, 1986; Tickner & Button, 2021). The fraud triangle involves three interacting (Schuchter & Levi, 2016) elements, being motivation, opportunity, and rationalisation (Cressey, 1986). Having interviewed US mangers convicted of embezzlement, Cressey (1986) noted that these managers felt that they had a personal financial problem that was not able to be resolved by legitimate means (motivation, incentive, pressure); they realised that they had an opportunity to solve their problem by violating trust (opportunity); and they found a form of neutralisation

(Sykes & Matza, 1957) that allowed them to eliminate conflict between committing fraud and perceiving themselves as a trusted person (rationalisation). Rationalisation, as part of the process of normalising corruption in an organisation, is discussed in detail in Section 2.4.3 relating to the influence of organisational factors below.

The fraud triangle particularly connects the disciplines of accounting and criminology (Morales et al., 2014; Schuchter & Levi, 2016; Tickner & Button, 2021). Morales et al. (2014) conducted a documentary meta-study of the genealogy of the fraud triangle using academic, professional and hybrid journals. From this, they observed that the literature on the fraud triangle proposes that many people could be capable of fraud, and constructs an environment of "the risky individual and vigilant organization" (p. 170), where sufficiently diligent organisations can control and prevent fraud by individuals who lack morality or have other contributory personality traits.

Wolfe and Hermanson (2004) subsequently extended the concept of the fraud triangle (Cressey, 1986) into that of the fraud diamond, by adding the fourth element of capability to the model. Capability relates to the individual's personal traits and abilities to commit the fraud, and relevant characteristics include the person's position or function, being smart and confident, having coercion skills, being able to lie effectively, and being immune to stress (Wolfe & Hermanson, 2004).

Writing on behalf of ICAC, Gorta (1998) conducted a review of criminology literature and observed that all people should be viewed as potential corruption offenders, which is a classic bad apples approach. Although not a criminologist, Palmer (2013) similarly argued that "each of us is at risk of engaging in misconduct" (p. 21).

However, not all criminologists favour bad apples explanations. Morales et al. (2014) have suggested that limiting explanation of white-collar crime to individual factors only, and not considering social and collective motives, as does the fraud triangle (Cressey, 1986), was "rather restricted" (p. 175). Key criminological theories such as white-collar crime theory (Sutherland & Cressey, 1978; Sutherland, 1983), routine activity theory (Cohen & Felson, 1979), social learning/social cognitive theory (Bandura, 1986, 2006), and differential association theory (Sutherland, 1983), highlight the importance of the interaction of both individual factors, context and social factors.

A research study which shows the combination of both bad apples theory (individual factors) and these broader perspectives was conducted by Gottschalk (2012a), who examined white-collar crime in Norway by the analysis of Norwegian newspaper reports of white-collar crime. His study revealed that out of 255 reported instances, 91 could be classed as bad apples. However, 164 instances were cases of bad barrels, where an organisational setting either failed to discourage or actively encouraged the crimes of a group of employees acting together. The theory and research surrounding 'bad barrels' is addressed in detail in Section 2.4 below. Supporting the earlier findings of both Punch (2000) and Ashforth et al. (2008), Gottschalk (2012a) concluded that the bad apples perspective on white-collar crime is convenient for organisations because it allows blame for corruption to fall on those individuals and minimises or ignores any organisational contribution.

This section has reviewed literature which advances criminological individual factor explanations of corruption which suggest that certain personality traits may predispose an individual towards corrupt action. The next section examines literature from the 'people are stupid' perspective.

### 2.3.4 'People are Stupid' Explanations

The concept of stupidity, which may have relevance to explaining an individual's corrupt behaviour, has attracted research interest from the disciplines of social psychology (Bargh et al., 2012; Bargh & Williams, 2006; Darley, 2005; Kihlstrom, 2004), behavioural psychology (Kahneman & Tversky, 1973), behavioural ethics (Feldman, 2017), cognitive psychology (Aczel et al., 2015; Darley, 2005; Nisbett & Wilson, 1977), and organisational behaviour (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Ashforth & Anand, 2003). Sometimes, the theory suggests, "people are stupid" (Kihlstrom, 2004, p. 348) and display a range of inherently stupid behaviours, such as acting without thought or consideration (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Kihlstrom, 2004), acting irrationally (Baron, 1985), acting unconsciously, automatically or on autopilot (Bargh et al., 2012; Bargh & Williams, 2006; Darley, 2005; Kihlstrom, 2004), acting without reflecting about the implications of their behaviour (Aczel et al., 2015; Alvesson & Spicer, 2012; Alvesson & Spicer, 2016), acting without actively attending to the situation (Feldman, 2017; Kihlstrom, 2004), or as part of a de-contextualised routine (Ashforth & Anand, 2003; Brief et al.,

2014; Feldman, 2017; Frost & Tischer, 2014). This stupidity can also be collective (Alvesson & Spicer, 2016).

Belief in the fundamentally irrational nature of people underpins a major criticism of the ERCT approaches to explaining corruption, and was discussed in Section 2.2.2 above. Some people may irrationally and inappropriately adhere to a pre-conceived theory or belief, even when objective evidence discredits that theory or belief (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Janis, 1982; Nisbett & Ross, 1980). This "belief perseverance" (Nisbett & Ross, 1980, p. 169) may be considered stupid in the sense that it is irrational (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Baron, 1985).

Being on autopilot means that people do not pay much attention to a situation, and as a consequence are prone to immediate actions (Darley, 2005; Kihlstrom, 2004), which may be unethical. Much of everyday life is automatic and driven by the environment, which includes the behaviours of others, settings, roles and norms (Bargh et al., 2012; Bargh & Williams, 2006); as a result, people often fail to give active thought to their decisions and behaviours (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Bargh et al., 2012; Bargh & Williams, 2006; Darley, 2005), which can in turn lead to an uncritical performance of stupid actions (Aczel et al., 2015; Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Feldman, 2017) and the tendency to ignore contradictions (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016). This tendency has been referred to as a blind spot that prevents us from seeing what is obvious to others, and what we would have noticed if we were paying better attention (Aczel et al., 2015; Feldman, 2017). In the organisational context, this may involve the mindless enactment of organisational routines, without conscious consideration of the impact of contextual differences on the actions taken (Alvesson & Spicer, 2016; Ashforth & Anand, 2003; Feldman, 2017; Frost & Tischer, 2014), and this may result in corrupt behaviour.

Many people's 'stupid actions' are a result of unconscious thought processes, which make it difficult for those people to explain those processes (Feldman, 2017; Kihlstrom, 2004; Nisbett & Wilson, 1977). However, although "people usually appear stumped when asked about ... processes, they are quite fluent when asked why they behaved as they did in some social situation" (Nisbett & Wilson, 1977, p. 232). People provide explanations for their behaviour by applying culturally supplied

(organisational or institutional) rules and theories for their behaviour (Alvesson & Spicer, 2012; Alvesson & Spicer, 2016; Nisbett & Wilson, 1977), generalising their own causal observations for their behaviour (Nisbett & Wilson, 1977), or by creating novel explanations (Nisbett & Wilson, 1977).

Even cognitively smart people may indulge in stupid behaviour (Aczel et al., 2015; Alvesson & Spicer, 2012; Alvesson & Spicer, 2016), the so-called "stupidity paradox" (Alvesson & Spicer, 2016, p. 15). The results of a survey by Aczel et al. (2015) showed that an action will be labelled stupid by observers if a person does not properly balance self-confidence with their actual abilities, if they fail to pay attention, or lack self-control. Sensible people are expected to monitor their own behaviour and control it according to shared institutional (social) or organisational norms (Aczel et al., 2015; Sternberg, 2002), such as those proscribing corrupt behaviour. The level of denoted stupidity is higher if the actor has a high level of organisational or institutional responsibility for their action and if the consequences of the action are severe (Aczel et al., 2015). Alvesson and Spicer (2012) identified the concept of "functional stupidity" (p. 1196), which is an organisationally supported failure to use "cognitive and reflexive capacities in anything other than narrow and circumspect ways" (p. 1201). Functional stupidity can be tolerated, encouraged or even required by an organisation's culture, leadership, systems and structures (Alvesson & Spicer, 2016) and can result in corrupt behaviour.

This section has reviewed literature which identifies various behaviours that might be thought of as stupid, and - being irrational - may explain corrupt behaviour, such as enacting a de-contextualised routine, failing to think about consequences, and operating on auto-pilot. The next section discusses criticisms of bad apple theories.

### 2.3.5 Criticism of Bad Apples Explanations

#### *Bad Apples Approaches Are Simplistic*

Bad apples explanations of corruption have been criticised for being too simplistic and convenient for organisations (Ashforth et al., 2008; Darley, 1992, 2005; Gottschalk, 2012a): "a useful fiction that enables those who hide behind it to avoid the more thoroughgoing implications of recent transgressions" (Darley, 2005, p. 1178). Bad apples theories (and ERCT theories) have also been criticised for presenting instances of corrupt behaviour as aberrant examples of individuals making bad choices

that are not reflective of the wider values, norms and expectations of the organisation, and also for the correlated view that simply removing the bad apples, or never selecting them in the first place, should restore the organisation to its original pristine ethical position (Darley, 1992, 2005; Gottschalk, 2012a; Jancsics, 2014; Palmer, 2013; Prasad et al., 2019).

Palmer (2013), however, identified that corruption is not just the province of aberrant individuals with personality weaknesses, but is often carried out by otherwise upstanding individuals. Additionally, the observation of repeated and persistent corruption in some organisations further suggests that corruption is not simply the result of a few bad apples. For example, in their case study of unethical bond trading at Salomon Brothers, Sims and Brinkmann (2002) noted that unethical behaviour was common and persistent in some organisations. They noted the importance of organisational culture and the organisation's ethical climate (both organisational level factors) in creating an environment where individual bad apples could rise and prosper. Further, research suggests that if there are sufficient bad apples in an organisation, they may infect others, leading to bad barrels. For example, in their case study of Enron, a corrupt US energy firm, Sims and Brinkmann (2003) noted that "at first sight, Enron looks like a mega-size illustration of the bad apple and/or the bad barrel disease" (p. 243), before observing that the corruption in effect resulted from the impact of a corrupt organisational culture (organisational level factor).

Examining the incidence of police corruption, Punch (2000) also rejected the premise that corruption was attributable only to a few bad apples, concluding that police corruption was a near universal and recurring problem, found in many countries, which could not be eradicated merely by adopting repressive measures (as recommended by ERCT) or by excision of the corrupt parts (as recommended by bad apple theories), making corruption effectively a permanent concern for police organisations. Gottschalk et al. (2012) identified similar issues in relation to police corruption, noting that there is disagreement in the literature as to whether police corruption indicates bad apples (individual factors), systems failure (organisational factor), or institutionalised corruption (institutional factor). Their qualitative study used content analysis to analyse court judgments of 57 cases of police misconduct in Norway to ascertain that 33 cases were probably examples of bad apples, whilst 24 cases were systems failure. In a study of newspaper reports of white-collar crime in

Norway, Gottschalk (2012a) noted the importance of organisational and institutional (social) factors, such as those characterised in social learning theory (Bandura, 1986, 2006), neutralisation theory (Heath, 2008; Sykes & Matza, 1957) and in the normalisation of corruption (Anand et al., 2004; Ashforth & Anand, 2003; Ashforth et al., 2008). Brass et al. (1998) similarly argued that in an organisational setting, the interaction of social relationships with the characteristics of individuals and organisations and with the specifics of issues will have an effect on unethical behaviour (p. 15).

### *Bad Apples Approaches De-Contextualise Individuals*

Bad apples explanations have been criticised for being inappropriately focused on de-contextualised individuals and failing to adequately consider the institutional (social) or organisational factors which contribute to the corrupt behaviour (Brass et al., 1998; Gergen, 1994). These factors may include an unsupportive or unethical organisational culture or an organisational culture where corruption is seen as the norm (Ashforth et al., 2008; Katz, 1977, 1979; Sims & Brinkmann, 2002, 2003). This fosters a "cultural system of individual blame" (Gergen, 1994, p. 110), which constrains the ability to understand how and why the event occurred, how it should be dealt with, and its future implications (Darley, 1992; Gergen, 1994). Darley (1992) suggested that "individual-level psychology is largely irrelevant to the occurrence of a much more common source of evil actions – produced by what I call 'organizational pathology'" (p. 217). Balch and Armstrong (2010) have similarly argued that individuals are not responsible for major corruption because it "involve[s] the concerted effort of many individuals; they depend on a culture that enables and condones the many unethical actions needed" (p. 292) and Brief and Smith-Crowe (2016) similarly noted that "organizations matter and…a social psychology of individuals or groups is inadequate to understanding" (p. 404).

This section has examined literature that is critical of bad apples explanations of corruption. It has included observations that bad apples approaches are simplistic and that they de-contextualise individuals. The next section provides a summary of the key principles of bad apples explanations of corruption extracted from the literature reviewed.

### 2.3.6 Summary - Bad Apples

Bad apples theories posit that individuals behave corruptly because of individual deficits, such as lower levels of cognitive moral development, character flaws, contributory personality traits such as low self control, or other human weaknesses. Bad apples theories have been criticised on several grounds, including that they de-contextualise individuals and fail to take sufficient recognisance of the organisational and institutional factors that may influence corrupt behaviour; because they do not take sufficient account of situations where corruption is the norm and corrupt behaviour is accordingly not regarded as deviant; and because they focus on individual corrupt actors and therefore conveniently allow organisations to blame those individuals for outbreaks of corruption whilst simultaneously abnegating any organisational responsibility for the corrupt behaviour.

The next section of this literature review will review the application of organisational factors to the explanation of corruption.

## 2.4 ORGANISATIONAL FACTOR THEORIES – BAD BARRELS/ORCHARDS

Organisational factor theories often draw on concepts from the disciplines of sociology, organisational behaviour, criminology and social psychology to explain corruption. They seek to explain corruption by considering the influence exerted on the corrupt individual by organisational factors such as peer and work group pressure (Greil & Rudy, 1984; Janis, 1982; Vaughan, 1996), organisational culture (Schein, 1984, 1985; Treviño, 1986; Treviño et al., 1998), an organisation's ethical climate (Victor & Cullen, 1988; Wimbush & Shepard, 1994), and the normalisation of corruption (Anand et al., 2004; Ashforth & Anand, 2003; Sykes & Matza, 1957). The interaction between these organisational, contextual or situational elements is understood to be involved in the process of leading individuals to corrupt behaviour (Anand et al., 2004; Ashforth & Anand, 2003; de Graaf, 2007; de Vries, 2002; Treviño, 1986).

In this ontology, the influence of organisational factors is seen to be so great that the official "cannot help" (de Graaf, 2007, p. 51) but become corrupt. Organisational factor theories therefore focus less on the corrupt individual and more on the organisational context of the corruption as an explanation for how corruption arises

(Anand et al., 2004; Balch & Armstrong, 2010; de Graaf, 2007; Treviño, 1986; Treviño et al., 1998).

The next section reviews literature addressing the influence of organisational factors on the explanation of corruption.

### 2.4.1 Bad Barrels or Bad Orchards?

Corruption can involve the infection of a group, organisation, or even a whole industry or sector, and it spreads in the manner of a virus (Ashforth et al., 2008). The resultant corruption becomes systemic, entrenched, and intractable (Ashforth et al., 2008; Pinto et al., 2008; Punch, 2000, 2003). However, current models have not adequately explained the direction in which - or the processes by which - corruption is spread (Ashforth et al., 2008; de Graaf, 2007). Two alternative but complementary explanations which have gained support in the literature are expanded below.

#### *Bad Barrels or Organisations of Corrupt Individuals*

This view of corruption suggests that corrupt individuals (bad apples) infect their colleagues and ultimately the organisation with their corrupt behaviour (Darley, 2005; Jancsics, 2014; Kish-Gephart et al., 2010; Misangyi et al., 2008; Treviño & Youngblood, 1990). Then the corrupt organisation infects new individuals as part of a cycle of corruption (Anand et al., 2004; Darley, 2005). This follows the metaphor of a few bad apples infecting the whole barrel. Bad barrels theories explain corruption by multiple individuals in an organisation as arising via a slippery slope (Darley, 2005; de Graaf & Huberts, 2008; Gottschalk et al., 2012; Sims & Brinkmann, 2003), where originally idiosyncratic individual corrupt practices (bad apple behaviours) gradually gain shared meaning in the organisation (Berthod, 2018; Gray et al., 1985; Zilber, 2008) and become embedded into ongoing organisational routines (Brief et al., 2014; Frost & Tischer, 2014; Meyer & Rowan, 1977). Over time, this results in the development of corrupt ethical climates in particular work groups (Vardi, 2001; Victor & Cullen, 1988; Wyld & Jones, 1997), ultimately forming a corrupt organisational culture (Schein, 1984, 1985; Treviño, 1986; Treviño et al., 1998), resulting in a bad barrel.

Drawing on earlier work by scholars including Sherman (1980) and Wheeler and Rothman (1982), Pinto et al. (2008) introduced the concept of an organisation of corrupt individuals to describe corrupt behaviour carried out by a significant number

of organisational members for their own personal and individual benefit. They noted that although individuals were both the perpetrators and the beneficiaries of corrupt behaviour, the behaviour could only be adequately understood by considering the contribution of organisational-level processes, including the actions or inactions of managers.

Rose-Ackerman (1978) raised the possibility of positive contagion, where the actions of a few honest officials who refuse bribes might reduce the number of corrupt officials that accept bribes. However, the findings of Pruitt and Kimmel (1977), who conducted a meta-analysis of Prisoner's Dilemma (Hardin, 1971) research, suggested that exploitive behaviour tends to be more contagious than cooperative behaviour. This in turn suggests that it is more likely that honest officials would be influenced towards corruption by the more unethical ones rather than the other way around. This conclusion is consistent with the findings of Dunlop and Lee (2004), whose study of employees in a fast food chain found that the presence of negatively deviant employees strongly impinged upon the fundamental performance of the entire business unit, whilst the presence of positively deviant employees had comparatively little effect on business unit performance. These findings tend to imply that bad behaviour such as corruption is contagious, but good behaviour may not be.

### Bad Orchards or Corrupt Organisations

This view of corruption suggests that the corrupt organisation systematically infects individuals and induces them to behave corruptly for the benefit of the organisation (Brief et al., 2014; Campbell & Göritz, 2014; Pinto et al., 2008). Once an organisation's culture is corrupt, it is prone to infect anyone who comes into contact with it (Gottschalk et al., 2012; Pinto et al., 2008; Punch, 2000, 2003), even otherwise honest and ethical employees (Anand et al., 2004). Punch (2003) noted that "it is sometimes not the apple, or even the barrel that is rotten but the system" (p. 172). This is similar to the concept of bureaupathologies, described by Caiden (1991) as the "systematic shortcomings of organisations that cause individuals within them to be guilty of malpractices" (p. 490). Caiden (1991) stated that bureaupathologies (in which he included fraud, bribery, misconduct, corruption and conflict of interest) cannot be corrected by addressing the individuals responsible for the behaviour as the practices will continue irrespective of the individuals because it is "as if the organization has a mind of its own, a mind closed to any other way of doing things" (p. 491). Ashforth

and Anand (2003) similarly concluded that the "*system* [emphasis original] trumps the individual" (p. 37), but that individuals could never avoid taking personal responsibility for their own corrupt behaviour.

Research into corruption and misconduct in military (Emery & Benton, 2004; Firestone & Harris, 1994; Katz, 1977; Perrin, 2006) and police organisations (Gottschalk et al., 2012; Katz, 1977; Punch, 2000, 2003; Rothwell & Baldwin, 2007) suggests that these are examples of organisations, sectors or institutions that suffer from systemic problems of organisational culture that may lead to the infection of individuals with attitudes that accept or encourage corrupt behaviour for the benefit of the organisation or institution. This is consistent with the bad orchards metaphor that corruption starts with the organisation rather than the individual. Similar examples relating to public sector procurement have been advanced from military contracting out (Adams & Balfour, 2010; Anechiarico & de Graaf, 2013), disaster management contracting (Adams & Balfour, 2009; Atkinson & Sapat, 2012), and the US corporate sector in relation to investment banking (Sims & Brinkmann, 2002) and energy (Sims & Brinkmann, 2003).

Drawing on earlier work by scholars such as Sherman (1980) and Wheeler and Rothman (1982), Pinto et al. (2008) introduced the concept of a corrupt organisation, similar to the concept of a bad orchard, to describe the situation where a group of employees, influenced by the organisational culture, collectively act corruptly for the benefit of the organisation rather than for their individual benefit. Pinto et al. (2008) again noted that although individuals were the perpetrators of corrupt behaviour in a corrupt organisation, the behaviour could only be adequately understood by recognising the contribution of organisational level processes, including the actions or inactions of managers, in relation to the corrupt behaviour. Campbell and Göritz (2014) similarly demonstrated that employees from corrupt organisations undertook their corrupt actions on behalf of their organisation, facilitated this collectively with colleagues, and regarded such behaviour as customary, useful, regular, and expected by the organisation. Brief et al. (2014) describe several US corporate examples where the corrupt behaviour was either implicitly or explicitly "sanctioned corporate corruption" (p. 472).

This section has reviewed literature discussing organisations of corrupt individuals (bad barrels) and corrupt organisations or institutions (bad orchards). The

next section considers literature relating to the impact of organisational culture and organisational ethical climate on corruption.

### 2.4.2 Organisational Culture and Ethical Climate Explanations

*Organisational Culture*

Organisational culture reflects and promotes the "common set of assumptions, values and beliefs shared by organizational members" (Treviño, 1986, p. 611) that guide the acceptable behaviour and decision making of organisational members (Treviño, 1986). It is generally agreed in the literature that organisational values cannot be directly observed, but rather may be deduced from employee behaviour (Beyer, 1981; Cleek & Leonard, 1998; Halbesleben et al., 2010; Kolthoff et al., 2007; Treviño et al., 2017; van der Wal, 2011), from artefacts such as codes of conduct (Somers, 2001; Treviño et al., 2017; van der Wal, 2011), and from systems and organisational practices (Arnaud, 2010; Kuenzi et al., 2020; Treviño et al., 1998; Wimbush & Shepard, 1994).

An organisation's culture includes artefacts such as structures, processes and observed behaviour, espoused beliefs and values - which may or may not be congruent with other artefacts - and basic underlying assumptions, which are often unconscious (Schein, 1984, 1985; Schein & Schein, 2016). Organisational culture can be considered as "an organisation's accumulated learning that becomes so taken for granted that it drops out of awareness" (Schein, 2003, p. 20). It "reflects the prevailing attitudes and behaviors within a firm" (Treviño et al., 2017, p. 60), and is an important element in the induction of new employees into 'how things are done' within the organisation and what kinds of behaviours they are expected to exhibit.

These shared meanings become accepted and confer legitimacy to particular forms of behaviour and certain organisational practices (Brief et al., 2014; Meyer & Rowan, 1977). Shared organisational meanings (Gray et al., 1985; Zilber, 2008) effectively become shared rules that guide the appropriate ways for an individual to behave in both known and new situations. Meanings held by organisational members typically run along a continuum from highly idiosyncratic and individual meanings to shared meanings that are widely held by organisational members, through to deeply held, unquestioned, organisation-wide meanings (Brief et al., 2014; Gray et al., 1985).

The more widely meanings are shared, the deeper and more socially binding they are as a values system in the organisation (Gray et al., 1985).

Treviño (1986) noted the importance of organisational culture in providing collective values and norms for organisational members, whilst also recognising the likelihood that "diverse subcultures" (p. 612) in organisations may exert significant influence on individuals to favour values and norms generated by their own subculture or important referent others (Berger & Luckmann, 1967). This effect may be particularly evident in a weak or unclear organisational culture (Treviño, 1986), in accordance with social learning theory (Bandura, 1986). Managers have been identified as an important group of referent others, with a strong role in defining an organisation's culture (Appelbaum et al., 2005; Brown et al., 2005; Loviscky et al., 2007; Sims & Brinkmann, 2002, 2003).

The term *organisational subculture* refers to a subgroup within an organisation which develops and maintains a distinctive character (Alvesson, 2002; Beynon-Davies et al., 1999; Lok et al., 2005; Schein, 1996). These subgroups may form on the basis of uniquely shared meanings, assumptions or expectations (Alvesson, 2002; Beynon-Davies et al., 1999; Jermier et al., 1991; Lofquist et al., 2017; Schein, 1996), location (Lok et al., 2005), functional or professional focus (Alvesson, 2002; Lofquist et al., 2017; Lok et al., 2005; Ogbonna & Harris, 2015; Schein, 1996), or group members' level in the organisation, such as that of operator, team leader, middle manager, or senior manager (Alvesson, 2002; Lofquist et al., 2017; Martin, 1992; Schein, 1996). Organisational subcultures may differ markedly from the broader organisational culture (Alvesson, 2002; Lok et al., 2005; Schein, 1996), but each is perceived as valid from the viewpoint of its members (Schein, 1996).

Most organisations contain multiple subcultures (Alvesson, 2002; Jermier et al., 1991; Lofquist et al., 2017; Lok et al., 2005; Martin, 1992; Schein, 1984, 1996). These may reinforce or deviate from the broader organisational culture (Alvesson, 2002; Lofquist et al., 2017; Lok et al., 2005; Martin, 1992), or even replace it (Jermier et al., 1991); and they may exert a strong influence on employee attitudes (Lofquist et al., 2017; Lok et al., 2005; Schein, 1996). Organisational subcultures that tolerate, countenance or require unethical or corrupt behaviour may also arise (Alvesson, 2002; Gioia, 1992; Jermier et al., 1991; Martin, 1992; Palmer, 2013).

The existence of different organisational subcultures within an organisation and the importance of these in relation to the behaviour of employees has been identified in fields as diverse as user involvement with information systems design (Beynon-Davies et al., 1999), Australian nurses (Lok et al., 2005); policing in the USA (Jermier et al., 1991), exploitation of safety rule gaps in the Norwegian oil and gas industry (Lofquist et al., 2017), and management of an English Premier League football club (Ogbonna & Harris, 2015).

### Ethical Climate

An organisational ethical climate was described by Victor and Cullen (1988) as the institutionalised "normative systems that guide organizational decision making and the systemic response to ethical dilemmas" (p. 123). Ethical climates reflect "the shared perceptions employees hold regarding the policies, practices and procedures that an organisation rewards, supports and expects" (Arnaud & Schminke, 2012, p. 1768). Employees are expected to draw on these normative policies, practices and procedures when engaging in ethical decision-making (Balch & Armstrong, 2010; Kolthoff et al., 2010; Wyld & Jones, 1997) and when resolving ethical dilemmas (Jones, 1991; Rothwell & Baldwin, 2007; Wimbush & Shepard, 1994).

The findings of Victor and Cullen (1988) also showed that different organisations have identifiably different ethical work climates, suggesting also the existence of unique organisational cultures. Finally, Victor and Cullen (1988) also noted that participants with different job roles, such as manager, supervisor or non-supervisor, and participants from different offices of an organisation, such as a head office or branch/remote offices, sometimes identified different ethical work climates within their organisation. This finding suggests that a single organisation can have multiple simultaneous ethical work climates. Other researchers have supported these findings of Victor and Cullen (1988) by identifying the fact that organisational members may experience different ethical sub-climates within an organisation according to their job role, organisational level and/or workgroup membership (Balch & Armstrong, 2010; Campbell & Göritz, 2014; Vardi, 2001; Wimbush & Shepard, 1994).

### Relationship of Organisational Culture and Ethical Climate

Several researchers have noted that organisational cultures and ethical work climates are inter-related and reflect overlapping concepts. For example, Victor and

Cullen (1988) identified the fact that the organisational norms that drive ethical work climates must be institutionalised as part of an organisation's culture. Appelbaum et al. (2005) similarly described an ethical climate as part of an organisation's culture, and suggested that both the direction and the strength of the ethical climate are important considerations in terms of ethical behaviour. Wyld and Jones (1997) suggested that the term ethical work climate was a "more concrete" expression of organisational culture (p. 468); while Treviño et al. (1998) concluded that "ethical climate and ethical culture are strongly related" (p. 467), and, taken together, form the organisation's ethical context. Vardi (2001) proposed that "ethical climates are embedded in the organizational climate which is embedded in the organizational culture" (p. 333); and Sims and Brinkmann (2002) proposed the importance of "understand[ing] organisational culture as ethical climate" (p. 329).

Kuenzi et al. (2020), however, have argued that although there may be overlap, ethical work climate and organisational culture are distinct constructs. They noted however that both are shared perceptions that are developed and used by employees to make sense of the work environment, and that an ethical work climate develops from the particular values which are implemented in the organisation through policies, practices and procedures, which leads to a shared "sense of 'how things are done around here'" (Kuenzi et al., 2020, p. 45).

### *Influence of Organisational Culture and Ethical Climate on Corruption*

Organisational culture and its artefacts, such as codes of conduct, are understood to explain why some behaviours arise in organisations (Campbell & Göritz, 2014; Cleek & Leonard, 1998; Trice & Beyer, 1993); and an organisation's ethical climate may even predict unethical behaviour (Wimbush & Shepard, 1994). Additionally, a number of researchers have identified that an organisation's culture and ethical climate(s) may, usually covertly, support and encourage corrupt behaviour in organisational members. For example, Sims and Brinkmann (2002) conducted a case study to examine the impact of corporate culture and management behaviour in a bond trading scandal at Salomon Brothers, using an analytical structure derived from earlier work on organisational culture by Schein (1985). They considered five primary aspects of organisational culture and concluded that in relation to each of these aspects the leadership of the CEO of Salomon Brothers was marked by behaviour that fostered and encouraged employees towards corrupt behaviours, or even required corrupt

behaviours. This behaviour included having a short-term mindset and focusing on short-term profits, reacting to crises by covering up illegal or unethical behaviour, modelling wilful blindness towards and tolerance of corrupt behaviour, allocating rewards like promotions and bonuses for results achieved by any means, and dismissing employees who failed to perform in this environment. A similar study into Enron, also by Sims and Brinkmann (2003), using the same framework, found that managers at Enron also focused excessively on short-term profits, responded to crises by claiming to have been unaware of the corrupt behaviour, "systematically firing those it could lay blame on" (p. 248), and denying and covering up accounting irregularities, initiating and rewarding corrupt accounting practices that deceived investors, allocating rewards like promotions and bonuses for results achieved by any means, and dismissing employees who criticised or failed to comply with this type of organisational culture.

Campbell and Göritz (2014) similarly observed that it is organisational culture, including organisational leadership, that "influences employees to behave in a particular manner" (p. 292). They identified two different types of corrupt behaviour in organisations with corrupt organisational cultures, which they classified as active and passive. Active corrupt behaviour involves undertaking corrupt actions, whilst passive corrupt behaviour involves silently tolerating corrupt behaviour by others, and abstaining from whistleblowing about this corruption. In their qualitative content analysis study, Campbell and Göritz (2014) identified that employees in corrupt organisational cultures emphasised results by any means, did not feel their corrupt behaviour was wrong or unusual, rather that it was widespread and commonplace in their organisation, or even their industry (or sector), and felt that they needed to stick together and maintain a code of silence about their corrupt behaviour. Managers emphasised results by any means, disciplining employees who did not engage in corrupt behaviour and rewarding those who did. These findings are similar to those of Sims and Brinkmann (2002, 2003). Treviño et al. (2017) similarly observed that if the organisational culture supports unethical behaviour, then employees can feel obligated to adopt unethical behaviour, and that they may receive mixed messages about what they should and should not do. Thus corruption may occur, even when "everyone knows" that the behaviour of group members is unethical or wrong (Sims, 1992b, p. 657).

Some organisational cultures or ethical climates may even expressly require corrupt behaviour from organisational members (Katz, 1977; Rothwell & Baldwin, 2007; Schwartz, 2013), or may result in shared perspectives that tend to support corrupt behaviour by organisational members. These include a mindset of invulnerability (Wicks, 2001); the operation of a code of silence (Adams & Balfour, 2009, 2010; Katz, 1977; Punch, 2000; Schwartz & Sulitzeanu-Kenan, 2004); a culture of cover-up (Gioia, 1992; Gottschalk et al., 2012; Katz, 1977, 1979; Punch, 2003; Schwartz, 2013); collective wilful ignorance (Ashforth & Anand, 2003; Frost & Tischer, 2014; Janis, 1982; Katz, 1979); a culture of aggregate wrongdoing, which refers to the collective awareness, knowledge and effort necessary to achieve collective corrupt behaviour (Brief et al., 2014); or group think (Janis, 1982; Sims, 1992b; Vaughan, 1996).

Katz (1977), for example, identified how some organisations shield their members from both internal and external scrutiny of corrupt behaviour to protect their collective goals; and how some enact non-enforcement of external norms of behaviour by "declining officially to notice deviance by members" (p. 9). Some organisations require trade-offs between different and apparently competing norms, such that the ends justify the means, and goals are achieved by whatever means necessary, as observed by Sims and Brinkmann (2002, 2003). Other organisations develop codes of honour or codes of silence that require members to not dishonour the group by disclosing internal deviance to outsiders. This may involve abstaining from whistleblowing, as observed by Campbell and Göritz (2014), or keeping silent about marketing defective products, as observed by Gioia (1992) and Brief et al. (2014). The personal insider account of working directly for the Ford Motor Company during its Pinto gas tank fire scandal of the 1970s published by Gioia (1992) illustrates many of the aspects of corporate culture and ethical climate identified by Katz (1977), in particular in relation to insider norms that were out of step with community norms, and a perceived obligation not to disclose company business to outsiders, including the families of the victims of the car fires. Similarly, a case study by Schwartz (2013) of the failure to prevent a terrorist attack on a public bus (Bus 300) in Israel revealed an organisational practice of lying to the courts about torturing confessions from terrorists, involving the intelligence, military and police services. This behaviour had "started on an ad hoc basis by individual agents, [and] soon became an undeclared

policy of the organization" (Schwartz, 2013, p. 53) in the way described by Gray et al. (1985). By the time of the Bus 300 case, this insider norm had expanded to cover occasionally unlawfully killing terrorist suspects. Schwartz (2013) identified the fact that "many officers actively took part in the cover-up" (p. 54) by prioritising their loyalty to colleagues over the external norms of justice and upholding the law. Schwartz (2013) also reported evidence of political cover-up of this affair at the highest levels of government.

This section has reviewed literature in connection with organisational cultures and ethical climates. It has examined literature that discusses the relationship between these concepts, and literature that considers how an organisational culture and/or ethical climate may influence corrupt behaviour in an organisation. The next section examines literature relating to the normalisation of corruption in organisations.

### 2.4.3 Normalisation of Corruption Explanations

The concept of normalisation of corruption refers to the situation where corrupt behaviours become so widespread and accepted within an organisation that they are regarded as normal. Corrupt behaviours thus become entrenched in organisational structures and processes and are internalised by organisational members as acceptable or even desirable (Anand et al., 2004; Ashforth & Anand, 2003; Ashforth et al., 2008; Prabowo et al., 2017). Ashforth and Anand (2003) identify three mutually reinforcing processes that operate formally and informally to normalise corruption in an organisation: rationalisation, institutionalisation, and socialisation. Together these processes lead to corruption being internalised as part of the organisation's culture and being passed on to successive generations of organisational members. This results in the organisational newcomer being able to say, "now I know how to go on" (Wittgenstein, 1953, p. 154).

#### *Rationalisation*

The concept of rationalisation draws on the literature of the discipline of criminology (Gottschalk, 2012a; Heath, 2008; Sykes & Matza, 1957), and refers to the processes by which individuals who behave corruptly justify and socially legitimise their actions (Anand et al., 2004). Rationalisations typically start as idiosyncratic individual explanations of behaviour (Gray et al., 1985) that spread over time to become routinised and thus widely accepted within an organisation (Ashforth &

Anand, 2003; Brief et al., 2014; Campbell & Göritz, 2014; Frost & Tischer, 2014; Punch, 2003).

A key component of rationalisation is the process of neutralising any guilt that a person may feel about their actions (Darley, 1992; Sykes & Matza, 1957), allowing individuals to feel that their continuing corrupt behaviour is acceptable (Anand et al., 2004; Ashforth & Anand, 2003; Frost & Tischer, 2014; Palmer, 2013; Prabowo et al., 2017) - or at least "routine and morally neutral" (Darley, 1992, p. 218). Sykes and Matza (1957) identified five rationalisations typically used by juvenile delinquents to prospectively give themselves permission to engage in criminal behaviour or to retrospectively neutralise or justify their behaviour; and Tickner and Button (2021) identify that most people who have been caught committing a crime will try to rationalise their behaviour, "even if they had not rationalised it before they were caught" (p. 728). These rationalisations include denials of responsibility for the corrupt behaviours ("I didn't mean it"), denials of injury or harm ("I didn't really hurt anyone"), denials of there being a victim ("they had it coming to them"), condemnation of the condemner ("everyone's picking on me"), and appeals to higher loyalties ("I didn't do it for myself") (Sykes & Matza, 1957, p. 669). These rationalisations have the effect of making the behaviour seem less wrong to the individual (Coleman, 1987; Sutherland & Cressey, 1978); and, as noted by Gottschalk (2012a), such rationalisations are socially constructed and derived from neutralisation theory (Sykes & Matza, 1957).

Anand et al. (2004) built on the earlier work of Sykes and Matza (1957) by applying the concept of neutralisation techniques specifically to organisational contexts and corrupt employees. They modified the element of condemning the condemner to the term social weighting ("you have no right to judge me - others are doing worse things"), and added the metaphor of the *ledger,* where corrupt individuals rationalise their entitlement to indulge in corruption because they have worked hard in their jobs, often without being noticed ("I've earned the right") (Anand et al., 2004, p. 41). Gottschalk (2012a) added further rationalisations to those described by Sykes and Matza (1957) and Anand et al. (2004). These included: legal mistake ("what I did should not be against the law because it is not wrong" or "the law is wrong, so I should not have to follow it"), the normality of an action ("everyone else is doing it"), an acceptable mistake ("what I did was acceptable given my position and the situation"),

and dilemma ("it was not obvious what was the right thing to do") (Gottschalk, 2012a, pp. 580-581). A study by Gottschalk (2012a) noted that rationalisations such as higher loyalty or normality of action (bad barrel rationalisations) may reduce personal accountability for the crime, as those who committed bad barrel fraud in Norway receiving significantly shorter jail terms than those who committed bad apple fraud, even though the dollar value of the bad barrel frauds was higher (Gottschalk, 2012a).

### *Institutionalisation*

Institutionalisation refers to the way that employees can become so inculcated into a corrupt organisational culture, unethical work climate and/or the corrupt insider norms of their workgroup that they are no longer able to recognise corrupt behaviour that contravenes external norms of integrity (Ashforth & Anand, 2003). Institutionalised corrupt practices become embedded as a matter of routine in the organisation (Ashforth & Anand, 2003; Brief et al., 2014; Feldman, 2017; Frost & Tischer, 2014), and are often enacted by employees without thought as to the propriety of the act (Balch & Armstrong, 2010; Meyer & Rowan, 1977; Schein, 1984). The process of institutionalisation operates to allow people to compartmentalise their corrupt behaviour (Anand et al., 2004; Balch & Armstrong, 2010; Coleman, 1987) or even to fail to perceive it as corrupt (Butterfield et al., 2000; Jones, 1991; Loviscky et al., 2007; Rest, 1979), because it is experienced as acceptable within the norms, routines, and logic of their organisation, even if these individuals might otherwise feel that such behaviour contradicted appropriate moral norms and behaviour (Anand et al., 2004; Butterfield et al., 2000; Campbell & Göritz, 2014; Gioia, 1992; Jancsics, 2014).

As corrupt behaviour becomes institutionalised, it gains organisational legitimacy, and can become entrenched, persistent and harder to prevent (Ashforth & Anand, 2003; Gioia, 1992; Prabowo et al., 2017; Trepte, 2019). When corruption has become institutionalised in an organisation, members who behave corruptly avoid viewing themselves as corrupt by casting their corrupt actions as normal and reasonable business activities that are sanctioned by their organisation and are often undertaken under pressure, with incomplete or contradictory information (Anand et al., 2004; de Vries & Sobis, 2016; Feldman, 2017; Gottschalk, 2012a; Heath, 2008; Jancsics, 2014). These factors were identified by de Graaf (2007) in the case of a Dutch local government official convicted of corruption for accepting heavily discounted

work on his house from official contractors. The corrupt official was quoted in a Dutch newspaper as saying, after his conviction, "I still believe I did nothing wrong. Society apparently disagrees" (p. 39).

Organisationally sanctioned, deliberate, collective ignorance of corrupt behaviour is another indicator of institutionalised corruption (Ashforth & Anand, 2003; Frost & Tischer, 2014; Janis, 1982; Katz, 1977, 1979). Ashforth and Anand (2003) noted that senior managers may be wilfully blind because of "organizational structures and processes…contrived to insulate senior managers from blame" (p. 8). Other researchers have described similar concepts, such as strategic ignorance and concerted ignorance (Katz, 1979), pluralistic ignorance (Janis, 1982), and plausible deniability (Ashforth & Anand, 2003; de Graaf & Huberts, 2008), or they have identified the role of wilful blindness as an antecedent of corruption (Frost & Tischer, 2014). An organisationally sanctioned strategy of deliberate collective ignorance and inaction towards corrupt behaviour can in turn can lead to institutionalised codes of silence which separate insiders from outsiders, as discussed above in Section 2.4.2. It can also lead to a culture of cover-up intended to protect insiders, also discussed above in Section 2.4.2. An institutionalised culture of cover-up may even extend to covering up the cover-ups (Berggren & Karabag, 2019; Katz, 1979; Schwartz, 2013). Katz (1979) makes the interesting point that collective ignorance, however described, must operate simultaneously at individual, organisational, and institutional levels, as well as across the insider/outsider boundary in order to be effective at concealing corrupt behaviour. The resultant shared understandings between the parties about how ignorance of the corruption will be concealed and maintained can be implicit or explicit (Frost & Tischer, 2014; Gottschalk, 2012b; Katz, 1979), and requires trust between the parties to the corrupt behaviour (de Graaf & Huberts, 2008; Ledeneva, 1998).

### Socialisation

Socialisation is the process by which newcomers to an organisation are exposed to the values, beliefs, norms and skills that they need to function effectively in the organisation (Ashforth & Anand, 2003). Sometimes the organisational processes of socialisation can result in newcomers being subtly or overtly socialised into corrupt practices (Anand et al., 2004; Ashforth et al., 2008; Frost & Tischer, 2014; Pinto et al., 2008; Prabowo et al., 2017) and taught to accept them (Anand et al., 2004; Greil &

Rudy, 1984; Sykes & Matza, 1957). Part of the formal induction of employees involves them embracing organisational values over their own individual values (van der Wal, 2011), and if organisational values informally favour corrupt behaviour, then employees will also be informally expected to adopt these values.

Brown et al. (2005) observed that the social learning process (Bandura, 1986, 2006) was particularly important in relation to the organisational socialisation of corruption because employees pay close attention to the behaviours that are encouraged or rewarded in the organisation (Ashforth & Anand, 2003; Ashforth et al., 2008; Brown et al., 2005; Frost & Tischer, 2014), and that this also includes role modelling provided by peers (Anand et al., 2004; Ashforth et al., 2008; Katz, 1979). Socialisation is often achieved by a process of behavioural incrementalism, also known as the slippery slope (Darley, 2005; de Graaf & Huberts, 2008; Gottschalk et al., 2012; Sims & Brinkmann, 2003), which arises when an employee is encouraged by peers, and sometimes managers, to undertake a small initial corrupt act before being further encouraged to repeat this or to undertake a slightly more corrupt act, and so on until the insider norm of corrupt behaviour is fully accepted (Anand et al., 2004; Darley, 2005; de Graaf & Huberts, 2008; Prabowo et al., 2017; Sims & Brinkmann, 2003).

The concept of the social cocoon (Greil & Rudy, 1984) was developed to explain the socialisation processes used by positive transformation organisations such as Alcoholics Anonymous to support and encourage individuals to change their practices and associations by reducing the influence of prior relationships and replacing these with strong new reference groups (Balch & Armstrong, 2010; Greil & Rudy, 1984). Anand et al. (2004) extended the application of the social cocoon concept to tolerance and encouragement of corrupt behaviour within organisations, defining it as "a micro culture created within a group where the norms may be very different from those valued by the wider organisation or even society" (p. 46). Their definition is thus similar to the concepts of differentiated ethical climates (Victor & Cullen, 1988) or organisational subcultures (Schein, 1984, 1996), which were both posited by Treviño (1986) as having a strong potential influence on ethical decision making in organisations. Once a social cocoon has formed, it can readily influence newcomers through organisational norms and processes (Anand et al., 2004; Balch & Armstrong, 2010; Campbell & Göritz, 2014; Greil & Rudy, 1984; Treviño et al., 2017), even if these are "shockingly out of line with societal norms" (Balch & Armstrong, 2010, p.

300), and "no matter how honest a newcomer is" (de Vries & Sobis, 2016, p. 265). Campbell and Göritz (2014) noted that an important influence of a corrupt social cocoon is that it provides "a special language to make corruption appear harmless" (p. 294).

Within the corrupt social cocoon, newcomers are encouraged to bond with their work group (Victor & Cullen, 1988) and to emulate veteran employees who model both active and passive corrupt behaviour (Campbell & Göritz, 2014). They are subjected to strong, consistent messages of acceptance of corrupt acts and are invited to attribute any "ethical dissonance" (Balch & Armstrong, 2010, p. 299) to their own inexperience, naivety or shortcomings (Anand et al., 2004; Balch & Armstrong, 2010; Campbell & Göritz, 2014). The values of the newcomer are thus influenced towards adapting to corrupt behaviour (de Vries & Sobis, 2016; Prabowo et al., 2017; Treviño et al., 2017).

Each corrupt action expected of the employee is usually insufficient in itself to cause alarm, but, taken together, the totality of actions can amount to a significant deviation from the ethical path (Ashforth & Anand, 2003; Feldman, 2017; Prabowo et al., 2017). This leaves the new employee in a compromised position (Ashforth & Anand, 2003; Ashforth et al., 2008; Balch & Armstrong, 2010; Granovetter, 2007). "In short, otherwise decent people can end up engaging in questionable practices as a result of their immersion in, and socialization into, the social and cultural environment of a corrupt organization" (Ashforth et al., 2008, pp. 672-673). Lee and Mitchell (1994) observed that moral people, through a process of self-selection, will tend to leave or avoid organisations that encourage, reward or require unethical behaviour. This can result in the concentration and self-perpetuation of an organisation's unethical culture through recruitment and retention practices; in this way social cocoons can come to "provide a corrupt, self-justifying, self-referential group, a socially safe haven for bad behavior, isolated from external ethical norms" (Balch & Armstrong, 2010, p. 300).

### *Corruption Becomes Normalised in the Organisation*

Robinson and Greenberg (1998) recognised the corrupt social cocoon as a paradox for the individual, asking "how can behaviour be regarded as 'deviant' when it is consistent with, and encouraged by, the standards of one's group?" (p. 15), which - as illustrated above - may be out of step with societal standards (Balch & Armstrong,

2010; Gioia, 1992) and be self-reinforcing (Lee & Mitchell, 1994). Similarly, Campbell and Göritz (2014), in a study of corrupt organisations, found that such organisations punish "deviant (i.e., non-corrupt) behaviour" (p. 291); and Brief and Smith-Crowe (2016) found that organisations induce feelings of guilt, shame and embarrassment in honest employees to get them to behave corruptly. This further demonstrates the processes by which corruption is socialised and normalised in some organisations.

In relation to "persistent, accepted-as-normal corporate wrongdoing" (p.291), Balch and Armstrong (2010) developed a model which they called "banality of wrongdoing" (p. 291). This model shows the interaction of processes of socialisation, rationalisation and institutionalisation to result in corruption becoming normalised. It includes five factors: the culture of competition, including pressure to break rules; leadership belief that the ends justify the means, tolerance for wrongdoing; zeal which justifies getting results at any cost; legitimising myth justifying behaviour; and a corporate cocoon resulting in an isolated and organisationally inward focus of ethical reference which accepts as normal behaviours which fall short of social standards. The concept of a corporate cocoon is a refinement of the concept of the social cocoon (Greil & Rudy, 1984) discussed in the section immediately above.

Normalisation of corruption is an incremental process whereby an organisation encourages and rewards new members for fitting in with a corrupt culture (Ashforth & Anand, 2003; Balch & Armstrong, 2010; Prabowo et al., 2017). Once corruption is normalised in an organisation, it can be very difficult to eradicate (Prabowo et al., 2017; Trepte, 2019) because corrupt practices are institutionalised (and thus often not readily noticed by insiders) and are rationalised away if they are noticed (Ashforth & Anand, 2003; Balch & Armstrong, 2010; Prabowo et al., 2017; Sims & Brinkmann, 2002, 2003). Both employees and leaders can become so personally embedded in corrupt practices that they cannot realistically or credibly identify and address corruption (Anand et al., 2004; Balch & Armstrong, 2010; Sims & Brinkmann, 2002, 2003). This indicates the value of external scrutiny for corruption prevention and detection (Adams & Balfour, 2010; Gao et al., 2015; Jancsics, 2014; Treviño et al., 2017).

Even if some honest employees recognise corrupt behaviour, they may not report it (Miceli et al., 1991; Olsen, 2014; Smith & Brown, 2008; Taylor, 2018; Wortley et

al., 2008). Whistleblowers may be unsure whether they have witnessed something serious enough to be reported (Brown et al., 2008; Miceli & Near, 1985; Olsen, 2014; Wortley et al., 2008), or whether they have enough evidence to report an incident (Martin, 2014; Wortley et al., 2008). They may experience tension between loyalty to their organisation and reporting wrongdoing by friends (Leys & Vandekerckhove, 2014; Smith & Brown, 2008; Uys & Senekal, 2008; Wortley et al., 2008). Whistleblowers may not trust the person they report the incident to (Taylor, 2018; Wortley et al., 2008), or they may fear that they will not be listened to (Balch & Armstrong, 2010; Martin, 2014). They may also be concerned that their reports will not be actioned (Miceli & Near, 1985, 1988; Near & Miceli, 1996; Olsen, 2014), or will not be actioned effectively (de Graaf, 2010; Smith & Brown, 2008; Taylor, 2018; Wortley et al., 2008).

Public sector whistleblowers may also fear retaliation, reprisal or retribution (de Graaf, 2010; Olsen, 2014; Roberts et al., 2011; Taylor, 2018; Wortley et al., 2008). However, evidence from an employee survey of 7,663 respondents across 118 Australian public sector agencies suggested that most public interest whistleblowers were treated well (Smith & Brown, 2008), and similar results were evidenced in studies of public and private sector whistleblowers in Norway (Bjørkelo et al., 2011; Miceli & Near, 2013). Public sector whistleblowers may also experience tension between protecting their organisation and upholding the public interest (de Graaf & Huberts, 2008; Leys & Vandekerckhove, 2014; Taylor, 2018) (clash of moral values explanations, see Section 2.5 below).

This section has reviewed literature in connection with the normalisation of corruption in an organisation, examining literature concerning the three inter-related organisational processes of rationalisation, socialisation and institutionalisation, which operate together to normalise corruption. The next section examines criticism of organisational factor explanations of corruption.

### 2.4.4 Criticism of Organisational Factor Explanations

#### *Only Some Individuals and Organisations Become Corrupt Despite Sharing the Same Context*

A challenge for organisational factor explanations is that researchers from many different academic disciplines have noticed that despite being exposed to the same national culture, social situations, organisational culture, and/or organisational ethical

climate, not all individuals become corrupt. For example, the public administration researcher Caiden (2011) remarked that "while the opportunities exist everywhere, the degree of corruption varies widely among individuals, public agencies, administrative cultures, and geographic regions" (p. 26). The economist Mahmood (2005) similarly observed that "one official may be highly corrupt, but his next door colleague having the same economic and social standing might be nearly honest" (p. 63). Additionally, the criminologist Heath (2008) noted that greed and criminal opportunity are ubiquitous, yet there is not a significant level of white-collar crime. Schuchter and Levi (2016) also observed that some organisations have many opportunities for white-collar crime, but very few individuals actually commit fraud. Criminologists Gorsira, Steg, et al. (2018) similarly observed that research does not yet fully illuminate why "within organizations some people engage in corruption while their colleagues do not" (p. 2).

In relation to Australia, criminologists Graycar and Monaghan (2015) have observed that only 1% of Australians in a global corruption survey reported paying a bribe to receive a public service, suggesting a very small pool of corrupt public officials in Australia. Graycar and Masters (2018) similarly noted that "most public officials in developed nations act with honesty and integrity" (p. 171). Another leading researcher in public administration, Huberts (2010) observed that "not all organizations and individuals will become corrupt" (p. 163), despite experiencing similar macro and meso environments. Prasad et al. (2019) also noted that despite being exposed to similar social practices and pressures not all organisations become corrupt, with some remaining "islands of integrity" (p. 101).

### *Some Organisations are Also Institutions*

Organisational theories are often used to explain widespread and institutionalised corruption in the public sector, particularly in military (Emery & Benton, 2004; Firestone & Harris, 1994; Perrin, 2006; Vaughan, 1999; Weber & Gerde, 2010) or police organisations (Gottschalk et al., 2012; Katz, 1977; Punch, 2000, 2003; Rothwell & Baldwin, 2007). The military and the police and the broader public sector may be regarded as institutions as well as organisations (Adams & Balfour, 2013; DiMaggio, 1997; Friedland & Alford, 1991; Thornton & Ocasio, 2008).

This would imply that clash of moral values (CMV) theories including institutional theory, institutional logics and competing institutional logics, discussed

in Section 2.5 below, could also hold explanatory power for corruption occurring in these organisational contexts.

### *Insufficient Recognition of Individual and/or Institutional Factors*

Organisational theories tend to minimise the role of individual factors in corrupt behaviour. Accordingly, they do not focus on economically rational choices to behave corruptly, as described by ERCT (see Section 2.2 above), or on the impact of individual factors as described by bad apples explanations (see Section 2.3 above). Organisational theories have also been criticised for paying insufficient attention to institutional factors that contribute to corrupt behaviour in organisations. These factors are discussed in Section 2.5 below.

There is also a growing body of literature which addresses interdisciplinary and integrative explanations of corruption. These recognise at least two levels of the individual, organisational, and institutional factors in explaining corruption. This inter-disciplinary and integrative literature is addressed in Section 2.8 below, and has been summarised in Appendix B.

### 2.4.5 Summary – Bad barrels/orchards

Organisational factor explanations of corruption posit that individuals behave corruptly because of an organisational culture, subcultures and/or ethical climates that either do not support ethical behaviour or may even prioritise corrupt behaviour. Individuals participate in processes that institutionalise, rationalise, and socialise corrupt behaviour until they are unable to recognise that their behaviour is corrupt. Corrupt behaviour thus becomes normalised within the organisation. The behaviour of managers and leaders can contribute to this process of normalisation, as employees observe the behaviours that are tolerated, encouraged, modelled and required by managers. Normalised corruption may become widespread and intractable within an organisation, and usually needs external intervention to detect and treat it, due to the fact that insiders, including the organisation's leaders, have lost the ability to see the corruption for what it is as a result of its normalisation. The next section of this literature review reviews the application of key concepts from clash of moral values theories to the explanation of corruption.

## 2.5 INSITUTIONAL FACTOR THEORIES – CLASH OF MORAL VALUES

Clash of moral values (CMV) theories of corruption draw from the disciplines of sociology (in particular institutional theory and competing institutional logics), organisational behaviour, political science, and public administration (in particular New Public Management (NPM)) to explain corruption. The level of analysis for these explanations is the institution, which represents the symbolic social construction of structures, practices and meaning systems (Friedland & Alford, 1991) that exist in work, personal and community life. Examples of institutions (Thornton, 2002) include the family, the religions, the professions, the state, the corporation (organisation), and the market.

Corruption is thought to arise because of a clash between (institutional) public and (often institutional) private obligations and values (de Graaf & Huberts, 2008; Prasad et al., 2019; van der Wal et al., 2008). In CMV explanations, the corrupt individual does not seek personal gain (as posited by ERCT), or suffer from personal weaknesses (as posited by bad apples theories), or act corruptly in order to fit in with a work group or organisational culture (as posited by bad barrels/orchards theories). Rather, the corrupt individual is torn between competing institutional logics (Bjerregaard, 2011; Bode, 2013; Currie, 2007; Misangyi et al., 2008; Reay & Hinings, 2009), competing values (de Graaf & van der Wal, 2008; Lyons et al., 2006; van der Wal & Huberts, 2008; van der Wal et al., 2006), and/or competing multiple identities or roles that result in conflicting loyalties and obligations (Darley, 2005; Pillutla, 2011; Vadera & Pratt, 2013).

This clash can arise because individuals are simultaneously members of several institutions of society (Friedland & Alford, 1991; Thornton, 2002; Thornton & Ocasio, 1999, 2008; Vadera & Pratt, 2013), which involve multiple simultaneous social roles or identities (Darley, 2005; Pillutla, 2011; Vadera & Pratt, 2013). In honouring one obligation, the individual necessarily defaults on another, competing obligation (Darley, 2005; de Graaf, 2011; de Graaf & Huberts, 2008; de Graaf et al., 2016). The "co-activation of different combinations of work and nonwork identifications…may…attenuate or exacerbate" (Vadera & Pratt, 2013, p. 346) participation in corrupt activities (Darley, 2005; Pillutla, 2011; Vadera & Pratt, 2013). Pillutla (2011) suggested that people's choice to behave corruptly is influenced by the social identity or role that is most salient and central to their own self-concept,

recognising that if an employee's most dominant social role is as a parent, then they would be more influenced in their moral judgments by this social role than by any of the other important roles or identifications that they may simultaneously occupy. Differences in the salience and centrality of a social role to self-concept may explain why only some public officials behave corruptly to advantage their family, church or community, for example, despite all public officials having other significant social roles and identities.

Public officials are additionally required to adhere to a range of specific obligations as a result of holding public office (Bishop & Connors, 2003; Clegg & Stokes, 2003; Lawton & Rayner, 2015; Maesschalck et al., 2008; Vandenabeele, 2007); and boundaries between public and private obligations and values may have become blurred (Adams & Balfour, 2010, 2013; Beck Jørgensen & Rutgers, 2014; Lawton & Rayner, 2015). There may also be competing institutional logics inside the public sector as it is subjected to pressures such as the NPM that change the way the public service has traditionally operated (Bjerregaard, 2011; Bode, 2013; Frederickson, 2005; Kolthoff et al., 2007; Meyer & Hammerschmid, 2006).

The next sections review literature relating to the influence of key concepts from CMV theories on the way corruption is explained. They review institution theory, the concepts of organisational fields and isomorphism, institutional logics and competing institutional logics in the public sector; relational explanations of corruption are also considered. Finally, it examines the ethos of public administration (EPA), which provides a clear, specific and relevant exemplar of how institutionally defined values and obligations may challenge a public official, resulting in corrupt behaviour.

### 2.5.1 Institutional Theory Explanations

Institutions are social constructions that involve structures, practices and meaning systems which become widely accepted through repeated use (Friedland & Alford, 1991). Institutions exist relative to particular contexts and relationships and are characterised by social patterns that, when frequently repeated, become relatively stable, self-activating and self-supporting social processes (Jepperson, 1991). Institutions provide ways of ordering reality and thereby cast individual experiences as meaningful (Friedland & Alford, 1991). They are symbolic systems, with a reality of their own (Berger & Luckmann, 1967), and they result in established beliefs, rules and persistent expectations that explain choices made in organisations (Berthod,

2018). They contribute to the development of culture by providing a frame of shared meaning (Scott, 2014). New members of an institution must quickly learn and comply with its rules and norms (Gray et al., 1985), its logics and values (Gergen, 2009) and symbolic systems and routines (Friedland & Alford, 1991). These are the means by which institutions constrain, regularise, empower, normalise, and enable behaviour (Scott, 2014). Institutions provide "regulative, normative and cognitive structures" (Palmer, 2017, p. 738) that direct and influence the way that they and their members behave.

Friedland and Alford (1991) identified five major institutions of the "contemporary capitalist West" (p. 232): the capitalist market, the bureaucratic state, democracy, the nuclear family, and Christian religion. Thornton (2002) subsequently broadened and generalised these classifications to the family, the religions, the professions, the state, the corporation (organisation), and the market. Public officials belong to the institution of the public sector, which is an arm of the state. They may also simultaneously belong to several other social institutions, such as their family and friendship groups (Balch & Armstrong, 2010; Prasad et al., 2019; Schwartz, 2013; Vadera & Pratt, 2013), their professions (Berggren & Karabag, 2019; Bode, 2013; Reay & Hinings, 2009; Thornton, 2002; Vadera & Pratt, 2013), and their organisations (Adams & Balfour, 2013; Prasad et al., 2019). Berthod (2018) noted that organisations are "local instantiations of wider institutions" (p. 3306) that operate within a particular social context (Scott, 2014).

The next section addresses organisational fields and organisational isomorphism.

## 2.5.2 Organisational Fields and Organisational Isomorphism

Meyer and Rowan (1977) proposed that "rationalized institutional rules arise in given domains of work activity" (p.345). These domains have become known as organisational fields (DiMaggio & Powell, 1983; Scott, 1991), a term which usually relates to an industry or sector (Currie, 2012; Reay & Hinings, 2009; Thornton, 2002; Thornton et al., 2005; Thornton & Ocasio, 1999) with a common meaning system (DiMaggio & Powell, 1983; Scott, 2014). Organisational fields may also form around a shared issue or a common technology (Wooten & Hoffman, 2017); and they include all interdependent organisations (Scott, 2008) with shared institutional logics (Greenwood & Suddaby, 2006) that interact in a sector (Greenwood & Suddaby, 2006;

Scott, 2008; Wooten & Hoffman, 2017). They also include competitors, regulators, suppliers, and consumers (DiMaggio & Powell, 1983; Wooten & Hoffman, 2017), sources of funding, governments, professional associations, and special interest groups (Wooten & Hoffman, 2017). Fields are thus "richly contextualised spaces where disparate organizations involve themselves with one another in an effort to develop collective understandings" (Wooten & Hoffman, 2017, p. 64) about important issues for the field in a relational way by referencing each other (Wooten & Hoffman, 2017). The term organisational field thus describes interactions around shared issues and influences, and relationships with other actors in a similar environment, in a common domain of business activity (Scott, 2014). Organisations that fit into an organisational field via such interactions gain legitimacy (DiMaggio & Powell, 1983; Scott & Meyer, 1991).

The term isomorphism in relation to organisational fields explains how and why organisations in an organisational field tend to become similar to each other (DiMaggio & Powell, 1983; Prue & Devine, 2012; Scott, 2014); and thus how and why similar practices - such as corrupt behaviour - (Baker & Faulkner, 1993; Baron et al., 2013; Venard, 2009; Venard & Hanafi, 2008) can emerge, persist and spread across whole sectors or industries within a well-established, mature field (Berthod, 2018; DiMaggio & Powell, 1983; Scott, 2014; Thornton & Ocasio, 2008), despite the organisations that comprise the field being diverse (Scott, 2014). Organisational fields may vary in relation to incentives for engaging in corruption, and also in their capacity to detect corruption, depending on the strength of the norms, values, status, practices, professional expectations, and standards operating in the field (Baron et al., 2013).

Isomorphism results in organisations converging towards similarity in three key ways, described as coercive, normative and mimetic (DiMaggio & Powell, 1983). Coercive isomorphism results from organisations in a field conforming to regulation and other constraints on their operations and to societal pressures (Currie, 2012; DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Palmer, 2017). Normative isomorphism results from the application, both within and across organisations in the organisational field (DiMaggio & Powell, 1983; Palmer, 2017; Thornton et al., 2005), of consistent norms, values and behaviour (Scott, 2014) that originated outside the organisation (Hersberger-Langloh et al., 2021; Teodoro, 2014). This often arises as a result of the influence of professionals (Currie, 2012; DiMaggio & Powell, 1983;

Teodoro, 2014; Thornton et al., 2005) or experts (Hersberger-Langloh et al., 2021; Leiter, 2013). Mimetic isomorphism arises because organisations in the field consciously or unconsciously copy each other's structures, style of operations and behaviours, often in conditions of uncertainty or change (Currie, 2012; DiMaggio & Powell, 1983).

Coercive and mimetic isomorphism have been identified in empirical studies relating to policing in the USA (Cooper, 2014), First Nation housing construction programs in Canada (Prue & Devine, 2012), higher education institutions in Colombia (Cardona Mejía et al., 2020), and the UK National Health System (Currie, 2012). Similarly, normative isomorphism has been identified in relation to the influence of professions in the organisational fields of policing in the USA (Cooper, 2014) and the UK National Health System (Currie, 2012). A study by Cardona Mejía et al. (2020) identified the importance of disciplinary groups and sub-groups in higher education institutions in normative isomorphism; and Leiter (2013) identified the influence of both professionals and experts such as consultants in Australian non-profit organisations. Several authors have specifically identified the importance of managers and managerial-decision-making (rather than professionally-based decision-making) as a source of normative isomorphism (Cardona Mejía et al., 2020; Currie, 2012; DiMaggio & Powell, 1983; Hersberger-Langloh et al., 2021; Thornton et al., 2005). Teodoro (2014) examined in how environmental regulations were implemented by local government water utilities in the USA led by professional engineers compared to those led by generalists. This study identified normative isomorphism in relation to the manager's underlying profession, with those organisations led by engineers being more supportive of adherence to environmental regulations.

Leiter (2013), however, observed weak coercive, normative and mimetic isomorphism in Australian non-profit organisations in the health, educational and community services areas, due to the field being insufficiently mature. Similarly, a more recent study of Swiss non-profit organisations by Hersberger-Langloh et al. (2021) also observed weak isomorphism in this organisational field, due to immaturity and fragmentation of the field. Leicht and Fennell (2008) recognised that not all organisations operate in strongly institutionalised fields, and thus the tendency for isomorphism is reduced in these organisations, such as restaurants. Leicht and Fennell (2008) also recognised the potential for disruption of a field when organisations with

"different organizing logics and archetypes" (p. 4), such as discount brokers and on-line pharmacies, enter the environment.

Isomorphism emphasises consistency and similarity in organisational fields and in the organisations that comprise the fields (Wooten & Hoffman, 2017). By comparison, institutional logics recognise that organisations in a field are dynamic and may not be isomorphic because not all organisations face the same pressures to conform, for example if fields are fragmented, have weak regulation, low levels of professionalism and multiple potentially competing logics (Leicht & Fennell, 2008; Wooten & Hoffman, 2017). The next section examines the literature relating to institutional logics.

### 2.5.3 Institutional Logics

Each institution has its own central logic that empowers and guides the actions of the individuals and organisations that make up the institution (Friedland & Alford, 1991) in a field of activities (Thornton & Ocasio, 2008). Institutional logics have been defined as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space and provide meaning to their social reality" (Thornton & Ocasio, 1999, p. 804). Friedland and Alford (1991) defined them as a set of material practices and symbolic constructions which form the organising principles of an institution, guiding institutional members in attributing meaning and allocating resources and attention. These meanings, symbols, principles and actions may be produced, reproduced, elaborated or developed by organisations and individuals, including for their own purposes, giving meaning to both organisations' and individuals' experiences (Friedland & Alford, 1991).

The concept of institutional logics therefore coheres closely with the social constructionist view that social actors have relevance and identity only in a particular social setting (Berger & Luckmann, 1967; Gergen, 1994; Gergen, 2009; Gergen & Gergen, 2003). It also shows clear links with organisational culture and ethical climates (discussed previously in Section 2.4.2), as symbolic constructions of values and beliefs that are adhered to by members of the organisation. Over time institutional practices, symbols, assumptions, values and rules come to "represent logics and values in which the participants are already invested" (Gergen, 2009, p. 146), and these "dominant institutional logics…become invisible assumptions" (Friedland & Alford,

1991, p. 240). Institutional logics are assumed to be real, in the same way that "bureaucracy is real, social networks are real, and culture is real" (Ocasio et al., 2017, p. 511).

Institutional logics may operate at different levels of analysis, such as individual, organisational, organisational field and institutional/societal (Ocasio et al., 2017), which are assumed to be nested (Thornton et al., 2012b) and which may influence each other (Ocasio et al., 2017). Institutional logics thus provide a framework for "analyzing the interrelationships among institutions, individuals and organizations in social systems" (Thornton et al., 2012b, p. 2); as such they constitute a form of metatheory for understanding individual and organisational behaviour within its socio-institutional context (Thornton et al., 2012b, 2012c). Institutional logics thus link the thoughts and behaviours of individuals with the socially constructed organisational and institutional practices adopted within organisations (Adams & Balfour, 2013; DiMaggio, 1997; Friedland & Alford, 1991; Thornton & Ocasio, 2008; Thornton et al., 2012b) and organisational fields (Thornton et al., 2012a).

Each logic provides a distinctive way of identifying and rationalising appropriate relationships and actions (Scott, 2014) and may also create a sense of community, collective identity, and/or shared purpose within an organisational field (Hersberger-Langloh et al., 2021; Leiter, 2013; Ocasio et al., 2017; Reay & Hinings, 2009); Institutional logics have been identified as a mechanism for indicating which problems should be the focus of attention and which solutions to these issues should be adopted (Meyer & Hammerschmid, 2006; Ocasio et al., 2017; Thornton, 2002; Thornton & Ocasio, 1999; Thornton et al., 2012b). In relation to corruption, they may "simultaneously enable some ethical and unethical actions and constrain others" (Adams & Balfour, 2013, p. 249). Palmer (2017) also noted the importance of institutional logics in relation to organisational wrongdoing, in that it is the institutions and their logics which define the rules, norms and values that must be followed by institutional members, both organisational and individual.

Many authors, including DiMaggio and Powell (1983), Thornton et al. (2005), Reay and Hinings (2009), Currie (2012), Currie et al. (2012), Thornton et al. (2012b), Suddaby and Muzio (2015), and Palmer (2017), have identified the important role of professions as carriers of institutional logics, often via normative and coercive pressures. Professions are particularly important for transposing the institutional logics

of their own profession into other institutions, such as a corporation (organisation) or an organisational field, and this process may result in both organisational isomorphism and competing institutional logics (Leicht & Fennell, 2008; Ocasio et al., 2017; Suddaby & Muzio, 2015). Literature relating to alternative, incompatible and competing institutional logics and the ways in which these may contribute to corruption are discussed in more detail in the following section.

### 2.5.4 Alternative, Incompatible or Competing Institutional Logics

Given the broad range of institutions in society (Friedland & Alford, 1991; Thornton, 2002), there are likely to be many alternative, potentially incompatible or inconsistent logics *within* an institution (DiMaggio, 1997; Ocasio et al., 2017; Scott, 2014), organisation or organisational field (Besharov & Smith, 2014; Ocasio et al., 2017; Raynard, 2016; Reay & Hinings, 2009). There may also be inconsistent logics *between* institutions, for example, between the public sector and the institution of family/friends (Jancsics, 2014; Ledeneva, 1998; Lomnitz, 1982, 1988; Schwartz, 2013). The existence of multiple alternative logics has the potential to lead to incompatibility between the alternative logics (Pache & Santos, 2010; Raynard, 2016), a "confrontation between inconsistent logics" (DiMaggio, 1997, p. 277). The existence of incompatible or competing internal and/or external institutional logics may make it difficult for people to judge how they are expected to behave (Berggren & Karabag, 2019; Bode, 2013; Perkmann et al., 2019; Schwartz, 2013), and this may contribute to corrupt or unethical behaviour (Berggren & Karabag, 2019; Berthod, 2018; Misangyi et al., 2008; Palmer, 2017; Reay & Hinings, 2009; Schwartz, 2013).

The next section reviews literature addressing competing institutional logics between institutions.

#### *Competing Institutional Logics Between Institutions - Relational Explanations*

Clash of moral values (CMV) explanations argue that incompatible values or obligations arising from an official's private and public roles may lead to corrupt behaviour (de Graaf, 2011; de Graaf & Huberts, 2008; de Graaf et al., 2016; Schwartz, 2013). Relational explanations recognise that most people, including public officials, have deep and enduring family, friendship and social relationships that follow an institutional logic that may compete with their obligations as public officials (Jancsics, 2014; Ledeneva, 1998; Lomnitz, 1982, 1988; Schwartz, 2013; Vadera & Pratt, 2013).

These relationships are often known as informal horizontal networks (Jancsics, 2014; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004), where the value of the network is predicated on having "the right friend in the right place" (Lomnitz & Sheinbaum, 2004, p. 16). For example, public officials in an informal horizontal network may be expected to exert their influence or to behave corruptly for the benefit of these relationships, even if this is contrary to their public duties. This pressure has been researched in many cultures, including countries and regions as diverse as Kazakhstan (Werner, 2000), Russia (Jancsics, 2014; Ledeneva, 1998), Mexico (Jancsics, 2014; Lomnitz, 1982, 1988; Lomnitz & Sheinbaum, 2004), Chile (Lomnitz, 1988; Lomnitz & Sheinbaum, 2004), Nigeria (Smith, 2007) and Africa generally (de Sardan, 1999; Smith, 2007), China (Jancsics, 2014; Smart & Hsu, 2007) and Israel, the USA and Latin America generally (Jancsics, 2014).

The opposite perspective was proposed by Brass et al. (1998), who hypothesised that individuals are presumed to be more likely to engage in corrupt behaviour in a weak social relationship than in a stronger one, because the social and other costs of unethical behaviour are lower in weaker relationships. Social relationships may be categorised as strong, weak, or asymmetric, considering aspects such as the frequency of interaction, the reciprocity of the relationship, the emotional intensity of the relationship, and its intimacy (Brass et al., 1998). Some relationships may also be multiplex (Brass et al., 1998), which indicates that the parties are connected by more than one relationship, for example being friends and also members of the same church, or business associates and members of the same ethnic community. Multiplexity tends to increase the social cost of behaving unethically (Brass et al., 1998).

Informal horizontal networks are usually not experienced as corrupt by the participants, but are more often perceived as being about the exchange of reciprocal (and frequently temporally offset) benefits in a continuing social relationship (Granovetter, 2007; Jancsics, 2014; Ledeneva, 1998; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004). The horizontal exchange may be between people who are socially equal (Granovetter, 2007; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004), or who share an interest against the state (Granovetter, 2007; Ledeneva, 1998).

Trust, reciprocity and tact are critical components of these networks (Brass et al., 1998; Ledeneva, 1998), which build over time (Brass et al., 1998), operate under informal and unwritten rules that can be hard for outsiders to identify (Ledeneva,

1998), and which might be ambiguous (Prasad et al., 2019; Werner, 2000). These informal rules cover issues such as what type of favours might be requested; the circumstances in which favours might be sought; whether a favour can be requested outright or must be indirectly requested, for example by seeking advice; how long should be allowed for the favour to be delivered; how many favours might be requested; and whether a gift should be given in exchange for the favour (Ledeneva, 1998; Lomnitz & Sheinbaum, 2004; Smart & Hsu, 2007; Werner, 2000). For example, a case study of public sector corruption in the Netherlands by de Graaf and Huberts (2008) observed that various gifts and bribes were offered to a corrupt official in the expectation that at unspecified times in the future unspecified decisions by the corrupt official would favour the person providing the benefits.

Informal horizontal networks are not usually perceived as corrupt by their members, because "anybody has friends and relatives" who may work in the public sector (Lomnitz, 1988, p. 43), or have access to scarce goods or services (Ledeneva, 1998). Thus everyone has the ability to access similar benefits through their own circle of friends, acquaintances and "useful people" (Ledeneva, 1998, p. 121). Additionally, in contrast to corruption, horizontal networks rarely work via the direct exchange of money for favours (Granovetter, 2007; Ledeneva, 1998; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004), which allows participants to dismiss their own behaviour as helping a friend or family member by providing support rather than engaging in corrupt activity (Ledeneva, 1998). There can be a significant loss of reputation from failing to honour obligations to the informal horizontal network (Granovetter, 2007; Ledeneva, 1998; Lomnitz & Sheinbaum, 2004; Persson et al., 2013; Smart & Hsu, 2007; Smith, 2007), and this may be particularly strong in African countries (de Sardan, 1999; Granovetter, 2007; Persson et al., 2013; Smith, 2007).

However, informal horizontal networks usually operate on a social-cultural institutional logic of mutual obligation in relationships that may clash with the economic rational or transparent fairness logics of the state institutions of the public sector (Graycar & Jancsics, 2017; Ledeneva, 1998; Lomnitz & Sheinbaum, 2004; Smart & Hsu, 2007). Such horizontal networks may therefore be seen as corrupt, especially by people outside the network, when an obligation to family, friends or other social groups clashes with broader public obligations (de Graaf & Huberts, 2008; Graycar & Jancsics, 2017; Jancsics, 2014; Ledeneva, 1998; Lomnitz & Sheinbaum,

2004), or when the extent of the favours provided to network members becomes excessive (Ledeneva, 1998; Smith, 2007). The role of horizontal networks in corruption thus represents an example of competing external institutional logics.

Over time, horizontal networks can become vertical networks when a public official within a network is promoted or gains other power. Such vertical networks (client-patron relationships) differ from employee-supervisor relationships because they operate under informal and unwritten rules based on influence and patronage similar to those of horizontal networks (Granovetter, 2007; Ledeneva, 1998; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004), which are external to the usual rules of the organisation. The exchange of favours in this context may involve money, but more usually involves obligations of loyalty, status and deference in a continuing social relationship (Granovetter, 2007; Graycar & Jancsics, 2017; Lomnitz, 1988; Lomnitz & Sheinbaum, 2004; Smart & Hsu, 2007). These favours frequently contravene the institutional logics of the public sector and accordingly the role of vertical networks in corruption is also an example of competing external institutional logics.

One of the key tenets of public service requires public officials to make a clear distinction between their public (or work) roles and obligations and their private roles and obligations (Clegg & Stokes, 2003; Doig, 2003; Thompson, 1985). Researchers have been aware for many years of the difficulty that this may pose in terms of a public official's other social relationships. As noted by Graham (1974):

> An experienced administrator learns in time that the most serious and difficult ethical problems arise out of conflicts of loyalty and conflicts of involvements, activities, and commitments outside of his [*sic*] job which would bias his judgment on the job, or reduce his motivation to do a good job in the public interest. (p. 97).

Berger and Luckmann (1967) identified a related problem, that organisations and institutions must carry out secondary socialisation - the socialisation of individuals who already hold social values and loyalties that may not accord with the values the organisation or institution wishes to emphasise. The assumption is that an employee will be socialised to comply with the organisation or institution's values rather than their own (Finer, 1941; Graham, 1974; Lincoln et al., 1982; Thompson, 1985). Public sector organisations also typically impose additional, specific public sector obligations onto public officials (de Graaf, 2011; de Graaf et al., 2016; de Graaf & van der Wal,

2008; Gorsira, Denkers, et al., 2018; van der Wal et al., 2008), and "as soon as multiple loyalties of public administrators are distinguished, loyalty conflicts are unavoidable" (de Graaf, 2011, p. 290). In an environment of competing institutional logics, the CMV approach argues that corrupt behaviour can best be prevented by explicitly recognising that public officials will have strong personal and social connections (de Graaf, 2011; de Graaf & Huberts, 2008; Schwartz, 2013), rather than "pretending that they do not exist" (Schwartz, 2013, p. 56).

The next section reviews literature addressing competing institutional logics within institutions.

### *Alternative Institutional Logics Within Institutions*

Institutional logics are "historically contingent" (Ocasio et al., 2017, p. 511), and change over time as the underlying institutions respond to changes and pressures in their contexts. Such changes may result in the development of multiple alternative institutional logics (Raynard & Greenwood, 2014; Thornton & Ocasio, 2008). Besharov and Smith (2014) identified that the implications of multiple logics within an organisation, organisational field or institution will depend on how these logics are embodied, and noted that there is a wide variation in how multiple logics may manifest. Besharov and Smith (2014) suggested that compatibility of logics and their centrality to organisational functioning were the key dimensions controlling how different logics are prioritised in organisations. Raynard and Greenwood (2014) and Raynard (2016) similarly identified different ways that alternative institutional logics may converge and/or create tension, and extended the work of Besharov and Smith (2014) to include the degree of jurisdictional overlap of the logics, which refers to the extent to which the competing logics target the same entities, such as professions, organisations or organisational practices. Ocasio et al. (2017) identified the possibility of complementary institutional logics that can co-exist; competing institutional logics that are nevertheless allowed to co-exist; competing institutional logics that are contested; and competing institutional logics that are blended or hybridised. These organisational and organisational field approaches to multiple institutional logics are examined in turn below.

Sometimes, the multiple or alternative institutional logics an organisation or organisation field faces are merely different, or are complementary, and do not compete with exiting logics but rather co-exist (Besharov & Smith, 2014; Ocasio et

al., 2017). A study of a non-profit transitional housing organisation in the USA conducted by Binder (2007) found that the organisation was able to maintain its own independent professional and service logics by accepting ambiguity and focusing on mission despite increasing reliance on government funding, which carried a bureaucratic/economic regulatory logic.

However, it is common for emerging institutional logics to compete or conflict with existing logics (Besharov & Smith, 2014; Bode, 2013; DiMaggio, 1997; Thornton et al., 2012b). Individuals who are privileged under existing institutional logics are unlikely to support changes to them that reduce their professional power (Berggren & Karabag, 2019; Currie et al., 2012; Reay & Hinings, 2009), and thus may defend the old institutional logic against new logics emerging from organisational and institutional changes (Besharov & Smith, 2014; Bjerregaard, 2011; Reay & Hinings, 2009; Tan & Wang, 2011). Raynard (2016) observed the potential for "contentious overlaps" (p. 314) in the institutional logics of professions, and researchers have provided insight into competing institutional logics in professional areas such as academic science (Baron et al., 2013; Perkmann et al., 2019), academic medicine (Berggren & Karabag, 2019), IT in public health services (Currie, 2012; Currie, 2007), public health provision (Reay & Hinings, 2009), state/bureaucratic regulation of professions such as law and medicine (Suddaby & Muzio, 2015) and accounting (Gabbioneta et al., 2013; Muzio et al., 2013), and multidisciplinary professional services firms (Greenwood & Suddaby, 2006; Muzio et al., 2013; Suddaby & Muzio, 2015; Taminiau & Heusinkveld, 2020). Leicht and Fennell (2008) also identified competing institutional logics in relation to disruptor firms such as on-line pharmacies and discount stockbrokers. They also identified growing demographic diversity in professions, such as the increase in non-male and non-white professionals, as a potential source of competing institutional logics and field fragmentation that was most apparent in professional services such as accounting, law and business.

If institutional logics are in conflict within an institution, individuals and organisations may respond by attempting to export the symbols and practices from one institutional logic to transform or bolster another (Bjerregaard, 2011; Perkmann et al., 2019; Tan & Wang, 2011). Further, some individuals and organisations may simply allow multiple logics to co-exist, even if they are not complementary (Berggren & Karabag, 2019; Besharov & Smith, 2014; Bjerregaard, 2011; Bode, 2013; Kieser,

2011; Meyer & Hammerschmid, 2006; Reay & Hinings, 2009). These studies, which examine public sector examples of competing institutional logics, are described in more detail in Section 2.6 below.

Another common response to the emergence of alternative incompatible logics is to hybridise or blend them (Besharov & Smith, 2014; Pache & Santos, 2013). Hybridisation has been suggested to increase organisational legitimacy and sustainability (Hersberger-Langloh et al., 2021; Leiter, 2013; Ocasio et al., 2017; Pache & Santos, 2013; Smith & Besharov, 2019), and to improve access to resources by appealing to broader institutional audiences (Ocasio et al., 2017; Pache & Santos, 2013; Smith & Besharov, 2019). However, other literature suggests that hybridisation may be problematic for organisations because of difficulty attending to the different demands of the different institutional and organisational field audiences for the hybrid logics (Pache & Santos, 2010, 2013; Raynard, 2016; Raynard & Greenwood, 2014; Smith & Besharov, 2019), because of questions about organisational identity (Battilana & Dorado, 2010; Glynn, 2000; Smith & Besharov, 2019), and because of long periods where the different logics remain contested within an organisation or organisational field (Battilana & Dorado, 2010; Glynn, 2000; Lounsbury, 2007; Reay & Hinings, 2009).

Mars and Lounsbury (2009) identified the successful blending of competing activist and market logics in a study of student eco-entrepreneurship at a US university. Conversely, both Perkmann et al. (2019) and Berggren and Karabag (2019) observed difficulties for organisations trying to blend scientific (Perkmann et al., 2019) or medical (Berggren & Karabag, 2019) logics with academic and business/market logics. Glynn (2000) similarly noted the challenges of blending an artistic logic with a utilitarian (business) logic in the Atlanta Symphony Orchestra, which was characterised by a number of contradictory identity elements, including musicians, administrators, musical executives and board members. However, in a comparative study of two commercial microfinance organisations in Bolivia, Battilana and Dorado (2010) observed both successes and difficulties associated with blending or hybridisation of the competing development logic and banking logic, whilst the two organisations simultaneously tried to adhere to their organisational mission of providing commercial microfinance loans. A comparative case study by Pache and Santos (2013) examined how competing social welfare and commercial logics were

blended in four work integration social enterprises in France by strategies involving the selective combination or prioritisation of whole elements of the competing logics.

A number of researchers have identified how people may seek to exploit the inherent contradictions and inconsistencies in logics in ways which can risk promoting corrupt behaviour (Berggren & Karabag, 2019; Berthod, 2018; Misangyi et al., 2008; Palmer, 2017; Reay & Hinings, 2009; Schwartz, 2013), and this is discussed in more detail in the following Section 2.6, specifically in relation to the public sector. Tan and Wang (2011) and Palmer (2017) have suggested that institutional logics establish whether an activity is ethical by prescribing or proscribing certain actions. The co-existence of multiple logics allows space for non-compliant and corrupt behaviours to arise, by blurring boundaries between acceptable and unacceptable behaviours (Adams & Balfour, 2010, 2013; Berggren & Karabag, 2019; Lawton & Rayner, 2015; Tan & Wang, 2011).

This section has reviewed literature relating to competing institutional logics between institutions and also within institutions. The next section examines literature that addresses the ethos of public administration as a specific example of competing intra-institutional logics. It explores differences between public sector and private sector values, and the impact that the New Public Management (NPM) movement has had on internal institutional logics in the public sector.

## 2.6 INSTITUTIONAL THEORIES - ETHOS OF PUBLIC ADMINISTRATION

Public service has historically been seen as a profession or vocation (Frederickson & Hart, 1985; Horton, 2008; Lawton & Rayner, 2015; Stokes & Clegg, 2002) driven by a specific public service motivation (Chapman & O'Toole, 1995; Frederickson & Hart, 1985; Perry & Wise, 1990), which includes altruism, doing good for others, and shaping society (Chapman & O'Toole, 1995; Lawton & Rayner, 2015; Maesschalck et al., 2008; Perry & Hondeghem, 2008; Vandenabeele, 2007). The public sector thus has its own distinctive set of institutional logics, public sector values and related obligations, which collectively form an ethos of public administration (EPA) (de Graaf, 2007; Lawton & Rayner, 2015; Maesschalck et al., 2008). The EPA is maintained by traditions, education, and the socialisation of public officials into the institution of public service (Chapman & O'Toole, 1995; Horton, 2008).

EPA explanations of corruption recognise that activities which may be perfectly acceptable in the wider community may be proscribed as corrupt for public officials (NSW Independent Commission Against Corruption, 2019; NSW Public Service Commission, 2014, 2021b), specifically because of the ethos surrounding public service (de Graaf, 2011; de Graaf et al., 2016; de Graaf & van der Wal, 2008; van der Wal et al., 2008). According to EPA explanations, corrupt behaviour can arise when public officials experience pressure, including NPM pressures (a new public sector institutional logic) that may lead them to achieve a result by whatever means are necessary, and accordingly do not adhere to the traditional ethos of public service (traditional public sector institutional logic). This may result in failure to pay proper attention to traditional public sector values (Beck Jørgensen & Bozeman, 2007; Chapman & O'Toole, 1995; de Graaf, 2011; van der Wal et al., 2008; van der Wal et al., 2006), or to traditional public sector processes relating to decision making and obligations, such as fairness, transparency, and accountability (Bode, 2013; Chapman & O'Toole, 1995; Clegg & Stokes, 2003; Currie, 2007; Maesschalck et al., 2008).

## 2.6.1 Public Values

In a comprehensive inventory of public values derived from a review of public administration journals between 1990-2003, Beck Jørgensen and Bozeman (2007) identified 72 separate public values operating in the public sectors of the United States, the United Kingdom, and Scandinavia. After reviewing national codes of conduct from fourteen countries, the United Nations, and the European Council, Beck Jørgensen and Sørensen (2012) suggested that there is a shared core of global public values. These included public interest, regime dignity, transparency, neutrality, impartiality, effectiveness, accountability, and legality (Beck Jørgensen & Sørensen, 2012). Most of these values are relevant to maintaining public sector integrity.

Other authors have also identified important public sector values which are relevant to maintaining integrity. These include public interest (Feldheim, 2018; Rhodes, 2000; van der Wal & Huberts, 2008) or public duty (Chapman & O'Toole, 1995; Maesschalck et al., 2008), integrity (Larson, 1997; Martin, 2003; Petrick, 2003), avoidance of self-interest or conflict of interest (Chapman & O'Toole, 1995; Martin, 2003; Rhodes, 2000), accountable process (Clegg & Stokes, 2003; Dunleavy & Hood, 1994; Petrick, 2003; Stokes & Clegg, 2002), personal responsibility for actions and decisions (Bishop & Connors, 2003; Clegg & Stokes, 2003; Martin, 2003; Petrick,

2003; Stokes & Clegg, 2002), and provision of frank and fearless administrative and policy advice (Bishop & Connors, 2003; Dunleavy & Hood, 1994; Martin, 2003). Adams and Balfour (2010) also mentioned the importance of "bureaucratic and professional norms and procedures" (p. 617) in maintaining an ethical public sector.

### 2.6.2 Public Sector Values Compared with Private Sector Values

Several researchers have examined similarities and differences in values between the public and private sectors, with some emphasising differences whilst others have focused on the similarities or overlaps in values between the sectors. For example, differences between the sectors were identified in a study by de Graaf and van der Wal (2008), who interviewed 30 employees of the public sector who had switched to the private sector, and 30 employees of the private sector who had switched to the public sector in the Netherlands and concluded that "value differences exist between the sectors"(de Graaf & van der Wal, 2008, p. 97). Larson (1997), in relation to the Canadian public sector, noted "a profound conflict between public and private [sector] values" (p. 131), and observed that these differences were historically deliberately created to ensure fairness in the way public services were delivered to citizens. Larson (1997) specifically identified the need to be clear about "which parts of government should be run by a 'public sector' logic and which by a 'private sector' logic" (p. 137). Bishop and Connors (2003) similarly observed, in relation to the Australian public sector, that the public sector "is still a qualitatively *different* (italics original) work environment to the private sphere" (p.12). Chapman and O'Toole (1995) mentioned the "distinctive values of public service" (p. 15); de Vries (2002) referred to "pushing public administrators away from their traditional norms and values" (p.312); and Maesschalck et al. (2008) similarly mentioned a "unique value set that is necessary for the service of the public interest" (p. 158).

Studies by van der Wal et al. (2006), van der Wal et al. (2008), and van der Wal (2011) identified both common and distinctively different values between employees of public sector and private sector organisations. Public sector organisations tended to emphasise transparency, impartiality, lawfulness and incorruptibility (van der Wal et al., 2006). Private sector organisations tended to emphasise profitability (van der Wal et al., 2006) and innovation (van der Wal et al., 2006). Values common across the sectors included accountability (van der Wal, 2011; van der Wal et al., 2006); honesty, expertise and reliability (van der Wal et al., 2006); and effectiveness and efficiency

(van der Wal, 2011), showing a level of convergence of values (van der Wal & Huberts, 2008; van der Wal et al., 2006). Similarly, a questionnaire-based study conducted by Lyons et al. (2006) identified only "limited overall differences in the values of employees from the various sectors" (p. 613). Additionally, an interview-based study by Heres and Lasthuizen (2012) noted many similarities of perspective across the sectors. However, Heres and Lasthuizen (2012) also observed differences, with managers from the hybrid and public sectors being more inclined to stress traditionally outward-facing public values - such as altruism, and the common good - and being responsive to the values, norms and expectations of society. The private sector managers more typically described ethical leadership as focused inwardly, concerning itself only with the organisation and its members.

By comparison, a questionnaire study of 202 public officials and 200 business employees in the Netherlands conducted by Gorsira, Denkers, et al. (2018) noted that the social norms, personal norms and motivations towards passive and active corrupt behaviour (Campbell & Göritz, 2014) were "identical for business employees and public officials' (p. 189).

### 2.6.3 New Public Management (NPM)

NPM is the "handy shorthand" term (Dunleavy & Hood, 1994, p. 9) used to describe the pressures on public sectors across the world to become more business-like, performance-based, cost-efficient, resource-efficient, market-based, and audit-orientated in their operations. This drive was premised on an assumption that private sector organisations are more efficient and effective than public sector organisations (Adams & Balfour, 2010; Anechiarico & de Graaf, 2013; Frederickson, 2005). Private sector concepts and principles introduced to the public sector under NPM include expecting public officials to behave in ways that are more business-like (de Graaf & van der Wal, 2008; Gorsira, Denkers, et al., 2018; van der Wal et al., 2008; van der Wal et al., 2006), and adopting principles of managerialism and a focus on outcomes rather than processes (Diefenbach, 2009; Hays & Kearney, 1997; Kolthoff et al., 2007). Under NPM, the public sector was asked to operate in ways that were performance-based, cost-efficient, resource-efficient (Adams & Balfour, 2010; Bauhr et al., 2020; Diefenbach, 2009; Frederickson, 1996; Kolthoff et al., 2010) and market-based, including downsizing, restructuring, privatisation, exposure to market forces and contracting out (Adams & Balfour, 2010; de Vries, 2002; Diefenbach, 2009;

Frederickson, 2005; Hays & Kearney, 1997; Kolthoff et al., 2007). Public sector managers were encouraged to delegate responsibility and to devolve tasks and functions (Adams & Balfour, 2010; Hays & Kearney, 1997; Kolthoff et al., 2007) and to increase reliance on risk management and audits (Chowdhury & Shil, 2019; Dorn et al., 2008; Hays & Kearney, 1997; von Maravić, 2007a, 2007b; Webb, 2010) to maintain proper governance (Rhodes, 2000) of activities.

NPM represented a fundamental change in the way the public sector operates, which in turn led to changes in the underlying institutional logics and organisational values of the public sector. Osborne and Gaebler (1992) introduced the metaphor of "steering rather than rowing" (p. 25) to describe NPM changes in the way that government services were being provided. Services previously provided directly by the government (the rowing) were often outsourced to the private sector, whilst the public sector began to specialise in the role of managing these service delivery contracts (the steering). Adams and Balfour (2010) observed that NPM resource pressures "have severely strained the government's ability to properly award and manage contracts" (p. 623), with the outcome being that government is neither rowing, nor steering.

Diefenbach (2009) noted that NPM is a world-wide phenomenon that has been introduced to national, state and local governments, governmental organisations, higher education institutions, health services, police forces, and justice systems. The operation of NPM has been noted in Australia (Bishop & Connors, 2003; Moon, 1999; Petrick, 2003; Wanna et al., 2015). The widespread introduction of NPM concepts in public sector institutions around the world may have tended to create confusion and to decrease accountability for individual public officials, thus potentially leading to increased corruption (Adams & Balfour, 2010; de Vries, 2002; Frederickson, 2005; Kolthoff et al., 2007).

In relation to Australia, Bishop and Connors (2003) asserted that since the 1980s there have been "dramatic changes" (p. 13) to how the Australian public sector is managed and organised, with the result that an institutional climate and culture has emerged that is "significantly different from the traditional ethos of public service' (p. 7). Bishop and Connors (2003) also stated that "where the focus is on outcomes rather than process, there is a danger that ethics becomes a second, or third, order concern" (p. 4). Similar NPM changes in the US public sector were associated with a perceived

potential for decline in organisational ethics (Adams & Balfour, 2010; Frederickson, 1996, 2005); while in the UK public sector, Rhodes (2000) suggested that the shift "from government to governance" (p. 348) implied a dilution of public sector standards and an erosion of public sector ethics as a result of NPM. Interestingly, Ashforth and Anand (2003), Brass et al. (1998), and Lincoln et al. (1982) have identified similar themes in relation to the business sector.

Especially pertinent to this study is the literature which identifies conflicting intra-institutional logics within the public sector as a result of NPM reforms. For example, in a study of high level Danish public servants whose work underwent restructuring, Bjerregaard (2011) found that when there are conflicting institutional logics, coping strategies range from passive approaches, such as institutional resistance to change and new logics, to responses that balanced and combined logics to achieve results. Similarly, Meyer and Hammerschmid (2006) found that many public servants undergoing restructuring in Austria created "hybrid logics" (p. 1012) by mixing newer logics with aspects of the previous logics. Conflicts between institutional logics have also been examined in connection with public sector anti-corruption efforts in the former Yugoslavia (Misangyi et al., 2008), with Defence cooperation within the European Union's European Defence Agency (Bátora, 2009), and in risk management and fraud control processes in the public sectors of Australia (Chowdhury & Shil, 2019), Germany (von Maravić, 2007a), and South Africa (Webb, 2010).

The pressure caused by competing institutional logics as a result of introducing NPM principles into the public sector was also identified in a study by de Graaf et al. (2016) which examined the impact in a local government and a public hospital in the Netherlands. The local government employees reported that their most common values conflict was between achieving results and outcomes (NPM institutional logic) and following rules and processes (traditional EPA institutional logic). Employees of both local government and the hospital also reported that the pressure to be efficient with time and resources (NPM institutional logic) sometimes compromised the quality of results that were achieved or subverted the public interest (traditional EPA institutional logics).

Public sector health care professionals have been widely noted in the literature as experiencing competition between the NPM and EPA institutional logics, whilst also frequently experiencing additional competing institutional logic arising from their

membership of a profession with strong logics of care (Bode, 2013; Currie, 2007) and medical professionalism (Berggren & Karabag, 2019; Currie et al., 2012; Reay & Hinings, 2009). For example, in a case study of a failed information technology support project within the UK's National Health System (NHS) conducted by Currie (2007), NHS staff described their working practices as reflecting both the traditional EPA institutional logic (service) and the medical professional logic of care and compassion. Staff noted that NPM pressures to undertake their "roles and tasks on the basis of cost and efficiency criteria were against these core values" (p. 244). A study by Reay and Hinings (2009) of the public health system of Alberta, Canada, identified a long-lasting resistance by doctors to the introduction of a new institutional logic described as "business-like health care" (p. 630) which directly challenged the existing logic of "medical professionalism" (p. 630). After 14 years, there was "an uneasy truce" (Reay & Hinings, 2009) (p. 630), in which some individuals appeared to accept the new logic but continued to act under the old logic, an example of the "camouflage" adaptive strategy towards conflicting institutional logics (Tan & Wang, 2011, p. 379). The refusal by medical professionals in the study by Reay and Hinings (2009) to accept NPM changes to organisational rules and norms was a covert behaviour that undermined organisational management. Such behaviour may coalesce over time into negative individual behaviour that is inconsistent with organisational codes of conduct and is thus defined as misconduct, such as doctors making negative public comment in the media (Reay & Hinings, 2009). This would represent an example of the "defiance" adaptive strategy to conflicting institutional logics (Tan & Wang, 2011, p. 379). A study of the impact of NPM reforms in the German public sector hospital system by Bode (2013) noted competition between the old EPA logic that all patients in need are entitled to the best medical care regardless of the financial position of the hospital, and the new NPM logic of business-like, corporatist, profit-driven approaches to the delivery of health care. This competition potentially endangered "the sector's public mission in the long term" (Bode, 2013, p. 323). Bode (2013) also noted the centrality of the professions in the institutional logics and organisational structures adopted by public hospitals, for example with a Medical Director and a Director of Nursing. Berggren and Karabag (2019) conducted a case study of serious misconduct in medical research in a university hospital in Sweden which involved three competing institutional logics - medical, academic, and market-oriented. This study revealed how

difficult it can be for individuals and organisations to reconcile the working reality of multiple conflicting institutional logics.

## 2.6.4 Impact of New Public Management on Corruption

The studies reviewed above have indicated that institutional logics are real and strong within public sector organisations, and have noted tension between the traditional EPA institutional logic - that emphasises serving the public interest via public values and bureaucratic processes - and the NPM institutional logic, which emphasises getting results by business-like approaches. For many public officials and public sector organisations this has resulted in a "nervous cohabitation of competing logics" (Bode, 2013, p. 336). Bode (2013) suggested that this type of tension leads to both people and organisations attempting to balance competing, and often mutually exclusionary, logics. In situations like this, it can be difficult for individuals to judge which institutional logic to adopt, and opportunities for corrupt behaviours can arise or even be deliberately exploited in the gap between the competing institutional logics (Berggren & Karabag, 2019). These factors may encourage individuals towards risky behaviour that may be constructed as corrupt, but could also be explained by genuine confusion between the competing and often incompatible institutional logics (Berggren & Karabag, 2019; Berthod, 2018; Bode, 2013). Corrupt decision making may be rationalised away, for example, as part of the perceived NPM emphasis on results over process, cost-saving, innovation or risk-taking.

Kolthoff et al. (2007) conducted a literature review on the impact of NPM on public integrity which concluded that there was disagreement amongst scholars about the nature, direction and intensity of the relationship between ethics and NPM. However, a substantial body of literature has suggested that the introduction of NPM principles may have resulted in organisational and institutional conditions that foster corrupt behaviour because of increased opportunity for corruption and decreased accountability. For example, Frederickson and Frederickson (1995) observed that the loss of institutional memory associated with NPM reforms was likely to contribute to increased corruption. Denhardt and Denhardt (2000) suggested that the NPM pressure for the public sector to be more business-like provided public officials with wide latitude and discretion to meet goals, which could be abused. de Vries (2002) similarly noted that public officials have more discretion and more opportunities to behave unethically since NPM approaches have reduced institutional controls over their

behaviour, such as the expectation of following typical bureaucratic processes. Maesschalck (2004) described several public sector ethics scandals and suggested that NPM reforms might have provided corrupt public officials with both the opportunity to behave corruptly and with a way of justifying their behaviour. Frederickson (2005) similarly noted that NPM reforms had reduced the regulation, accountability and transparency of processes and decisions by public officials, thus increasing the opportunity for corrupt behaviour, particularly in the context of increased contracting-out and privatisation. Adams and Balfour (2010) also noted that downsizing and staff reductions have reduced regulatory and other monitoring activities of ethical practices in connection with public services that have been contracted-out.

Some scholars have noted the ethical issues specifically raised by increased use of contracting for public services under NPM. For example, Frederickson and Frederickson (1995) observed that contracting-out of public service provision was also likely to lead to increased corruption because "contracts have always been a tempting environment for kickbacks and fraud" (p. 172). Adams and Balfour (2009, 2010) conducted case studies of corruption and unethical behaviour in US government contracting associated with the US occupation of Iraq and the aftermath of Hurricane Katrina and noted an increase in conflicts of interest between public and private interests and reduced oversight and accountability (Adams & Balfour, 2010). Anechiarico and de Graaf (2013) similarly demonstrated that US forces also used many contractors in Iraq and Afghanistan in ways "in which public ethics and civic values are largely absent" (p. 102), including conflicts of interest relating to contract award and contract extensions. Anechiarico and de Graaf (2013) also noted that performance management of Dutch logistics contracting in Afghanistan focused exclusively on performance outcomes without control on processes, including ethical considerations, and that transparency was particularly limited in this setting.

This section has reviewed literature relating to the impact of NPM as an example of competing institutional logics in the public sector. New NPM logics have been widely considered to be at odds with the more traditional EPA logic which focused on public sector values and concepts of public interest and public duty. NPM by comparison operates on a logic of public service becoming more business-like. The competition of these institutional logics has the potential to contribute to corruption in the public sector because of confusion between the old EPA and new NPM values and

obligations, and because NPM has typically granted individual public officials more discretion in an environment of reduced regulation, oversight, and accountability. The next section addresses criticism of CMV explanations of corruption.

### 2.6.5 Criticism of Clash of Moral Values Explanations

#### *Only Some Individuals Become Corrupt Despite Sharing the Same Institutional Context*

In a manner similar to that outlined for criticism of organisational factor explanations of corruption (bad barrels/orchards) in Section 2.4.4 above, the main criticism of CMV explanations of corruption is that CMV does not explain why some people navigate competing logics between institutions or within an institution in an ethical manner whilst others, who face similar circumstances, do not (de Graaf & Huberts, 2008; Gorsira, Steg, et al., 2018; Huberts, 2010; Sommersguter-Reichmann et al., 2018).

#### *Challenge of Separating Public and Personal Values and Obligations*

It may be naïve to think that public officials can separate their work lives from their private lives and private values (Bailey, 1964; Thompson, 1985), although the inability to do so may easily result in corruption if public officials cannot ignore their perceived obligations to family and friends (de Graaf & Huberts, 2008).

### 2.6.6 Summary – Clash of Moral Values

CMV theories posit that corrupt behaviour may occur when an individual finds themself subject to two or more competing sets of values or institutional logics. In satisfying one set of values or one of the competing logics, their behaviour may simultaneously appear corrupt in the context of another set of values or institutional logic. The individual is not always making a simple choice between right and wrong, but rather faces two compelling but competing institutional views of what would be correct behaviour in their circumstances. This competition can arise between two or more institutions of which the public official is a member, such as the public sector, family, organisation and/or profession. The competition of institutional logics can also arise within an institution such as the public sector, when there is pressure towards change.

The literature reviewed for this section has highlighted that the traditional EPA institutional logic, which emphasises public values such as prioritising public interest

over self-interest, avoiding conflict of interest, following accountable process, providing frank and fearless advice and taking personal responsibility for actions and decisions, is in competition with newer institutional logics, such as those arising from the adoption of NPM. The public sector institutional logic under NPM stresses achieving results in a performance-based, cost-efficient, market-based, business-like manner. Some public officials may deliberately exploit transitional gaps between the old EPA and the new NPM institutional logics in ways that are corrupt, whilst others may be genuinely confused about how they are expected to behave in an environment of competing and mutually exclusive logics.

The next section considers briefly the literature relevant to "correlation 'theories'" (de Graaf, 2007, p. 59) that examine specific factors that may potentially explain corruption.

## 2.7    CORRELATION 'THEORIES'

### 2.7.1 Outline of Correlation 'Theories'

de Graaf (2007) grouped together the wide range of studies that examine specific factors or variables that may potentially explain corruption but which do not start from an implicit or explicit theory perspective under the category of "correlation 'theories'" (de Graaf, 2007, p. 59). The variables considered in these studies can be factors from any of the individual, organisational or institutional levels. Correlation studies may thus help a reader to see the key issues raised in the study, and how these may overlap with other studies. The next section contains a short summary of some correlation studies, presented by UoA.

### 2.7.2 Correlation 'Theories' of Corruption

*Individual Factors*

A number of individual factors such as gender, race, age, education and tenure have been examined for a correlation with corruption. For example, experiments carried out by Schulze and Frank (2003) suggested that women are more risk averse than men (p. 156), but that there is no real difference in corrupt behaviour by men and women if there is a low perceived risk of detection. Hollinger and Clark (1982), Stewart and Sprinthall (1993) and Sims (2002) found no correlation between gender and workplace deviance. Peltier-Rivest and Lanoue (2012) similarly found no correlation between gender and occupational fraud in their Canadian study. In the

context of the Australian public sector, researchers from the Australian Institute of Criminology have noted that over time the number of women and men committing fraud offences has moved towards parity (Teunissen et al., 2020b). By contrast, in a study conducted by Henle (2005), being male was significantly positively correlated with workplace deviance, and in a study conducted with data from local governments of 17 countries, de Vries (2002) found that the more women there were in top management of an organisation, the more all employees tended to be honest.

However, no correlation was found between workplace deviance and age of employees (Henle, 2005; Hollinger & Clark, 1982; Sims, 2002; Stewart & Sprinthall, 1993), and similarly no correlation was found between workplace deviance and race (Stewart & Sprinthall, 1993). Tenure in a job was found to be significantly correlated with workplace deviance in a study by Sims (2002); however by comparison, Henle (2005) found that tenure in a job was not correlated with workplace deviance. Level of education was not found to correlate with workplace deviance by Stewart and Sprinthall (1993); by comparison greater educational attainment was found to be correlated with lower corruption by Goel and Nelson (2011).

### Organisational Factors

A range of organisational factors have been examined in relation to correlation with corruption. For example, an experimental study by Abbink (2004) showed that staff rotation may reduce bribery. Employees were found to be more likely to steal from their employer when they felt unfairly underpaid for the work they did (Greenberg, 1990, 2002); and a study by Henle (2005) suggested that employees are more prone to negative workplace deviance if they feel they have been treated unfairly by their supervisor (lack of organisational justice). Employees were also found to be more likely to steal from their employer in the absence of an ethics program (Greenberg, 2002). A study by Sims (2002) indicated that increased feelings of belonging and loyalty to the organisation were correlated with lower levels of workplace deviance. In the context of the Australian public sector, fraud risk was found to be significantly related to a lack of organisational reviews/checks or audits and the overriding of existing controls (Teunissen et al., 2020b).

### Institutional Factors

A number of societal/institutional factors have been examined for a correlation with corruption. For example, higher levels of government spending, higher

government salaries, and smaller numbers of government employees correlate with lower corruption. Economic downturn and higher unemployment were correlated with higher corruption (Goel & Nelson, 1998). Van Rijckeghem and Weder (2001) found that a relatively higher salary for public officials was correlated with lower levels of corruption; and Goel (2013) also made similar findings.

Greater urbanization, greater economic prosperity (weak correlation), smaller population size, greater diffusion of media, greater enforcement efforts, smaller numbers of government employees and smaller numbers of judicial employees were correlated with lower corruption in a corruption perceptions study by Goel and Nelson (2011). Fiscal decentralisation was also correlated with lower corruption (Fisman & Gatti, 2002).

The common law legal system, Protestant traditions and British colonial rule were found to be correlated with lower corruption (Treisman, 2000). By contrast, Goel and Nelson (2011) found no correlation between levels of Protestantism and perceived corruption. National cultural values such as a lower propensity to accept hierarchy, a higher level of individualism, more equal distribution of power in society, and a higher propensity to form general rather than particular relationships are all correlated with lower perceptions of corruption (Hofstede, 1980, 1997, 2001; Trompenaars & Hampden-Turner, 1997; Yeganeh, 2014). In this context, Collier (2002), Huberts (2010), Jancsics (2014) and Yeganeh (2014) all note that corruption is a culturally defined phenomenon.

### 2.7.3 Criticism of Correlation 'Theories'

de Graaf (2007) identified that a major limitation of correlation 'theories' is the common problem of attributing causality based on correlation, without establishing the nature of the alleged causal link between the variable(s) and corruption. de Graaf (2007) also identified that these 'theories' do not study the specifics of individual cases of actual corruption, and so do not provide a strong link between the proposed variables and the actual facts of corruption cases.

Goel and Nelson (1998), Karahan et al. (2006), and Fisman and Gatti (2002) carried out empirical analyses of the number of public officials convicted of corruption or improper use of office in various US states. Their research was based on the assumption that high rates of conviction indicate high rates of actual corruption.

However, as Lambsdorff (2006) pointed out, high rates of conviction may not reflect actual levels of corruption.

Correlation 'theories' usually lead to an approach to corruption control that focuses on the relevant correlated variables rather than any explicit theory-based approach. This leads to a patchwork of prescriptions that might potentially address factors contributing to corrupt behaviour, bearing in mind that correlation does not equal causation (de Graaf, 2007). In addition, as can be observed from the examples cited above, the findings from correlation studies are often in conflict with each other and are often conducted along discipline-based lines, further contributing to confusion about ways to understand and explain corruption.

### 2.7.4 Summary – Correlation 'Theories'

Correlation 'theories' attempt to identify correlations between variables and corruption, although this does not equate to causality between them. The correlated variables may be factors at the individual, organisational or institutional levels. The findings of correlation studies often contradict other correlation studies, and it can be difficult to reconcile the different levels of the factors analysed, as well as of the different epistemological and ontological assumptions of the various studies. For these reasons, correlation 'theories' have been excluded from the revised theoretical framework adopted for this study.

The next section reviews literature which considers multiple factors in explanations of corruption.

### 2.8 LITERATURE DRAWING ON FACTORS FROM MULTIPLE THEORIES/LEVELS

This literature review has so far considered the extensive body of foundational, largely discipline-based research into the phenomenon of corruption. Researchers working with the particular theories and concepts of their disciplines have explored various aspects of the phenomenon of corruption. However, this research effort has not always seriously considered the contribution of scholars working from other disciplines. For example, Hacking (2000) observed that "public scientists shout at sociologists, who shout back" (p. vii); and Gans-Morse et al. (2018) noted the existence of disciplinary silos, with "economists writing primarily to economists; political scientists to political scientists; sociologists to sociologists; and

anthropologists to anthropologists" (p. 172). Huberts (2010) further added that there is also "primarily a matter of disagreement between scholars and practitioners" (p. 147). These debates have resulted in a profusion of partly intersecting and sometimes contradictory and incompatible concepts, models, theories and findings in corruption research (Ashforth et al., 2008; Bautista-Beauchesne & Garzon, 2019; Collier, 2002; de Graaf, 2007; Huberts, 2010; Prasad et al., 2019). This has left key concepts unsettled (Vaughan, 1999) and resulted in multiple, contested paradigms being used for researching the phenomenon (Kuhn, 1970a; Masterman, 1970; Urry, 1973; Wray, 2011) of corruption.

More recently, an increasing body of research has emerged that seeks to break away from using only single discipline-based theoretical approaches, and instead considers multiple factors in order to better analyse the complex phenomenon of corruption. For example, Huberts (1998) noted that "a conglomerate of causal factors was important to explaining cases of public corruption and fraud" (p. 214); Villeneuve et al. (2019) expressed the view that "scholars can primarily benefit by thinking about anti-corruption efforts outside of disciplinary silos" (p. 22); and Collier (2002) lamented the lack of "a true interdisciplinary theory of the causes of corruption" (p.2).

The next sections review literature which considers corruption too complex to be adequately explained by single factor theory approaches, and instead attempts to explain it by drawing on theories and concepts from multiple disciplines or levels of analysis. The immediately following section reviews literature that considers corruption can be explained by both individual and organisational factors.

### 2.8.1 Literature Considering Both Individual and Organisational Factors

Many researchers have identified that corruption can be more fully explained by considering both individual and organisational factors. For example, the workplace deviance model proposed by Robinson and Bennett (1995) discussed in Section 2.3.2 above was significant because it suggested that some relevant explanatory factors for workplace deviance were individual, whilst others were organisational, thus providing a link between individual factors (bad apples theories discussed in Section 2.3 above) and organisational factors (bad barrels/orchards theories discussed in Section 2.4 above) for explaining corrupt behaviour. Similar arguments were made by Palmer (2013) who identified that wrongdoing may be regarded as normal and prevalent behaviour carried out by otherwise morally upstanding individuals within an

organisational culture and structure that supports this behaviour; and by Brief et al. (2014), who examined a number of instances of organisationally sanctioned corporate corruption in the USA. Others to reach a similar conclusion - that individual factors alone cannot explain negative workplace deviance - include Ferrell and Gresham (1985), Hunt and Vitell (1986, 2006), Sims (1992a, 1992b), Skarlicki et al. (1999), Greenberg (2002), Sims and Brinkmann (2002, 2003), Henle (2005), and Appelbaum and Shapiro (2006), who all favour an approach considering both individual factors and situational or organisational factors.

Empirical studies by Robinson and Greenberg (1998) and Treviño and Youngblood (1990) made findings that more accurate predictions of unethical behaviour could be made by considering individual factors concurrently with the influence of the group, the situation and/or the organisation on the individual. More recently, Kish-Gephart et al. (2010) in a meta-analysis of 136 studies of corruption published over a 30 year period, Gottschalk (2012a), in a qualitative content analysis of reports about 255 white-collar criminals in Norwegian newspapers, and Gorsira, Steg, et al. (2018), in a questionnaire study of respondents from the public (n=234) and private sectors (n=289) in the Netherlands, all noted that both individual (ERCT, bad apple) and organisational (bad barrel/bad orchards) factors may be involved in corrupt behaviour. The study by Gorsira, Steg, et al. (2018) investigated why corruption was more prevalent in some organisations than in others, and why some people behaved corruptly when their co-workers did not, in the specific context of bribery of public officials by business employees. Gorsira, Steg, et al. (2018) identified one explanation for differences in the propensity to be corrupt as the interplay between organisational factors and individual motives. They also found that a strong ethical climate (Victor & Cullen, 1988) could mitigate against employees engaging in corruption because an organisation's ethical climate could shape the personal and social norms on corruption held by its employees.

### *Person-Situation (Interactionist) Literature*

Person-situation explanations recognise that given corruption is so widespread in organisations, it is unlikely that all corrupt individuals would share the same personal characteristics (bad apples) that predispose them to corruption. It is therefore more likely that they share some workplace situational characteristics that are favourable to corruption (Campbell & Göritz, 2014; Felson & Clarke, 1998). For

example, Higgins et al. (1984) identified the fact that unethical behaviour could not be explained only by individual characteristics, but rather resulted from the interaction between an individual's personal characteristics and the organisational situation or social context. Trepte (2019), in relation specifically to corruption in public sector procurement, also noted the probable involvement of both individual and organisational factors in cases of corruption.

A leading researcher in this area, Treviño (1986) proposed an interactionist approach which recognised that situational (organisational) factors may interact with an individual's unique qualities in ways that result in corrupt behaviour and unethical decision making. Treviño (1986) noted that an individual's own moral standards were not the only determinant of their ethical decisions, and predicted that susceptibility to unethical behaviour was likely to be highest amongst those who look to the group for a moral definition of the situation they face. A survey conducted by Robinson and O'Leary-Kelly (1998) involving 187 employees from a range of private sector companies also found clear links between the antisocial behaviour of individuals and that of their work group, such that "groups with stronger antisocial climates appeared to have greater ability to influence individual members' antisocial actions" (p.667); and this influence increased the longer an individual spent in the group.

The concept that a group may have significant impact on an individual's thoughts and actions is familiar from the work of Janis (1982) and others on *groupthink*. Groupthink refers to a "deterioration of mental efficiency, reality testing and moral judgement that results from in-group pressures" (Janis, 1982, p. 9). Sims (1992b) concluded that groupthink was a precursor to unethical behaviour in a number of American organisations, because some people knowingly behaved unethically, or ignored unethical behaviour even when they were aware of it, as a result of the influence of the work group. Sims (1992b) identified the impact of organisational culture (see Section 2.4.2 above) as a crucial factor acting on the work groups and individuals in these organisations. The impact of groupthink was well illustrated in a case study authored by Vaughan (1996) which describes the launch decision that resulted in the 1986 US Space Shuttle Challenger disaster as resulting from situational and organisational pressures affecting NASA employees and contractors to the space shuttle program. Groupthink operates by diffusing responsibility for the consequences

of unethical behaviour away from the individual, thus making unethical behaviour more likely to occur (Sims & Brinkmann, 2002, 2003).

Person-situation explanations may therefore offer a link between individual factors (bad apples) and organisational factors (bad barrels/orchards explanations) by recognising that corruption can arise as a result of the interplay between the two. Person-situation explanations recognise this complexity – it is "not only bad people but also bad situations that promote corrupt actions by good people" (Feldman, 2017, p. 88).

This section has reviewed literature that seeks to explain corruption as a result of both individual and organisational factors. The next section reviews literature addressing both individual and institutional factors.

### 2.8.2 Literature Considering Both Individual and Institutional Factors

Some scholars have advanced explanations of corruption that rely on both individual and institutional factors. For example, some influential criminologists have long considered both individual and societal (institutional) factors to be relevant to criminal activity, particularly to white-collar crime (Bandura, 1986, 2006; Cohen & Felson, 1979; Cressey, 1986; Sutherland & Cressey, 1978; Sutherland, 1983). More recently, Heath (2008) observed that if white-collar crime results from individual factors only, one would expect to find it randomly distributed, whereas white-collar crime tends to concentrate and persist in certain occupational (institutional) fields (Thornton & Ocasio, 2008), suggesting the involvement of institutions. Others to incline to the view that it is necessary to consider both individual and social (institutional) factors include Morales et al. (2014), Sampson et al. (2010), and Graycar and Jancsics (2017). In relation to policing, Tiffen (2004) observed that systemic police corruption in NSW had progressed beyond individual bad apples to become institutionalised corruption. Punch (2003) reported on a case of "institutionalized racism" (p. 173) in the UK police, where "individuals had failed, but so had the *system* [italics original); and…exposed the institutionalized shortcomings of the Metropolitan Police" (p. 173).

In relation to health care, Sommersguter-Reichmann et al. (2018) noted the relevance of both individual and institutional factors in their study of corruption in health care settings in Europe and the USA. The corruption included actions such as

physicians employed by public hospitals also practicing privately, informal payments being requested and/or accepted for faster or better quality care, and corruption in the medical procurement supply chain. Unclear institutional expectations that were exploited by corrupt individuals were identified in this study as resulting in corruption in health care in the European Union and former Eastern bloc countries. Prasad et al. (2019), using data derived from a meta-analysis of 260 empirical studies in mainly developing economies, argued that the main strategies for combatting corruption should recognise individual and societal (institutional) factors, and emphasised the impact of kinship and ethnic group obligations on corrupt behaviour in the public sector.

### *Collective Action Theories*

Collective action theories of corruption have emerged relatively recently in the literature. Persson et al. (2013) have suggested that in countries where there is a systemic, institutional spread of corruption, and where most people participate in corrupt behaviour, individuals may conclude that they should also act corruptly because this is the expected behaviour (collective action). Bauhr (2017) and Marquette and Peiffer (2018) have suggested that sometimes people participate in corruption because that is the only realistic way to resolve problems in their everyday lives. Ledeneva (2018) noted that when widespread corrupt practices are the societal norm, the concept of corruption "becomes unusable" (p. 425); and Gans-Morse et al. (2018) argued that widespread corruption in these circumstances is not a deviation from social order, but represents an alternative social order. Similar observations have been made by de Sardan (1999), Smith (2007, 2008), Mungiu-Pippidi (2015), Bauhr (2017), Trepte (2019), and Prasad et al. (2019).

Marquette and Peiffer (2018) subsequently suggested that insights about corruption derived from collective action theory are complemented by also considering insights from individual factor theories (ERCT). They proposed that corruption may in fact be useful because it solves real world problems for individuals. Persson et al. (2019) countered by recognising that whilst corruption may solve individuals' problems in the short term, it does not address the collective action aspects associated with institutional, entrenched, systemic corruption that encourage individuals to more corrupt behaviour, particularly in developing countries. Persson et al. (2019) also re-emphasised the co-existence of individual and institutional factors in many instances

of corruption. Johnston (2005) considered the links between individual corrupt behaviours and institutional factors, including politics, social trust, strength of civil society, and level of economic development, in his four segment typology of corruption (influence market, elite cartel, oligarch and clan, official mogul) according to the country where it occurred. Jancsics (2019) added collective action theories to the five key theories, plus correlation 'theories' initially expounded by de Graaf (2007).

This section has reviewed literature that seeks to explain corruption as a result of both individual and institutional factors. The next section reviews literature addressing both organisational and institutional factors.

### 2.8.3 Literature Considering Both Organisational and Institutional Factors

Some scholars consider that corruption may be more effectively explained by considering both organisational and institutional factors. For example, Adams and Balfour (2013) have argued that both the organisational and societal (institutional) context were relevant to understanding corruption in the US government not-for-profit and business sectors, and de Vries and Sobis (2016) similarly argued that both organisational and contextual (institutional) factors were relevant in understanding corruption as a phenomenon. Collier (2002) undertook a study involving statistical analysis of data from the Transparency International Corruption Perception Index for 1997-1998 (Transparency International, 2021a) which covered 85 countries, using an institutional choice framework. He found that institutional (social) factors such as culture inevitably had impact on the organisations that comprise the society. Gioia (2003) suggested that societies could be described as societies of organisations rather than societies of individuals, and thus because organisations possess significant power in society, they could, and do, influence the direction taken by society, including values and creating the context for corruption. Brass et al. (1998) and Zey-Ferrell et al. (1979) suggested using elements of professional practice (institutional factor) and organisational culture (organisational factor) to apply pressure that moderates individual factors that could predispose an individual towards corrupt behaviour.

This section has reviewed literature that seeks to explain corruption as a result of both organisational and institutional factors. The next section reviews literature which addresses all individual, organisational and institutional factors.

### 2.8.4 Literature Considering Individual, Organisational and Institutional Factors

Several scholars have proposed that a better understanding of corruption will come from considering all of the individual, organisational and institutional factors which may explain corrupt behaviour. For example, in their exploratory case study which examined 10 cases of public sector corruption in the Netherlands, de Graaf and Huberts (2008) suggested that effective study of corruption should consider "individuals within their culture [institution] and organization" (p. 641). They pointed to the value of qualitative case study, the approach taken by this study, as a method for paying attention to the contribution of factors from all three levels in understanding and explaining corruption. Huberts and de Graaf (2014) similarly identified the importance and interrelatedness of individual, work group, organisational, political, economic and social factors in understanding corruption.

Huberts (1998) had earlier conducted an expert panel survey about factors contributing to corruption with 257 respondents from both higher income (190 experts) and lower income (67 experts) countries. The experts were invited to indicate the importance of a range of social, economic and political (institutional) factors, organisational factors, and individual factors that might potentially contribute to corruption. The study found that all three levels were relevant to understanding and explaining corruption in the countries participating in the survey. In his later work, Huberts (2010) continued to favour a "multi-level" (p.146) approach to understanding the phenomenon of corruption and noted that corrupt behaviour could be the result of a "multitude of factors on different levels" (p. 160).

A study by de Vries (2002) analysed survey responses to questions about honesty and ethics in local government collected from 9,993 respondents (politicians, senior government administrators) in 373 local government organisations in 17 countries from Europe and Asia. This study observed that individual, organisational, and cultural (institutional) factors were all involved in corruption; but for this context, organisational and cultural (institutional) factors were more significant than individual (personality trait) factors.

In relation to police corruption, Punch (2003) observed that corruption could "become *systemic* [italics original] – in some way encouraged and perhaps even protected by certain elements in the system" (p. 172). The system, as described by

Punch, included police organisations and the wider political, cultural and economic institutions of society, along with the individuals who worked within those entities. Punch observed that police reform may be necessary at many levels and suggested consideration of "societal, institutional, organizational, senior leadership…front-line supervision and everyday working practices" (p. 194).

Jancsics (2014) similarly demonstrated that individual, organisational and societal (institutional) factors may all have a role in explaining corruption, and proposed an interdisciplinary approach, drawing concepts from a wide range of academic disciplines. He focused on horizontal and vertical networks (discussed in Section 2.5.4 above), which work at all three levels, as his preferred multi-factor approach to explaining corruption. de Vries and Sobis (2016) suggested that understanding of corruption could be enhanced by considering theories drawing on all three levels, focusing on the value of transparency as a mechanism for explaining and lessening corruption. Gans-Morse et al. (2018) emphasised the fact that corruption is a problem with both systemic (organisational and institutional) and individual aspects. Jancsics (2019) developed a resource-transfer typology of corruption, which acknowledges the role of individual factors but also places strong emphasis on the impact of organisational and social (institutional) factors. A case study conducted by Bayley and Egle (2021) of ethical leadership practices in connection with infrastructure procurement processes for the 2018 Winter Olympic Games also noted the impact of individual (personal leadership style), organisational (corporate sponsors, global sporting bodies), and institutional (cultural, friends and family) factors on corruption in the construction program.

Recent research by Berggren and Karabag (2019) has also identified individual, organisational, and institutional factors as being involved in medical and scientific misconduct in research activities at a prestigious Swedish teaching institution. They framed this behaviour, which resulted in the death of several patients, as an example of competing institutional logics which led an individual to engage in serious academic and professional misconduct within an organisational culture that did not openly address such misconduct. Indeed, they noted the pressure applied to the institution to cover up the individual's misconduct in order to protect and maintain the otherwise stellar reputation of the institution, so that it might continue to secure funding and be

able to perform future life-saving procedures for patients. This is an example of a 'for the greater good' argument.

### 2.8.5 Summary – Explanations Drawing on Factors from Multiple Levels

This section has reviewed the growing body of literature that draws upon factors from multiple levels to explain corruption. Some of this literature proposes that corruption can be better understood and explained by considering factors from two of the levels together, such as the individual and organisational, the individual and institutional, or the organisational and institutional. Additionally, a substantial number of scholars have suggested that a more comprehensive understanding of corruption could be attained by considering explanations that draw on factors from all three levels, individual, organisational, institutional. Appendix B provides a summary table of the multiple factor literature reviewed in this section. The next section examines the implications of this literature review.

### 2.9    IMPLICATIONS OF THE LITERATURE REVIEW

This literature review has revealed a significant body of foundational research, which is frequently discipline-based, into the primary phenomenon of corruption. Some more recent literature has broken away from the single-discipline approach to consider a broader range of factors and theories that might hold explanatory power when investigating corruption.

The next sections identify two key themes that have emerged from the literature review. These are that there is no single agreed theoretical basis for the study of corruption, and that the theoretical basis used to understand corruption matters because it can help to determine which anti-corruption activities may be successful.

### 2.9.1 No Single Agreed Theory Basis for the Study of Corruption

The literature reviewed in Sections 2.2 to 2.7 above has demonstrated that foundational research into corruption has usually been supported by the discipline-based theories familiar to the scholars undertaking the research. These have included theories from a wide range of academic disciplines, such as economics, behavioural economics, criminology, psychology, social psychology, moral philosophy, organisational behaviour, political science, public administration, anthropology, and sociology.

The end result of the substantial research effort outlined in the literature review is that there are as yet no universally and clearly agreed cross-disciplinary theories or paradigms for explaining the primary phenomenon of corruption (Ashforth et al., 2008; de Graaf, 2007; Huberts, 1998, 2010; Jancsics, 2014), let alone in relation to the specific context of public sector procurement corruption (Bautista-Beauchesne & Garzon, 2019; de Graaf & Huberts, 2008; Trepte, 2019; Villeneuve et al., 2019). Each discipline "uses its own paradigm to argue in that paradigm's defence" (Kuhn, 1970a, p. 10). Also, paradigm maturity requires the presence of all the elements of a paradigm – exemplar, theory and context (Eckberg & Hill, 1979; Masterman, 1970), which do not yet appear to be present in relation to the study of corruption. There are very few exemplars in the literature because of the paucity of contextual research, particularly in relation to corruption in public sector procurement processes. There is also little agreement at the theoretical level, or at the contextual, conceptual and assumptions-based level, because the current discipline-based approach tends to fragment the research effort along discipline-based lines. Additionally, an implication from the literature reviewed in Section 2.8 above is that a more comprehensive understanding of corruption may be achieved by considering multiple theoretical perspectives for the study of corruption.

This study will therefore contribute to the progression of theory through theory testing, by undertaking an examination of the rival explanations offered by the different discipline-based theories currently used to study the phenomenon, in the specific context of procurement processes within the NSW public sector. This will involve examining the explanatory power of rival theories against exemplar cases, to contribute to a more coherent and comprehensive understanding of corruption by showing how, and in which context(s), rival theories can either individually or collectively explain corrupt behaviour.

The study will also contribute by providing an exemplar of corruption in public sector procurement processes. Exemplars may be thought of as analogies that allow the application, interpretation or rejection of theories and concepts in a range of contexts, stimulated by the example (Eckberg & Hill, 1979; Kuhn, 1970b; Musgrave, 1971). Exemplars also provide a mechanism for gaining theoretical insight as a result of examining experiences against theories (Dyer & Wilkins, 1991; Eckberg & Hill, 1979); they therefore have particular significance as rival theories seeking to explain

a phenomenon can be compared on the basis of their "demonstrated ability to set up and solve puzzles" (Kuhn, 1970b, p. 205).

The next section examines literature in relation to the link between the theoretical base used to explain corruption and the effectiveness of anti-corruption activities.

### 2.9.2 Theory Base and Anti-Corruption Activities are Linked

The literature reviewed for this chapter has revealed that some researchers have suggested that anti-corruption activities have failed, whilst others have suggested they are succeeding. Amongst those who suggest that anti-corruption efforts are failing, Ledeneva et al. (2017) mentioned "the disappointing outcomes of anti-corruption interventions" (p. 1); Persson et al. (2019) observed "the overall failure of contemporary anticorruption efforts to actually fight corruption" (p. 800); and Trepte (2019) has reported that "there is little or no evidence that any of the measures adopted in the anti-corruption crusade have reduced corruption' (p. 168). Those who have specifically identified the complexity of corruption as part of the problem for anti-corruption efforts include Mungiu-Pippidi (2015), who noted that "anticorruption efforts cannot be effective unless they are contextual" (p. 129); Heywood (2017), who stated that "most anti-corruption efforts are bound to fail unless we can find more effective ways of unpacking the problem [of corruption]" (p. 28); Villeneuve et al. (2019), who suggested that the failure was because practitioners did not know how to effectively apply anti-corruption tools to a particular corruption context; and Jancsics (2019), who concluded that anti-corruption efforts were not effective because the conceptualisation of corruption is poor.

Dorn et al. (2008) concluded that the European Procurement Rules do not, and cannot, cover all the possible opportunities for corruption - and so do not prevent corruption. Further, a statistical study of 87 countries by Mungiu-Pippidi and Dadasov (2017) observed that increased anti-corruption regulatory activity, such as anti-corruption legislation and anti-corruption agencies, did not result in significant reduction in corruption risks in many countries. Gans-Morse et al. (2018) conducted a meta-analysis of 260 qualitative, quantitative, experimental and ethnographic peer-reviewed studies that investigated reducing bureaucratic corruption, and identified, similarly to Mungiu-Pippidi and Dadasov (2017), that anti-corruption agencies were not generally effective in reducing corruption.

Others, however, have suggested that anti-corruption activities do lessen corruption, although these scholars have primarily only studied interventions from an ERCT perspective. For example, Di Tella and Schargrodsky (2003) conducted a study of wage impact on corruption in procurement processes in public hospitals in Argentina which validated the ERCT propositions previously advanced by Becker and Stigler (1974): that higher wages and monitoring of staff deterred corruption. Armantier and Boly (2011) conducted an experimental field study in Burkina Faso that similarly concluded that high wages, monitoring and punishment (ERCT prevention) could deter corruption (bribes) in exam paper marking. They also noted that doubling the bribe increased the likelihood of acceptance, also as predicted by ERCT.

Amongst those who have identified successful non-ERCT anti-corruption activities, Quah (2006) linked success in corruption prevention (refusal of bribes) in the Singapore police force with improvements in salary and working conditions (ERCT), also detailing the influence of some organisational factors, such as recruitment, training, and the socialisation of members. Oyamada (2015) observed that anti-corruption measures in Japan emphasising organisational factors such as ethics education and institutional factors such as the promotion of government transparency and accountability have been effective in decreasing opportunities for corruption in public sector procurement processes. In their meta-analysis, Gans-Morse et al. (2018) observed that there was evidence supporting the effectiveness of some monitoring activities including "anti-corruption audits and e-governance" (p. 173), increased penalties for corrupt behaviour and corruption crack-downs (ERCT recommendations); and organisational restructures, staff rotation, whistlebower protections, and educational campaigns (organisational factors). However, they note that these measures currently lack rigorous empirical support.

These contrasting perspectives on the effectiveness of anti-corruption activities highlight a further important implication of this literature review, which is that the theory base used to understand and explain corruption is linked to the type of anti-corruption activities that are selected and whether these will be seen as successful in controlling corrupt behaviour. This implication was identified by de Graaf (2007), who observed that "the theoretical model chosen determines, for a large part, the direction of the proposed solutions. Different causal chains lead to different discourses on corruption prevention and corruption control" (p.76). Further emphasising the

important role of theory in detecting and preventing corruption, Marquette and Peiffer (2018) suggested that the failure of anti-corruption efforts "lies in the inappropriate theoretical foundations that underscore [their] design" (p. 500), observing that there are no universally applicable anti-corruption approaches. Villeneuve et al. (2019) similarly noted the need to link anti-corruption activities to the "characteristics and theoretical understandings" of corruption (p. 2). Jancsics (2019) suggested that "improperly selected anti-corruption strategies that target the wrong type of corruption don't work" (p. 523), and Trepte (2019) criticised "the belief that there is a single solution to a single problem" (p. 168). Jancsics (2019) noted that anti-corruption tools can be effective when aligned with and tailored to address specific forms of corruption.

This section has identified two key implications from the literature review that will be addressed by this study. One of these is that there is no single agreed theory base for research into corruption, with theories and concepts from many disciplines being applied, often within disciplinary silos, in attempts to understand the phenomenon. The other is the link between the theoretical basis used to understand corruption and the selection of effective anti-corruption approaches. The next section proposes making minor modifications to the theory framework of de Graaf (2007) for use in this study.

## 2.10  THE REVISED THEORY FRAMEWORK USED FOR THIS STUDY

As a result of the review of the extensive literature covering the phenomenon of corruption, and of the context proposed for this study, some minor modifications of the initial theory framework developed by de Graaf (2007), originally presented in Figure 1.1 and reproduced overleaf as Figure 2.1 to facilitate comparison, have been proposed. The revised theoretical framework adopted for this study is shown in

Figure 2.2 overleaf. Whilst the categories in this figure are again drawn from de Graaf (2007), he diagram itself is original. Modifications of the de Graaf (2007) framework include the separation of bad barrels and bad orchards theories under organisational factor theories to provide more breadth for examining the literature in this area; the representation of the ethos of public administration theories, as a specific example of a clash of moral values theories; and the removal of the correlation 'theories'.

**Theories for Explaining Corrupt Behaviour**
**(based on De Graaf (2007))**

| | | | |
|---|---|---|---|
| Economic Rational Choice | Bad Apples | Organisational Culture | Clash of Moral Values / Ethos of Public Admin | Correlation "theories" |
| Examines Individual Factors | Examines Organisational Factors | Examines Institutional Factors | Examines Correlated Variables |
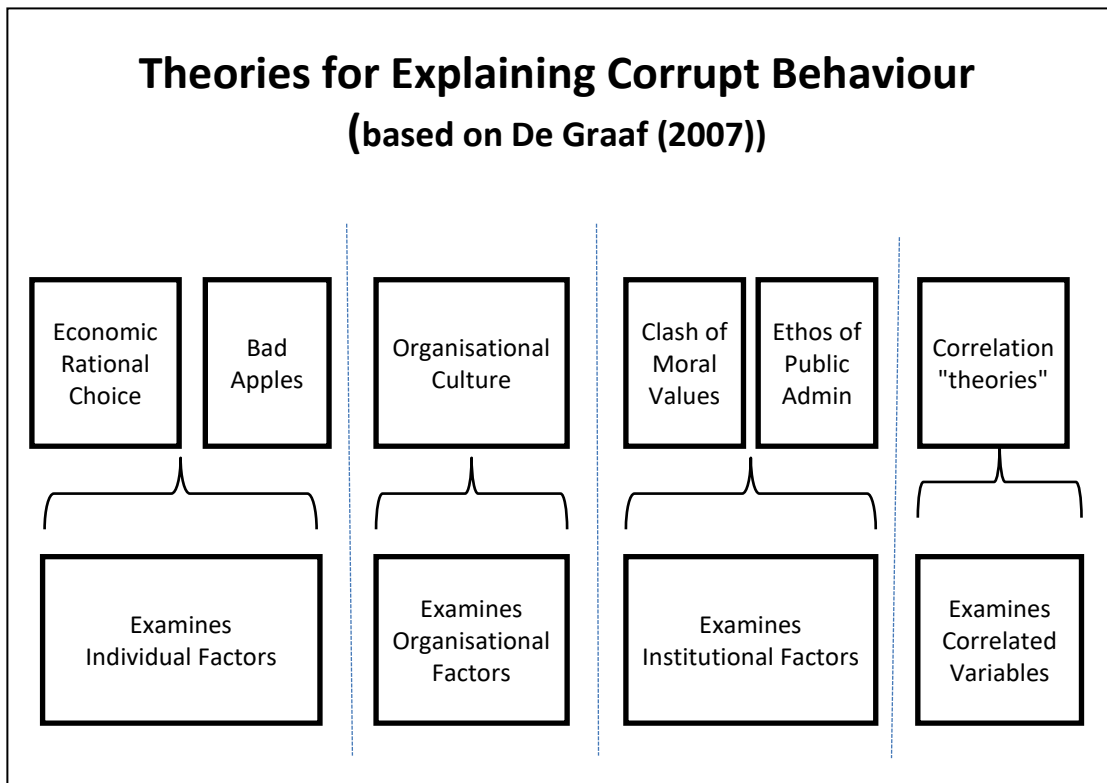
*Figure 2.1.* Theories for explaining corrupt behaviour (based on de Graaf, 2007).



**Revised Theoretical Framework**
**for Understanding Corrupt Behaviour**
**(modified from De Graaf (2007))**

Individual factors          Organisational factors          Institutional factors

Economic Rational Choice | Bad Apples | Bad Barrels *(separated out)* | Bad Orchards *(separated out)* | Clash of Moral Values — Ethos of Public Admin *(moved)*
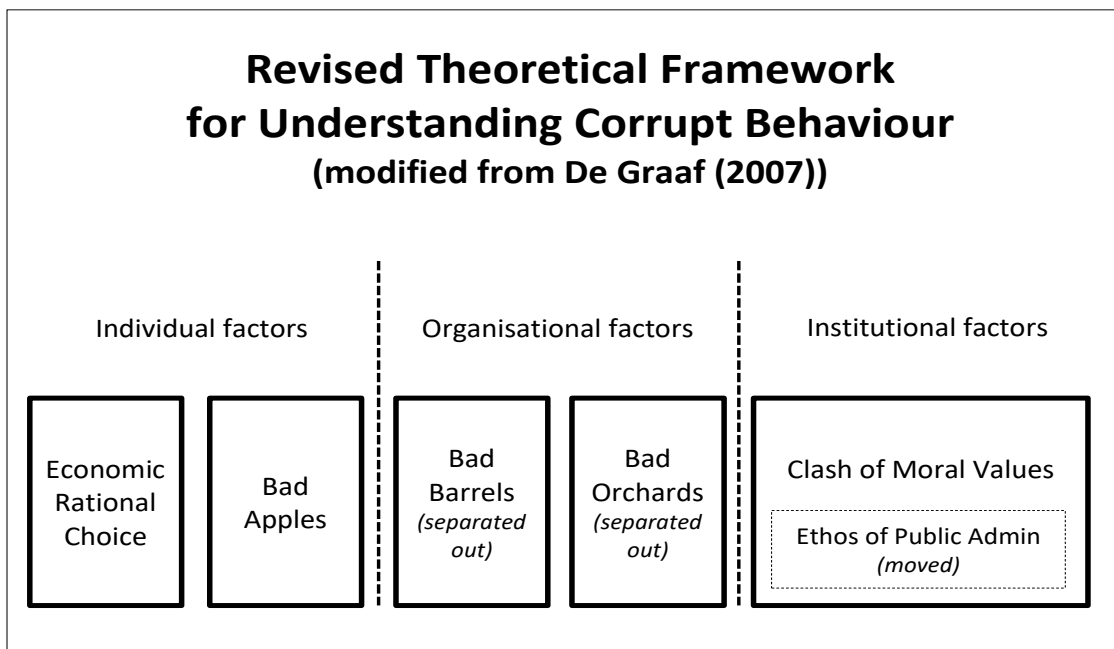
*Figure 2.2.* Revised theoretical framework used for this study.

Although the correlation 'theories' have been included in the literature review in this chapter, they were not included in either the revised theoretical framework or in the qualitative thematic content analysis of instances of public sector procurement corruption undertaken for this study. This is because correlation 'theories' predominantly provide statistical, reactive description (de Graaf, 2007) that explains what happened; but do not focus on why the corruption occurred. Correlation 'theories' thus do not illuminate explanations of corrupt behaviour, which is the focus of this study.

Additionally, the recent emergence of an additional theory for explaining corruption, collective action theory, has been noted by Jancsics (2019). Literature relating to collective action theory has been included in Section 2.8.2 of this literature review for completeness, but was not included in Figure 2.2 above, and thus was not used in this study because collective action theory has predominantly applied to developing economies, which were not the context for this study.

Using this revised theoretical framework allowed specific incidences of corruption to be examined and analysed through multiple theoretical lenses to identify potential explanations for an incident. This made the revised theoretical framework useful as a mechanism for categorising, reviewing, and developing understanding of the explanations offered by participants in the cases via the application of multiple theories. The revised framework also recognises that each of the theories prioritises explanatory and contributory factors for corruption at different levels - individual, organisational, or institutional. The revised framework was subsequently synthesised and operationalised to form the basis of the qualitative thematic content analysis, as explained in Chapter 3, that was used to analyse and report the data in Chapter 4.

The next section provides a chapter summary that identifies the key themes that emerged from the literature reviewed.

## 2.11 CHAPTER SUMMARY

There is currently very little specific research on corruption in the context of public sector procurement, despite considerable evidence that it is a complex problem that leads to both financial and non-financial costs globally. There is, however, a substantial body of research into general corruption, including manifestations such as fraud, misconduct, unethical behaviour, and workplace deviance, in a range of settings,

including both public sector entities and private organisations. This literature can serve as a guide to the identification of the types of issues that may be relevant to corruption in public sector procurement processes; but to be really useful in this context, the research needs to be more specifically focused on corruption in this context. de Graaf (2007), de Graaf and Huberts (2008), Jancsics (2014, 2019) and Trepte (2019) have all called for more research into specific contexts of public sector corruption.

A further theme which emerged from the literature review is that research into corruption comes from a wide range of disciplines, and, understandably, uses the methodologies, language, concepts and theories of those disciplines to analyse and explain corruption. This has led to a profusion of competing and overlapping theoretical explanations of the concept (Ashforth et al., 2008). More recent research is beginning to address this issue by promoting theoretical explanations that consider factors, and thus theories, from multiple disciplines and at multiple levels – individual, organisational and institutional. This literature has initiated a debate that suggests that corruption is most probably a complex, trans-disciplinary phenomenon which may not be adequately explained by a single, discipline-based, theoretical approach. The literature review has also revealed that there is a relatively small amount of case study research into actual examples of corruption in public sector procurement processes (exemplars).

Taken together, the lack of an agreed theoretical framework, the lack of exemplars, and the lack of context-based research suggests that the study of corruption has operated in silos (Bautista-Beauchesne & Garzon, 2019; Gans-Morse et al., 2018). To attempt to address this issue, researchers, including Collier (2002), de Graaf (2007), Huberts (2010), Jancsics (2014, 2019), Heywood (2017), Ledeneva et al. (2017) and Villeneuve et al. (2019) have called for the development of a more comprehensive theoretical framework for approaching research on corruption, and for more contextual research.

The literature review has in fact highlighted the need for and the challenge of synthesising in some meaningful manner the research output from the wide and sometimes conflicting variety of theories and paradigms currently used to conceptualise and explain corruption. Thus the research questions for this study aim to develop understanding of corruption in the specific context of NSW public sector procurement processes, and to consider which of the current theories - taken alone or

collectively - are reflected in explanations of corruption in the context of procurement processes in the NSW public sector.

The next chapter presents the methodology for this study.

# Chapter 3: Methodology

*"A research design needs to answer three basic questions. WHAT will be studied? WHY will it be studied? HOW will it be studied?"* (Blaikie, 2009, p. 41).

## 3.1   INTRODUCTION

In answer to the 'what' question posed by Blaikie (2009) above, this study has examined which (if any) of the competing theories discussed in Chapter 2, taken individually or collectively, possessed explanatory power (Yin, 2018) for the primary phenomenon of corruption in the context of procurement processes in the NSW public sector.

In answer to the 'why' question posed by Blaikie (2009), the research problem for this study was presented in Section 1.4 in Chapter 1. Stated simply, the identified problem is that there are many competing and overlapping discipline-based theoretical explanations of the primary phenomenon of corruption (de Graaf, 2007; Huberts, 2010; Jancsics, 2014, 2019). The literature reviewed in Chapter 2 identified a paucity of literature investigating corruption in the specific context of public sector procurement in developed countries. This literature gap has resulted in very few exemplar cases for this context (de Graaf, 2007; de Graaf & Huberts, 2008; Jancsics, 2014; Trepte, 2019), in turn leading to an incomplete understanding of the primary phenomenon of corruption. This literature gap is significant because, as demonstrated in Chapter 1, corruption in public sector procurement is a serious problem in developed countries, with both financial and non-financial consequences.

This chapter now addresses the third question raised by Blaikie (2009) by explaining 'how' this study examined the phenomenon of corruption in procurement processes in the NSW public sector. The study aimed to use theoretical triangulation to illuminate current understanding of the phenomenon of corruption, by showing how, and for which case characteristics, different theoretical explanations could either individually or collectively explain corrupt behaviour in this context.

Section 3.2 describes and justifies the selection of a qualitative case study approach for this study. This section also discusses the use of qualitative case study in

theory validation. It explains the rationale for selecting multiple cases for the study, and provides details about the process used to select cases so that key concepts from the Research Questions could be addressed. Finally, it outlines the limitations of the case study approach. Section 3.3 describes the data sources for the study, focusing on the use of public documents as raw data. The data collection, selection and reduction processes are described in Section 3.4. Section 3.5 introduces the Qualitative Thematic Content Analysis (QTCA) process that was used for data analysis in this study. Section 3.6 discusses the ways of ensuring rigour in relation to credibility, transferability, dependability and confirmability (Lincoln & Guba, 1985) that were applied to the study, and Section 3.7 addresses the ethical issues related to use of public documents and protection of the dignity and confidentiality of participants in the study. Finally, Section 3.8 contains the chapter summary.

## 3.2   RESEARCH METHODOLOGY

The choice of methodology is deeply integrated with the subject matter that is being researched (Flick, 2007c; Gorard, 2010; Preissle, 2013).

### 3.2.1 Rationale for Selecting a Qualitative Methodology

Qualitative research is a desirable methodology when it is necessary to make sense of an observed social phenomenon which is not fully accounted for by existing theories (Blaikie, 2009). Based on the literature reviewed in Chapter 2, corruption is such a phenomenon. Additionally, a qualitative research strategy can be used to analyse the relevance of the association between the concept being studied and a theory (Blaikie, 2009; Dyer & Wilkins, 1991; Eisenhardt, 1989, 1991; Eisenhardt & Graebner, 2007; Gill, 1995; Iacono et al., 2011). Again, based on the literature review, it was useful for this study to be able to consider the relationship between the phenomenon of corruption and the many theories seeking to explain it. Further, qualitative research has the capacity to examine how people construct the world, and make sense of and gain rich insight into their own lived experience (Flick, 2007c, p. x). These aspects of qualitative methodology were helpful for this study, which involved analysis of the lived experience of participants using multiple theories in order to develop a clearer understanding of which theories could assist in understanding how corruption in procurement processes in the NSW public sector was explained.

Qualitative research "crosscuts disciplines, fields and subject matter" (Denzin & Lincoln, 2013a, p. 5). It is based on the social construction of the phenomenon under study, and focuses on the perspectives, everyday knowledge and practices of individuals (Flick, 2007b; Zittoun, 2017) and institutions (Zittoun, 2017) as these relate to the issues under study. All these characteristics made a qualitative research approach very suitable for the study of a socially constructed phenomenon such as corruption (Granovetter, 2007).

Many authors have noted that qualitative research provides rich data with thick (contextualised), detailed and complex descriptions of phenomena that lead to better understanding and/or explanation of those phenomena (Blaikie, 2009; Braun & Clarke, 2013; Creswell, 2007; Yin, 2018). Thus a qualitative approach was well-aligned with the purpose of this study, because current competing theoretical explanations have tended to cause confusion rather than to clarify or illuminate the phenomenon of corruption. This study aimed, therefore, to contribute a deeper insight into how alternative theoretical explanations for corruption can complement or deviate from each other, and thus enhance understanding of the phenomenon.

Qualitative research allows for interpretation, respects experience, is situational and personalistic (Stake, 2010); and it considers the voices of participants, particularly those voices that are not frequently heard. It focuses on a small number of sites, looks at how processes unfold over time, creates and contrasts multiple views or perspectives of the phenomenon, and studies sensitive topics (Creswell, 2016). According to Hakim (1987), qualitative research:

> [Provides] richly descriptive reports of individuals' perceptions, attitudes, beliefs, views and feelings, the meanings and interpretations given to events and things, as well as their behaviour; displays how these are put together, more or less coherently and consciously, into frameworks which make sense of their experiences; and illuminates the motivations which connect attitudes and behaviour, or how conflicting attitudes and motivations are resolved in particular choices made. (p. 26).

### 3.2.2 Rationale for Qualitative Case Study Approach

This study adopted a qualitative case study approach using a single context with several illustrative cases (Yin, 2018). A case study provides a detailed analysis of a single entity (McMillan & Schumacher, 2010), with the intention of illuminating or

explaining a construct (Dyer & Wilkins, 1991) or phenomenon (Blaikie, 2009; Yin, 2015, 2018) by showing how it operates in a particular real-world context (Yin, 2015, 2018). The entity in this study was the NSW public sector, the phenomenon was corruption, and the real world-context was procurement processes.

Case study involves exploring an issue through one or more cases, within a bounded context, with cases selected to illustrate a range of relevant issues (Creswell, 2007; Stake, 1995). The bounded context of a case refers to it being unique according to time, place or participant characteristics (McMillan & Schumacher, 2010). The phenomenon being studied is not separated from its context, but is studied in relation to it (Johnston et al., 1999). Case study is thus founded on a meaningful explanation and understanding of context and other complex aspects of the phenomenon (Creswell, 2007; Stake, 1995; Yin, 2012). Finally, case studies are widely used in several disciplines with an interest in understanding corruption, including psychology, sociology, political science, business, public administration, economics (Yin, 2018) and education (Berg & Lune, 2012; Hittleman & Simon, 2006; Merriam, 1988; Merriam & Tisdell, 2015). Therefore, adopting a qualitative case study approach for this study was consistent with the usual research practices adopted in the study of corruption.

### 3.2.3 The Role of Theory in this Study

A theory is "a conceptual model or understanding of some phenomenon…that not only describes, but explains, that phenomenon" (Maxwell & Chmiel, 2013b, p. 21) and "situates qualitative research clearly within the scholarly conversation" (Mertz & Anfara, 2015, p. 228). Theory may be central (Bradbury-Jones et al., 2014; Mertz & Anfara, 2015) or peripheral (Bradbury-Jones et al., 2014) to the study of a phenomenon, and may provide a comparative context and/or an organisational structure for analysing and interpreting qualitative data (Bradbury-Jones et al., 2014; Mertz & Anfara, 2015; Meyer & Ward, 2014; Wu & Volker, 2009). Researchers may draw on existing theories to undertake *a priori*, deductive, theory-driven (Bradbury-Jones et al., 2014; Mertz & Anfara, 2015; Meyer & Ward, 2014) qualitative research – sometimes described as "theory first" (Meyer & Ward, 2014, p. 526); or they may build their own grounded theory inductively from the data (Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007; Glaser & Strauss, 2017) – sometimes described as "theory after" (Meyer & Ward, 2014, p. 526).

This study is explicitly theory-driven. It has used the theory-based framework presented in Figure 2.2 as both an organisational structure and a central pillar (Mertz & Anfara, 2015; Wu & Volker, 2009) to examine the way that corruption is understood and explained in the context of procurement processes in the NSW public sector. Theory has been used explicitly (Mertz & Anfara, 2015), in a consistent and highly visible way (Bradbury-Jones et al., 2014), to frame the research questions, organise the literature review, link the phenomenon of corruption to the various theories, provide a framework for data analysis, and for theoretical triangulation. In this way, theory is used to illuminate the phenomenon (Bradbury-Jones et al., 2014; Maxwell & Chmiel, 2013b; Mertz & Anfara, 2015) of corruption.

### *Theoretical Triangulation*

As noted by Hoque et al. (2013), "no single theory can have a monopoly on explanations" (p. 1171) of any phenomenon. Additionally, using an explicitly theory-driven approach to qualitative research can result in aspects of a phenomenon being simultaneously revealed, concealed or distorted, according to the range and emphasis of the chosen theory or theories (Hoque et al., 2013; Mertz & Anfara, 2015). Theoretical triangulation, which involves considering and analysing the case study data concurrently (Hoque et al., 2013) and systematically (Flick, 2007a; Ma & Norwich, 2007) through the lens of multiple theories (Denzin, 1978; Flick, 2007a; Hoque et al., 2013; Mathison, 2005; Rennie et al., 2011), can assist in managing both these challenges associated with theory-driven qualitative research.

Theoretical triangulation aims to eliminate, reduce or offset the limitations of a single theoretical approach (Burau & Andersen, 2014; Denzin, 1978; Ma & Norwich, 2007). Triangulation invites exploration of "competing visions of the context" (Denzin & Lincoln, 2013b, p. 10). Case studies using theoretical triangulation may broaden or deepen understanding of a phenomenon by considering it from multiple perspectives (Burau & Andersen, 2014; Hoque et al., 2013; Jick, 1979; Mertz & Anfara, 2015; van Drie & Dekker, 2013).

Theoretical triangulation also allows for theory comparison, using the same set of data (Flick, 2007a; Ma & Norwich, 2007; Rennie et al., 2011) to ascertain similarities or differences (Flick, 2007a; Hoque et al., 2013; Ma & Norwich, 2007; Rennie et al., 2011) in the power of the theories to explain the phenomenon studied. The comparison of the usefulness of competing theories (Burau & Andersen, 2014;

Flick, 2007a; Jick, 1979) or complementary theories (Burau & Andersen, 2014; Hoque et al., 2013; Rennie et al., 2011; van Drie & Dekker, 2013) in particular contexts may result in theory progression (Burau & Andersen, 2014; Flick, 2007a; Hoque et al., 2013; Jick, 1979). For example, case studies using systematic theoretical triangulation may demonstrate convergence on a particular theoretical understanding or meaning in a specific context (Hoque et al., 2013; Johnston et al., 1999; Mathison, 1988), or they may reveal divergence (Burau & Andersen, 2014; Flick, 2007a; Hoque et al., 2013).

### *Theory Validation (Testing)*

A theory-driven approach such as theory triangulation is useful for theory validation (testing) and progression, particularly when there is a substantial body of prior knowledge and theorising about a phenomenon (Mertz & Anfara, 2015; Meyer & Ward, 2014) from a variety of fields (Mertz & Anfara, 2015), as is the case for the phenomenon of corruption. It can be particularly helpful when validating multiple extant theories (Meyer & Ward, 2014), because all theories are partial and incomplete (Maxwell & Chmiel, 2013a; Mertz & Anfara, 2015), imperfect (Burau & Andersen, 2014) and tentative, and can be modified, evolved or even rejected (Hoque et al., 2013; Wu & Volker, 2009) in the light of empirical evidence.

Theory-driven case studies allow the researcher to "directly confirm or disconfirm theory" (Johnston et al., 1999, p. 204) by ascertaining whether the theory is supported by empirical evidence (Hillebrand et al., 2001; Ma & Norwich, 2007). Case studies designed to draw on existing theories can facilitate theory validation (testing) (Bitektine, 2008; Hillebrand et al., 2001; Iacono et al., 2011; Johnston et al., 1999; Zittoun, 2017) by using the theories to explain the observations of the cases and to question their applicability and their assumptions (Sandberg & Alvesson, 2011) in particular contexts. In this study, theories were used to both explain the case observations and to question the applicability of theories. Case studies may also be used to support inductive grounded theory building from cases (Eisenhardt & Ott, 2017; Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Gill, 1995; Woodside & Wilson, 2003), although theory building was not undertaken for this study.

Multiple case studies also allow cases to be selected for their ability to illustrate the phenomenon being studied (Eisenhardt & Ott, 2017) using a replication logic (Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007; Iacono et al., 2011; Johnston et al., 1999; Yin, 2018). Accordingly, each case in a multiple case study can be

regarded as an individual study, chosen to best illuminate both the theory and the phenomenon (Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007; Johnston et al., 1999). Multiple case studies can also be used for the extension of theories (Cowley et al., 2000; Eisenhardt, 1989; Iacono et al., 2011; Johnston et al., 1999). When combined with detailed descriptions of case characteristics, context and the theories that were applied to the data, theory-driven case studies may also identify relationships or circumstances that have not been addressed by current theories (Dyer & Wilkins, 1991).

Taken together, these characteristics of case studies allow a deductive-inductive cycle of theory validation (testing) from multiple case study data (Cowley et al., 2000; Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007), which contributes to theory progression, and makes qualitative multiple case study a suitable approach to addressing the relevance of the multiple theories seeking to explain corruption in the context chosen for this study. The approach adopted for this study is therefore consistent with that of Bradbury-Jones et al. (2014), Mertz and Anfara (2015), and Wu and Volker (2009), supporting the researcher in considering the explanatory power of each of the multiple theories addressing corruption that formed the theoretical framework for this study.

### 3.2.4 Rationale for Selection of Cases for This Study

The case(s) selected for a study should be distinctive, extreme, unique, or revelatory (Blaikie, 2009; Creswell, 2007; Yin, 2012, 2018), or intense, typical, theory-based, politically important, or critical (Creswell, 2007; McMillan & Schumacher, 2010), especially for theory analysis. The more complex the phenomenon, the greater the number of cases needed to achieve confidence in the validation of a theory (Blaikie, 2009). Cases should be selected to maximise learning from the case (Stake, 1995), and should not be selected merely for convenience or easy access (Yin, 2012). Eisenhardt and Ott (2017) suggested that cases should be selected for their likelihood of illuminating the focal phenomenon. Patton (2015) added that cases should be credible, relevant and have "utility for primary intended users" (p. 295). Stake (2006) also recommended that the cases selected should be relevant to the phenomenon under investigation, provide diversity across contexts and good opportunities to learn about complexity. In a multiple case study, the cases should be selected to complement the others (Johnston et al., 1999). The issue of context is also

critical to qualitative research, because people do not act in isolation, and contexts are not static (Hittleman & Simon, 2006).

Considering the above advice about case study design for theory validation and testing, a single context with multiple cases was selected for this study. This single context was procurement processes within the NSW public sector.

Four separate cases were selected from within this context. Each comprised one or more ICAC investigations into corrupt procurement behaviour within an organisation that is part of a single institution - the NSW public sector. The boundary of the context and the details of the selected cases are shown in Figure 3.1 on page 116 below. Cases were selected to allow investigation by theoretical triangulation of cases with different characteristics, such as the type of organisation, type of corruption, location of the organisation, number of people participating in the corrupt behaviour, and the corruption history of the organisation. As part of case characteristics, it was also anticipated that different organisations may demonstrate different organisational cultures and ethical climates, despite all being part of the same institution, namely the NSW public sector.

The cases were also selected to allow examination of the perspectives of participants from the three different UoA - individual, organisational and institutional. This was intended to allow exploration of differences in how corruption was understood and explained by people from different UoA, because explanations "…will vary by level of analysis. Intentional fudging at the individual level could be viewed as conformity at the group level, transformed into a mistake at the organizational level and misconduct at the institutional level" (Zerilli (as quoted in Vaughan, 1999, p. 283)).

Thus analysis of the explanations of corrupt behaviour given by participants from different UoA may provide useful information about deviant behaviour (Vaughan, 1999) and may deepen understanding of corruption in organisations (Campbell & Göritz, 2014) by identifying patterns of similarity or difference in those explanations. The cases that comprised this study therefore needed to be selected intentionally to include explanations by participants from each of the three UoA to address the research questions.

The rationale for case selection for this study therefore was to select cases that were relevant to understanding the phenomenon of corruption (Patton, 2015; Stake, 2006); that were typical of corruption in procurement within the NSW public sector (Creswell, 2007; McMillan & Schumacher, 2010); that had capacity to enhance understanding of the phenomenon of corruption in the study's context (Stake, 2006); that provided insight and opportunity for learning (Patton, 2015; Stake, 1995, 2006; Yin, 2018); and that allowed the researcher to directly address the three different UoA (de Graaf, 2007; Vaughan, 1999; Yin, 2018). These cases were analysed by the explicit application of the five key discipline-based theories seeking to explain corruption (as presented in Figure 2.2 above) to the context of NSW public sector procurement.

The process of selecting the specific cases for inclusion in this study is described in more detail in the next section.

### 3.2.5 Process for Selecting Cases for This Study

Following the rationale outlined above, the cases for this study were selected by a purposive sample of corruption investigations conducted by the NSW ICAC. Purposive sampling involves intentionally selecting information-rich or high impact cases that illuminate the research questions, and studying these in depth to illustrate the issue (Creswell, 2007; Stake, 1995) and yield insights (Patton, 2015).

To select the cases for this study, the researcher visited the ICAC website in October 2016 (NSW Independent Commission Against Corruption, 2016b) and generated a listing of all 27 ICAC investigations that examined procurement corruption within the NSW public sector in the time period 2006-2016 that were published at that time. This listing can be found in Appendix A. This time period was selected for recency and spread. Given the time lag involved in instances of corruption coming to attention and being investigated by ICAC, this time period allowed examination of corrupt events that occurred in the 16 year period from 2000-2015.

From this listing, particular ICAC investigations were purposively selected to form cases for the study, using an iterative process against a number of decision criteria. These included the ability of the selected ICAC investigations to address the three UoA, to cover an illustrative range of NSW public sector organisations (state government organisations, local government organisations, and universities operating in NSW), to cover a wide time period, and to provide a geographical spread of

organisations. A further consideration was to ensure that the cases selected covered a range of different types of procurement corruption that had arisen in the NSW public sector, as described in Chapter 1. These included false invoicing and over-ordering; conflict of interest including improper secondary employment; improper acceptance of cash, gifts, benefits and hospitality; and improper use of position/exercise of functions.

This process resulted in the selection of nine separate ICAC investigations. These were grouped into four cases to support investigation of the five key discipline-based theories about corruption. Case 1 was a single ICAC investigation in a single state government organisation. As an investigation into corruption by a single public official in a single organisation, this case was expected to tend towards theories favouring individual factors such as ERCT and bad apples explanations. Case 2 was a single ICAC investigation covering multiple NSW local government organisations. As a single investigation into a small number of corrupt public officials and corrupt suppliers, from multiple geographically dispersed and independent organisations, this case was also expected to tend towards theories favouring individual factors such as ERCT and bad apples explanations. Case 3 involved a series of ICAC investigations into widespread corruption within a single state government organisation. This case involved a large number of employees from that single organisation, and also many suppliers to that organisation. ICAC had made prior corruption findings against individuals from this organisation on seven separate occasions over an extended period of time. This case was therefore expected to tend towards theories that emphasised organisational factors such as bad barrels/orchards explanations. Case 4 comprised a series of ICAC investigations into multiple public universities. This case involved low numbers of individual public officials and suppliers across a number of geographically separate, autonomous universities. The corruption occurred over an extended period of time. This case was therefore expected to tend towards theories that emphasised organisational factors, such as bad barrels/orchards. However, it was also possible that the corruption in this case was similar to that in Case 2 (a small number of individuals at a number of independent organisations), which might lead to theories that favoured individual factors, such as ERCT and bad apples. This case was chosen for its potential to illuminate the differences. All cases, being from the public sector, additionally

presented the possibility of explanations of corruption that favoured institutional factors, as identified in CMV or EPA theories.

Table 3.1 below provides a summary of case selection and illustrates the relevant case characteristics for each selected ICAC investigation that formed the four cases.

Table 3.1

*Case selection summary*

| | | | | | Type of Corruption Found by ICAC | | | |
|---|---|---|---|---|---|---|---|---|
| Case | ICAC Investig-ation | Govt Sector | Date | Location | False Invoicing | Conflict of Interest | Gifts Benefits Hospitality | Improper Use of Position |
| 1 | Coral | State | 2010 | Metro | | ● | | |
| 2 | Jarek | Local | 2012 | Regional & Metro | ● | | ● | |
| 3 | Monto | State | 2008 | Metro | ● | ● | | ● |
| 4 | Citrus | Univer-sity | 2012 | Metro | | ● | | ● |
| | Crusader | Univer-sity | 2012 | Regional | ● | ● | ● | |
| | Elgar | Univer-sity | 2016 | Metro | | ● | | |
| | Kanda | Univer-sity | 2010 | Metro | | ● | | |
| | Misto | Univer-sity | 2015 | Regional & Metro | ● | | | ● |
| | Stark | Univer-sity | 2013 | Metro | ● | ● | ● | ● |

### 3.2.6 Summary of Cases and the Context for the Study

Figure 3.1 overleaf provides a visual representation of the context of the study and the situation of the cases selected within that context. In terms of analysis, each case was treated as a unique stand-alone case, and all four cases were subjected to cross-case analysis, seeking abstractions that applied beyond a single case (Merriam & Tisdell, 2015; Stake, 2006). Additionally, cross-case analysis allowed consideration of both similarities and differences between the cases (Stake, 2006).

| Context: Procurement processes in NSW public sector | | | |
|---|---|---|---|
| | **Single Organisation** | **Multiple Organisations** | |
| **Single ICAC Investigation** | **Case 1**<br><br>Single investigation of corruption in a single NSW public sector organisation<br><br>• Operation Coral (2010)<br><br><br>Expect individual factors – ERCT and/or bad apples. | **Case 2**<br><br>Single investigation of corruption in multiple NSW public sector organisations<br><br>• Operation Jarek (2012)<br><br><br>Expect individual factors – ERCT and/or bad apples. | All cases may involve institutional factors - CMV and/or ethos of public admin |
| **Series of ICAC Investigations** | **Case 3**<br><br>Series of investigations of corruption in a single NSW public sector organisation<br><br>• Operation Monto (2008) Reports 1-7<br><br><br>Expect organisational factors-<br>bad barrels/orchards. | **Case 4**<br><br>Series of investigations of corruption in multiple NSW public sector organisations<br><br>• Operation Kanda (2010)<br>• Operation Citrus (2012)<br>• Operation Crusader (2012)<br>• Operation Stark (2013)<br>• Operation Misto (2015)<br>• Operation Elgar (2016)<br><br>Expect organisational factors-<br>bad barrels/orchards **or** individual factors -<br>ERCT and/or bad apples. | |

*Figure 3.1.* Case selection.

### 3.2.7 Limitations of Case Study Approach

*Inability to Generalise*

Many authors have identified that it may not be possible to generalise research findings from a qualitative case study to other contexts (Berg & Lune, 2012; Blaikie, 2009; Johnston et al., 1999; Miles et al., 2020; Yin, 2018). This limitation is most significant when research is carried out in a single location or case. For this study, using multiple cases from a single context was expected to help expand the applicability of the findings of this case study (de Graaf et al., 2016; Eisenhardt & Ott, 2017; Eisenhardt, 1989; Johnston et al., 1999).

Hillebrand et al. (2001) suggested two ways of improving the generalisation of case study research. The first is by using theory to predict outcomes for particular cases, and then determining whether the theory was confirmed or disconfirmed in these cases. This approach was adopted for this study. The second way suggested by Hillebrand et al. (2001) is that of theoretical generalisation. Theoretical generalisation has had a number of different meanings in the literature (Hillebrand et al., 2001), including using a formal framework to analyse similar cases (Eisenhardt & Ott, 2017) and identifying structural similarities between different cases to support logical argument that the results of a case study could be more broadly applied (Eisenhardt & Ott, 2017; Hillebrand et al., 2001; Iacono et al., 2011). Using these meanings, the cases reported in this study are capable of theoretical generalisation because they were analysed using an analytical logic (Cowley et al., 2000; Gill, 1995; Iacono et al., 2011; Johnston et al., 1999; Yin, 2018) drawn from the existing discipline-based theories that comprised the revised theory framework used for this study, as presented in Figure *2.2*. The results of this study could also be generalised to other cases or contexts with structural similarities, subject to logical argument demonstrating that this was appropriate (Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007; Hillebrand et al., 2001; Iacono et al., 2011).

Additionally, each of the cases in this study was explicitly selected to be representative (Creswell, 2007), and the selection criteria for the cases were presented in Section 3.2.5 above. This "careful selection and replication" (Johnston et al., 1999, p. 205) allowed for the cases to have the potential for pure (Hillebrand et al., 2001) or literal replication (Iacono et al., 2011; Yin, 2018) to other contexts because the cases in this study were described sufficiently that "others have little difficulty in seeing the

same phenomena in their own experience and research" (Dyer & Wilkins, 1991, p. 617). The cases also had the potential for theoretical replication (Eisenhardt & Ott, 2017; Eisenhardt & Graebner, 2007; Hillebrand et al., 2001; Iacono et al., 2011) because of the rich and thick description of the underpinning theoretical framework, which would allow it to be applied to different contexts. This could allow for replication, where a different but structurally similar case is studied in a similar context using the same framework in order to confirm or reject the initial findings (Hillebrand et al., 2001), or for extension, which refers to replications conducted in a different context or in a case with subtle distinctions in case characteristics (Hillebrand et al., 2001).

In relation to this study, as shown in Table 3.2 below, the four cases selected included 120 participants in total, with 45 participants being corrupt public officials, 39 being corrupt suppliers, 26 being non-corrupt public sector managers, and 10 being ICAC Commissioners. This high number of participants was expected to improve the ability to potentially apply the findings from this case study to other contexts. The way in which participants were allocated to a unit of analysis is explained in more detail on page 129.

Table 3.2

*Number of Participants in this Study*

| UoA | Number of participants | | | | |
|---|---|---|---|---|---|
| | Case 1 | Case 2 | Case 3 | Case 4 | Total for this UoA |
| Individual (corrupt public official) | 1 | 23 | 15 | 6 | **45** |
| Individual (corrupt supplier) | 0 | 18 | 15 | 6 | **39** |
| Organisational (non-corrupt public sector manager) | 1 | 4 | 9 | 12 | **26** |
| Institutional (ICAC Commissioner) | 1 | 1 | 2 | 6 | **10** |
| **Total in this case** | **3** | **46** | **41** | **30** | **120** |

Ultimately, by the researcher providing a detailed description of the context and characteristics for each case, and indicating how each confirms (or disconfirms) a clearly articulated theory framework, the reader may establish whether the

characteristics of the selected cases from the NSW public sector used in this study were sufficiently similar to cases arising in another context to allow the findings from this case study to be applied to other settings (Allison, 1969; Hillebrand et al., 2001; Iacono et al., 2011; Yin, 2018).

The next section explains the data sources for this study, in particular the use of public documents.

## 3.3 DATA SOURCES

### 3.3.1 Documents as a Data Source

Archival documents have a well-established and important role as repositories of content and a knowledge resource for researchers (Prior, 2008; Rapley, 2007). The value of records and documents as a data source depends on how well that information addresses the research questions (Hakim, 1987), and how well the researcher is able to analyse the material (Hittleman & Simon, 2006).

### 3.3.2 Public Documents to be Used for this Study

The data used for this study were secondary data in the form of public documents, being the publicly available transcripts of public hearings conducted by ICAC (ICAC transcripts) and the reports made by ICAC about these investigations (ICAC reports). Records relating to the in-camera hearings conducted as a normal part of these ICAC investigations are not publicly available, and were not made available for this study for legal reasons. Accordingly, explanations of corruption expressed during in-camera hearings were not analysed for this study, which is unlikely to amount to a significant gap in the available data.

The ICAC transcripts and reports (NSW Independent Commission Against Corruption, 2021b) are high quality, detailed public (government) documents, underpinned by legal intellectual rigour.

The ICAC transcripts record a very large volume of contemporaneous and contextualised information generated through the legal procedure of question and answer at ICAC hearings into instances of corruption in the NSW public sector. They provided a focused, deep and rich data source for this study, and allowed insight into information that would otherwise be "very challenging and impractical" (Gottschalk et al., 2012, p. 12) to obtain. ICAC transcripts are formal verbatim textual recordings

of ICAC public hearings which record verbal communications collected at source (Miles & Huberman, 1984) from public officials and suppliers alleged to have behaved corruptly, who were subjected to detailed legal questioning by ICAC. The questions and responses were captured into a contemporaneous verbatim recording that was transcribed by ICAC's court reporters into an official written legal transcript in accordance with the conventions of the NSW Supreme Court. The transcripts also contain questions and answers from other witnesses participating in the hearings, including the non-corrupt public sector managers of the corrupt officials. They are accurate and well-focused documents that respond directly to the research questions of this study.

Full transcripts are publicly available on the ICAC website (NSW Independent Commission Against Corruption, 2021b) for a period of 10 years after the investigation, and after this by application to ICAC. The following ICAC transcripts were used in this study:

- Operation Citrus (NSW Independent Commission Against Corruption, 2012d)

- Operation Coral (NSW Independent Commission Against Corruption, 2010c)

- Operation Crusader (NSW Independent Commission Against Corruption, 2012e)

- Operation Elgar (NSW Independent Commission Against Corruption, 2015b)

- Operation Jarek (NSW Independent Commission Against Corruption, 2011)

- Operation Kanda (NSW Independent Commission Against Corruption, 2010d)

- Operation Monto (NSW Independent Commission Against Corruption, 2007, 2008i)

- Operation Misto (NSW Independent Commission Against Corruption, 2015c)

- Operation Stark (NSW Independent Commission Against Corruption, 2012f).

The study also used the publicly available reports of ICAC investigations. The ICAC reports are written by the ICAC commissioner(s) presiding over respective investigations and are submitted to the NSW Government. They were taken to represent the official institutional views of ICAC. These reports summarise the results of the investigation, as well as presenting recommendations for corruption prevention. They are freely accessible to the public for a period of 10 years after the investigation, and after this by application to ICAC. The following ICAC reports were used for this study:

- Operation Citrus (NSW Independent Commission Against Corruption, 2012c).

- Operation Coral (NSW Independent Commission Against Corruption, 2010a).

- Operation Crusader (NSW Independent Commission Against Corruption, 2012a).

- Operation Elgar (NSW Independent Commission Against Corruption, 2016a).

- Operation Jarek (NSW Independent Commission Against Corruption, 2012b).

- Operation Kanda (NSW Independent Commission Against Corruption, 2010b).

- Operation Monto (NSW Independent Commission Against Corruption, 2008a, 2008b, 2008c, 2008d, 2008e, 2008f, 2008g, 2008h).

- Operation Misto (NSW Independent Commission Against Corruption, 2015a).

- Operation Stark (NSW Independent Commission Against Corruption, 2013).

### 3.3.3 Limitations of Documents as a Data Source

A key limitation of documents as a data source is that they may suffer from content rigidity and narrow scope, because they were collected for an organisational or institutional purpose rather than specifically for research (Hakim, 1987). Further, when using existing documents, the researcher does not have the opportunity to ask specific questions to elicit additional information related to the research questions (Denzin, 1978).

These general limitations of documents as a data source did not affect this study, given the close alignment of the two research questions with the purposes of an ICAC investigation. The purpose of an ICAC investigation is to expose and minimise corruption; to identify methods of work, practices or procedures that allow, encourage or cause corrupt conduct; and to ensure that public authorities revise practices or procedures to reduce the risk of corrupt conduct occurring (NSW Independent Commission Against Corruption, 2021a). RQ 1 sought to establish which theory(ies) could assist in understanding and explaining corrupt behaviour in NSW public sector procurement, and RQ 2 sought to understand the consistency with which corrupt behaviour in this context was explained by participants at individual, organisational, and institutional level.

The data from these documents were analysed using the qualitative thematic content approach described below in order to identify links between the data and the theories from the framework adopted for this study (Figure 2.2), thus addressing RQ 1. In terms of RQ 2, the ICAC transcripts and reports provided considerable insight into the thought processes of corrupt public officials, corrupt individual suppliers, non-corrupt public sector managers, and the ICAC Commissioners, thus providing data that addressed RQ 2 for the individual, organisational, and institutional UoA.

The next section outlines the approach to data collection, selection and reduction that was adopted for this study.

### 3.4 DATA COLLECTION AND REDUCTION

Data for any qualitative study must first be collected, selected and, if necessary, reduced before they can be analysed and interpreted (Berg & Lune, 2012; Braun & Clarke, 2013). Data for this study were collected directly from the ICAC transcripts and reports from the nine ICAC investigations that formed the four cases included in

the study. These ICAC investigations provided a substantial amount of raw data, amounting to over 7,600 pages of ICAC transcripts and over 670 pages of ICAC reports, as indicated in Table 3.3 below. Some of these raw data were not relevant to the research questions, and were therefore not subjected to analysis using the qualitative thematic coding approach.

Table 3.3

*ICAC Transcripts and Reports Comprising Raw Data*

| Case | ICAC Investigation | Pages of Transcript | Pages of Report | Total Pages of Transcript | Total Pages of Report |
|------|--------------------|---------------------|-----------------|---------------------------|-----------------------|
| Case 1 | Coral | | | 169 | 31 |
| Case 2 | Jarek | | | 1,266 | 126 |
| Case 3 | Monto | | | 3,138 | 300 |
| Case 4 | Citrus | 888 | 39 | | |
| | Crusader | 567 | 40 | | |
| | Elgar | 495 | 28 | | |
| | Kanda | 425 | 29 | | |
| | Misto | 331 | 33 | | |
| | Stark | 399 | 47 | | |
| | Total for Case 4: | | | 3,105 | 216 |
| **Total number of pages comprising raw data** | | | | **7,678** | **673** |

## 3.4.1 Data Collection

As outlined above, this study was conducted using secondary data that had already been collected by ICAC in the form of transcripts and reports published by ICAC about those investigations. For this study, data collection consisted of downloading from the ICAC web site (NSW Independent Commission Against Corruption, 2016b) the complete unexpunged and unredacted transcripts and reports for the nine investigations that comprised the four cases for this study. Downloading took place in October 2016, after ICAC granted permission to use their documents for the study.

### 3.4.2 Data Reduction

Data reduction may be necessary because qualitative data are often voluminous (Berg & Lune, 2012). As noted above in Table 3.3, the ICAC transcripts that were used for this study contained a substantial volume of raw data, some of which were not relevant to the research questions. The raw data were therefore reduced, organised and simplified (Braun & Clarke, 2013) in order that they could be focused upon and analysed to address the research questions (Miles et al., 2020). This step was even more necessary and important for secondary data such as the ICAC transcripts and reports used for this study, because the researcher did not directly determine what data would be collected (Blaikie, 2009).

Data reduction of the ICAC transcripts involved detailed reading of the documents to identify and then analyse only those parts of the transcripts that related directly to the research questions. This included identifying passages of text containing the explanations for corrupt behaviour offered by corrupt public officials and suppliers (individual UoA). It also involved identifying those parts of the transcripts that contained information relating to the corrupt behaviour contributed by non-corrupt public sector managers of the corrupt public officials and the occasional comment by ICAC Commissioners.

The ICAC transcripts contained detailed passages of questions and answers between legal counsel representing ICAC and the witness being examined. They thus provided a discrete raw data set that was filtered to exclude passages that did not relate directly to the research questions framing this study. This time-consuming but essential step yielded very substantial data reduction and allowed the researcher to focus attention on data relevant to the research questions. A similar process of data reduction was applied to the ICAC reports, which contained the opinions and recommendations of the ICAC Commissioner responsible for each investigation.

The data reduction process was undertaken concurrently with the qualitative thematic content analysis. The next section explains how the data from ICAC transcripts and reports were analysed using qualitative thematic content analysis to address the research questions.

## 3.5 DATA ANALYSIS

Data analysis can be thought of as the process that "transforms data from the words participants tell us, into a story about those words" (Braun & Clarke, 2013, p. 64). This can lead to a meaningful understanding of complex phenomena such as corruption. This study explicitly drew on an array of existing explanatory, discipline-based theories, as described in the literature review in Chapter 2 and synthesised into the revised theory framework presented in Figure 2.2. Each theory was then operationalised into content analysis codes that were used to analyse the data from the ICAC transcripts and reports, to seek new insights into the research problem and observations from the cases using theoretical triangulation (Blaikie, 1991; Burau & Andersen, 2014; Hoque et al., 2013; Ma & Norwich, 2007; van Drie & Dekker, 2013). This approach allowed a wide analysis of possible theoretical explanations of the data, encouraged consideration of plausible rival explanations (Gorard, 2010; Teddlie & Tashakkori, 2010; Yin, 2011, 2018), and actively considered the implications of negative cases, deviant cases, or disconfirming evidence (Blaikie, 2009; Creswell, 2007; Guest et al., 2012; Merriam & Tisdell, 2015; Yin, 2011).

### 3.5.1 Qualitative Thematic Content Analysis (QTCA)

Content analysis is an empirically grounded method (Krippendorff, 2013) for "careful, detailed, systematic examination and interpretation of a particular body of material in an effort to identify patterns, themes, biases and meanings" (Berg & Lune, 2012, p. 349). Content analysis is also an unobtrusive method, which has no influence on the subjects being studied, and its use of existing artefacts or data makes it a cost effective form of research (Babbie, 2015; Berg & Lune, 2012). Content analysis can be undertaken qualitatively or quantitatively (Berg & Lune, 2012; Braun & Clarke, 2013; Krippendorff, 2013). This study employed qualitative thematic content analysis (Ayres, 2008; Boyatzis, 1998; Braun & Clarke, 2013; Lapadat, 2010), an approach that is highly suited to explanatory research (Guest et al., 2012; Krippendorff, 2013) such as this study.

The research procedure for QTCA typically combs raw data (in this study, the ICAC transcripts and reports) to identify themes or patterns. These themes or patterns are described by a code or label and are then analysed, synthesised and interpreted (Boyatzis, 1998; Braun & Clarke, 2013; Guest et al., 2012). The data are marked using codes, and are then grouped into themes to facilitate the QTCA. Coding is a necessary

aspect of interpreting large data sets (Berg & Lune, 2012), and the analysis of coded data aims to systematically locate (Guest et al., 2012) and make meaning out of large qualitative data sets (Boyatzis, 1998).

Codes are short descriptions that refer to a unique portion of a text (Creswell, 2014) that is comprehensible by itself (McMillan & Schumacher, 2010). Coding is the process of identifying aspects of the data that relate to the research questions (Braun & Clarke, 2013) and applying codes to those data. Coding is essentially a categorising activity used to sort voluminous data into similarity based groupings (Maxwell & Chmiel, 2013a). A code may be derived from a theoretical framework and produced before the data analysis (an *a priori* code), or may be derived from the data during the analysis (an inductive code) (Boyatzis, 1998; Braun & Clarke, 2013; Ryan & Bernard, 2003). Codes are typically compiled into a standard coding schema (explanatory listing) for ease of application, to facilitate cross-case analysis (Creswell, 2007; Merriam & Tisdell, 2015; Stake, 2006), and to enhance consistency of application of the codes (Lincoln & Guba, 1985).

Once data have been coded, the researcher must identify how those coded data may form into potential themes or patterns that are based around a significant central organising concept (Boyatzis, 1998; Braun & Clarke, 2013). Themes are thus abstract constructs that link together the codes found in the data (Ryan & Bernard, 2003), or groups of codes from the data that represent major ideas (McMillan & Schumacher, 2010). Typically, the QTCA research procedure first identifies codes and applies these to the data (Boyatzis, 1998; Guest et al., 2012; Ryan & Bernard, 2003), and then aggregates the codes to form themes. In the same manner as for codes, themes may be inductive (generated from the data) or *a priori* (generated from a theoretical framework identified by the researcher) (Hoque et al., 2013; Ryan & Bernard, 2003). Identifying themes allows the development of an understanding of the deeper meaning of the content (Babbie, 2015; Berg & Lune, 2012; Braun & Clarke, 2013; Krippendorff, 2013) and the identification of new and meaningful patterns in the data (Yin, 2011). A pattern is the connection or relationship between codes that leads to themes (categories) and between themes, that enables explanation of a phenomenon (Braun & Clarke, 2013; McMillan & Schumacher, 2010).

### 3.5.2 Conducting Qualitative Thematic Content Analysis for this Study

Braun and Clarke (2013) identified six steps in conducting QTCA. These were modified for application to this study to accommodate the use of *a priori* codes and themes which were derived directly from the theory framework used for this study, along with additional inductive codes and themes generated directly from the data during the coding passes. The specific approach to QTCA adopted for this study, as modified from Braun and Clarke (2013), is summarised in Table 3.4 below and explained in more detail in the following text.

Table 3.4

*Thematic Content Analysis Approach (Modified from Braun & Clarke (2013))*

| For this Study | Step Number and Activities as per Braun & Clarke (2013) | Description of Activities in this Step for this Study |
| --- | --- | --- |
| Step 1 | Step 5 - the researcher generates clear names and definitions for each category (theme). | Defining and naming *a priori* theory-based categories (themes) to be used in analysis. Achieved by generating categories that represent the five key theory perspectives identified from the literature on corruption. The initial category names and definitions can be found in Appendix C. |
| Step 2 | Step 2 - the researcher systematically identifies content analysis codes that could be useful in analysing the data and Step 3- assigns codes into categories (themes) that allow for a deeper understanding of the data. | Operationalising each theory-based category by generating initial content analysis codes relating to each category. Achieved by generating content analysis codes from the researcher's understanding of the literature about each theory. The initial category names and allocation of codes to categories can be found in Appendix C. A diagram showing how content analysis codes (both *a priori* and inductive) rolled up to categories (themes) can be found in Figure 3.2 on page 135. |
| Step 3 | Not included. | Allocating participants to the relevant unit of analysis adopted for this study. Achieved by allocating each participant a job role classification in nVivo software. |
| Step 4 | Step 1- the researcher becomes intimately familiar with the data. | Immersing in the data. Achieved by multiple readings of ICAC transcripts and reports. |
| Step 5 | Step 4 - the researcher codes the data, reviews how the data fit to categories (themes), and how these contribute to understanding the entire data set. | Coding the data using *a priori* content analysis codes and reviewing a *priori* categories. Iteratively adding data-driven (inductive) codes or categories to the analysis to supplement *a priori* theory-based codes and categories. Achieved using initial manual coding and then subsequently coding via nVivo software. Coded data |

| For this Study | Step Number and Activities as per Braun & Clarke (2013) | Description of Activities in this Step for this Study |
|---|---|---|
| | | were then rolled-up to the relevant theory category from the framework to facilitate analysis. |
| Step 6 | Step 6 - the researcher produces the case study. | Relating the thematic content analysis to the literature, theoretical and conceptual framework and research questions. Achieved via the thesis, which addresses literature, theory and conceptual framework and provides findings that address the research questions. Each case presents a rich qualitative description of the case, along with a descriptive statistical summary of coding outcomes |

### Step 1 – Defining and Naming Categories

Following the approach recommended by Boyatzis (1998) and Braun and Clarke (2013), five *a priori* categories (themes) were named and defined for this study. These categories represented the five key theory-based approaches to explaining corruption that were identified in the literature review. The five categories were therefore named *economic rational choice* (ERCT), *bad apples, bad barrels/orchards*, *clash of moral values* (CMV), and *ethos of public administration* (EPA). A definition was generated for each category based on the key concept(s) identified in the literature for each theory. These category names and definitions formed the initial coding schema for the study, which is presented in Appendix C.

It was anticipated that these *a priori* categories would not be fully sufficient for analysing all the explanations for corrupt behaviour that were contained in the ICAC transcripts. As with all robust research procedure, it was expected, and it eventuated, that new inductive categories were generated in Steps 4 and 5 as coding of the data proceeded. The added inductive category of 'not covered by theory' was captured into a revised coding schema which is presented in Appendix D.

### Step 2 – Generating Content Analysis Codes and Allocating Codes to Categories

Using knowledge gained from the literature review, the researcher reviewed each theory-based category and generated *a priori* operationalising content analysis codes that captured the essence (McMillan & Schumacher, 2010) of the theories identified by the literature review. These content analysis codes were generated by distilling key principles from each major theory into phrases taking the form of a statement that

might be made by a participant during an ICAC public hearing. This process generated 37 *a priori* content analysis codes, which were allocated (or "rolled-up") to one of the five *a priori* theory-based categories developed during Step 1. These details are presented in Appendix C.

As with all robust research procedure, it was expected, and it eventuated, that new inductive content analysis codes were generated in Steps 4 and 5 arising from the process of coding the data. It also eventuated that some of the *a priori* content analysis codes were deleted from analysis in these later steps because they were not evident in the data. These changes were captured into a revised coding schema presented in Appendix D. Ultimately, 48 content analysis codes were used to analyse the data. A description of each of these codes, showing the theory-based *a priori* or inductively generated category to which each code was linked can be found in Appendix E.

### Step 3 – Allocating Participants to Units of Analysis

Participants in the public hearings of the nine ICAC operations that comprised the four cases for this study occupied four distinct job roles. These were: individual public officials, individual private sector suppliers to the NSW public sector, non-corrupt public sector managers, and ICAC Commissioners. To facilitate analysis to address the research questions, participants were divided into three UoA – individual, organisational, and institutional, according to their job role.

Individual public officials and individual suppliers to the NSW public sector who were found by ICAC to be corrupt were allocated to the individual UoA. Their accounts in the ICAC transcripts were specifically focused on their personal motivations and explanations for their corrupt behaviour, and thus could be taken as representations of the individual perspective on corruption. Transcripts relating to non-corrupt public officials and suppliers were also coded, but were excluded from the analysis for this study. This study intended to focus on individuals found to have behaved corruptly in order to generate insight into the phenomenon of corruption by examining actual instances of corrupt behaviour.

Non-corrupt public sector managers were allocated to the organisational UoA, as their accounts in the ICAC transcripts were taken to be an identification and expression of prevailing organisational factors such as organisational culture, ethical climate, and policies and processes that might have been a factor in the corrupt

behaviour. The small number of managers who were themselves found to be corrupt were allocated to the individual UoA (corrupt public official) on the basis that their corruption was unlikely to be organisationally condoned and was therefore likely to represent the corrupt act of an individual.

ICAC Commissioners were allocated to the institutional UoA, as their questions, comments and remarks in the ICAC transcripts and reports were taken to be legally authoritative statements about the corrupt behaviour, given their position in an anti-corruption institution of the state of NSW.

### Step 4 – Immersing in the Data

In Step 3, the research procedure required downloading ICAC transcripts and reports from ICAC's open public access repository for the selected ICAC operations that formed the four cases. The transcripts for Operation Monto were not immediately available because of a technical issue with the repository, so these were received directly from ICAC by email. These ICAC transcripts and reports were read on multiple occasions to achieve the level of intimate familiarity suggested by Braun and Clarke (2013). Prolonged engagement with the data can lead to more valid qualitative research because text data are dense and it may take a long time to process the data and absorb meanings from them (Braun & Clarke, 2013; Creswell, 2016). However, a risk of prolonged engagement is distortion introduced by the researcher (Creswell & Miller, 2000; Lincoln & Guba, 1985; Merriam & Tisdell, 2015; Yin, 2011).

For this study, there was prolonged engagement via repeated reading of the ICAC transcripts and reports and a coding process that occurred over 18 months. Each document was read once for initial orientation, again for more detailed understanding, and was then subjected to three separate coding passes. The risks of bias from prolonged engagement were managed by using a pre-determined explicit coding schema to guide initial reading and coding (presented in Appendix C); by actively seeking to remove unused *a priori* content analysis codes and add inductive content analysis codes and categories where relevant during engagement with the data (presented in Appendix D); and by including a deliberate 3-month coding break in the study, between the second and third coding passes, to allow the researcher to re-gain some distance from the coding.

### Step 5 – Coding the Data and Reviewing the Categories

In this step, which blended naturally with Step 4, the procedure was to manually code the data, using the coding schema presented in Appendix C, on a printed set of all ICAC transcripts and reports for the selected cases, as a first coding pass. A second coding pass was conducted electronically using nVivo12 Plus software, with the ICAC transcripts and reports imported as electronic sources to this software. This allowed comparison and calibration of coding between the coding passes. An example of the output of this process has been included in Appendix F to illustrate how the qualitative thematic content analysis was conducted using nVivo. The approach to coding for this study was driven by the qualitative research paradigm. Although computer assisted qualitative data analysis software (CAQDAS) was used, all coding was carried out by the researcher effectively, efficiently and accurately (Prabowo, 2021; Sánchez-Gómez et al., 2019; Wiedemann, 2013) using the CAQDAS software as a mechanism to aid in the management of the extensive data analysed in this study. A planned 3-month coding break was incorporated into the study before a third and final coding pass using nVivo was completed.

The evidence gathered in this step was used to address the two research questions set for this study. It provided insight into how corrupt behaviour in NSW public sector procurement was explained by study participants at individual, organisational and institutional level and illuminated which of the theories (categories) identified in the literature provided assistance in understanding and explaining corrupt behaviour in the context of NSW public sector procurement processes.

### Coding the Data

To code the data, the researcher read the ICAC transcripts and reports and searched the statements made by participants for examples that aligned, explicitly or implicitly, with a content analysis code that was included in the initial coding schema presented in Appendix C. Each occurrence of a content analysis code from the coding schema was marked and labelled for further analysis.

The data for this study contained both manifest and latent statements. Manifest content analysis statements relate to things participants explicitly mention, whilst latent analysis involves interpreting the underlying meaning of the participants' statements (Babbie, 2015; Berg & Lune, 2012; Boyatzis, 1998; Braun & Clarke, 2013; Krippendorff, 2013). Using the bad apples category content analysis code "I was

stupid" from the coding schema to illustrate the concepts of manifest and latent content analysis, some examples of manifest statements from the data set are, "stupidity I suppose" (NSW Independent Commission Against Corruption, 2011, p. 1176) and "it was a stupid thing I done *(sic)*" (NSW Independent Commission Against Corruption, 2007, p. 934). These statements expressly attribute the participants' corrupt behaviour to stupidity. An example of a latent statement from the data set relating to this content analysis code is "I thought, you know, you're a dickhead" (NSW Independent Commission Against Corruption, 2011, p. 390). This statement implicitly attributes the participant's actions to stupidity, as defined by the literature presented in Chapter 2. Both types of statements were coded to the relevant content analysis code.

### *Modifying the Codes and Categories During Coding*

Whilst undertaking the coding process it became apparent that the 37 *a priori* codes and categories established initially for the study required modification to fully reflect the patterns observed in the data. For example, during the first coding pass, it became apparent that some participants' explanations included content that was not part of the initial coding schema. These explanations were iteratively added as additional content analysis codes to create a revised coding schema. It was also apparent that some of the initial researcher generated theory-based *a priori* content analysis codes were not mentioned by participants, in which case they were deleted from the original coding schema. Some *a priori* content analysis codes could not be adequately distinguished from each other in the data, in which case they were merged.

These actions resulted in the revised coding schema for the study which is presented in Appendix D and the related descriptions for each content analysis code which can be found in Appendix E. All changes to the original coding schema were then incorporated into the second coding pass conducted using nVivo. The researcher then took a deliberate break from coding for approximately 3 months, before a third coding pass was completed in nVivo to verify that all changes to the original coding schema had been properly included in the analysis. The third pass was also used as a mechanism to confirm coding consistency and accuracy, and any identified coding errors were also corrected during this pass.

#### *Deleted content analysis codes*

Four of the *a priori* content analysis codes were not reflected in any participant's explanations and were therefore deleted from further analysis. They were: "I wanted

nicer things than I could afford" and "I wanted people to notice /respect /like me (both from the bad apples category), "the law/rule is wrong, so I shouldn't have to follow it" (bad barrels/orchards category), and "I was damned if I did and damned if I didn't" (EPA category).

*Merged content analysis codes*

Three *a priori* codes from the EPA category were reviewed and ultimately merged into a single code within this category because they could not be sufficiently distinguished from each other in the data. The codes of "I felt torn", "I agonised over this decision", and "it was hard to know what was the right thing to do", were all merged into the single revised code of "it was a hard choice". The deleted and merged codes are listed in the revised coding schema presented in Appendix D in the column entitled "Merged or Deleted Codes".

*Added content analysis codes*

Eighteen new inductive content analysis codes and one new inductive category were indicated by the data. One new content analysis code was added to the ERCT category: "conflict of interest – self-interest". Three new content analysis codes were added to the bad apples category: "because I could", "I knew it was wrong" and "I wanted to move up". Two new content analysis codes were added to the bad barrels/orchards category: "it's none of your business" and "it's not my job/not my place". Three new content analysis codes were added to the CMV category: "conflict of interest - business", "conflict of interest - employment" and "cultural background". Finally, a full new inductive category was added to allow for analysis of participants' statements that could not be adequately explained by any of the existing theory-based categories. This category was named 'not covered by theory' and contained nine inductively generated content analysis codes: "I deny it", "I didn't know it was wrong", "I don't know why I did it", "I don't recall", "I tried to make it right", "I was unaware it was happening", "let me explain", "minimising involvement" and "there is no explanation".

Table 3.5 overleaf summarises the changes to the original coding schema. A full rationale for and explanation of each of the added inductive content analysis codes can be found in Appendix G.

Table 3.5

*Changes to Original Coding Schema*

| Category | Number of: | | | | |
|---|---|---|---|---|---|
| | **Initial *a priori* codes** | ***A priori* codes deleted** | ***A priori* codes merged** | **Added inductive codes** | **Total codes used** |
| ERCT | 4 | - | - | 1 | 5 |
| Bad apples | 6 | 2 | - | 3 | 7 |
| Bad barrels/orchards | 14 | 1 | - | 2 | 15 |
| Clash of moral values | 8 | 1 | 3 | 3 | 7 |
| Ethos of public administration | 5 | - | - | - | 5 |
| Not adequately covered by existing theories | - | - | - | 9 | 9 |
| **Total codes** | **37** | **4** | **3** | **18** | **48** |

Figure 3.2 overleaf provides a diagrammatic overview of the final coding schema, showing how content analysis codes were allocated ("rolled-up") to categories for the QTCA process.
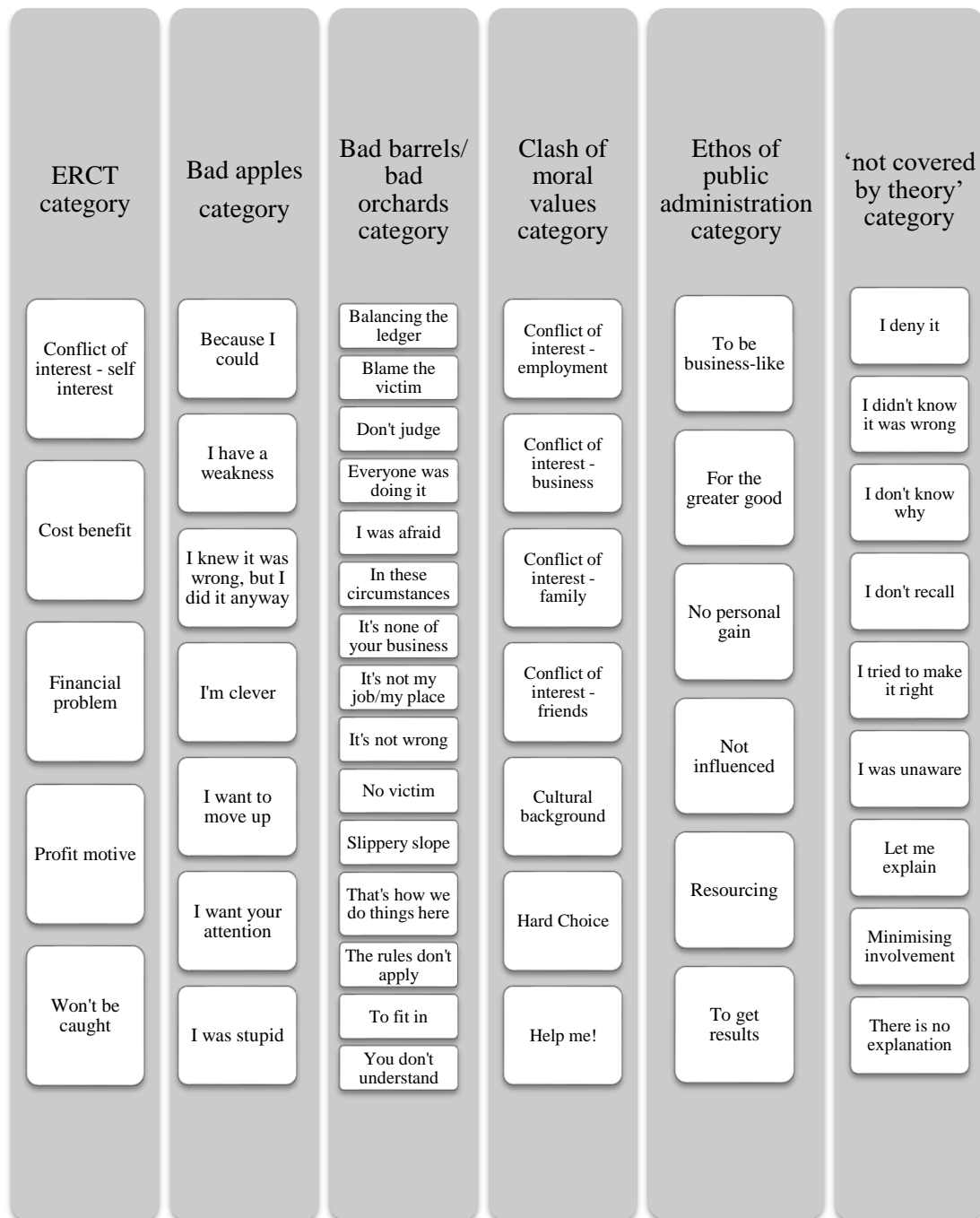
*Figure 3.2.* Content analysis codes "rolled-up" into categories.

### Step 6 – Preparing the Case Study

This step involved developing a detailed description of the case context, preparing descriptive statistical summaries to assist in identifying and communicating important patterns within the QTCA results (Prabowo, 2021; Sánchez-Gómez et al., 2019), and analysing and reporting the results. This information is presented for each

case and also across all four cases, allowing for the development of findings for the study which are presented in Chapter 4 and discussed in Chapter 5.

To describe the context of each case, demographic details about the case participants and the organisations involved were extracted from the relevant ICAC transcripts and reports. Additionally, diagrams depicting the relationships between corrupt public officials, corrupt suppliers, and non-corrupt managers were developed manually from the relevant ICAC transcripts and reports. The accuracy of these diagrams (Figure 4.1 to Figure 4.5 in Chapter 4) was then validated by using the relationships function of NVivo to produce social network diagrams showing the various relationships in the cases, which were compared back to the manually produced diagrams. The ability to identify and visualise patterns such as these corrupt relationships is a recognised strength of computer assisted qualitative data analysis software such as NVivo (Prabowo, 2021; Sánchez-Gómez et al., 2019).

To develop the descriptive statistical summaries, the query function in NVivo was used to export a coding report to an Excel spreadsheet. This report contained raw data showing the coding of all explanations offered by participants in this study, allocated by content analysis code and "rolled-up" to the relevant category.

A second spreadsheet (the count spreadsheet) was then created from the initial nVivo export of raw data. The count spreadsheet used the in-built Excel count function to identify and count any content analysis code that was mentioned by a participant as a single occurrence of that content analysis code, no matter how many times the raw data spreadsheet showed that the content analysis code was mentioned by the participant. This step was necessary because during the coding passes, the researcher had noticed that some participants were loquacious, making repeated references to particular content analysis codes in their explanations. Other participants were more laconic in their responses. Additionally, some of the legal practitioners assisting ICAC repeatedly asked some participants the same question. The raw coding data exported from nVivo captured each and every mention of a content analysis code. Relying on this raw data therefore presented a risk of over-emphasising content analysis codes mentioned repeatedly by participants under these circumstances. This risk was managed by using the count spreadsheet as the basis for the data analysis presented in later chapters.

Using in-built functions of Excel and the information exported from nVivo, the researcher applied data filters to the count spreadsheet. This allowed within-case and cross-case data analysis to be conducted by UoA. To facilitate analysis, two sets of results were extracted for each case and for the cross-case analysis. These provided the descriptive statistical summaries of the coding outcomes for each case, which were intended to assist in communicating and explaining the qualitative results of the study when combined with the rich qualitative description of each case (Miles et al., 2020), thus providing "analytic texture" (Miles et al., 2020, p. 36).

The first set of results presented category level results of the QTCA, and identified those categories that were mentioned by at least 30% of participants in any UoA. A category was considered to have been mentioned if a participant gave an explanation of corrupt behaviour which contained text coded to any of the content analysis codes that rolled-up to that particular category (see Figure 3.2). The rationale for choosing this percentage as an indicator of the importance of the category was that in any of the cases in this study at least two participants from a UoA had to mention an explanation in order to reach the 30% threshold. This was intended to avoid giving undue emphasis to explanations that may essentially have been the idiosyncratic individual opinion of a single participant. In situations where there were only one or two participants in a UoA, the results in Chapter 4 have been presented in a binary format – mentioned by a participant (yes) or not mentioned by a participant (no).

A sensitivity analysis was also included in the cross-case analysis. The sensitivity analysis recalculated category level results for all cases to identify those categories mentioned by at least 40% of participants from a UoA, and those mentioned by at least 50% of participants from a UoA. The intention of conducting the sensitivity analysis was to test the robustness of the initial analysis using the 30% threshold for importance of a category, by highlighting any changes to the overall pattern of categories (theories) reflected in the participants' explanations using the higher thresholds.

The second set of results presented detailed results of the QTCA, showing the number and percentage of participants from each UoA who mentioned each category, along with a ranking of the frequency with which the category was mentioned. Although it is obvious that the category mentioned by the highest percentage (number) of participants would be ranked as '1', indicating that it was the most frequently

mentioned category, it was illuminating to the analysis to provide both the percentage (number) of participants mentioning a category and the ranking allocated to that category. This is because sometimes a category that received a low ranking for frequency was in fact also mentioned by a relatively high percentage of participants in a case – it was just that even more of those participants had also mentioned other categories. For example, in Case 3, 47% of participants from the individual UoA (corrupt public officials) mentioned the EPA category in their explanations, even though this category was the least frequently mentioned by these participants (ranked '6'). In the same case, the EPA category was also the least frequently mentioned (ranked '6') by participants from the individual UoA (corrupt suppliers), but it was mentioned by only 13% of these participants.

Where two or more categories were mentioned by the same percentage of participants in a UoA, these categories were ranked equally. The category mentioned by the next highest percentage of participants was ranked to reflect the number of rank order positions that had already been allocated to categories mentioned by a higher percentage of participants. For example, if the highest percentage of participants equally mentioned two categories, both categories were ranked as '1', and the category mentioned by the next highest percentage of participants was ranked as '3'. When conducting descriptive analysis of the results, percentages of participants giving an explanation were regarded as similar if they were within 10 percentage points of each other.

More details about the analysis, results and conclusions can be found in Chapters 4 - 6 of the thesis. The next section contains an explanation of the steps included in the proposed methodology to ensure rigour in the research.

## 3.6   ENSURING RIGOUR

Many authors have pointed to the need to ensure rigour in qualitative research (Creswell, 2007; Denzin & Lincoln, 2013b; Merriam & Tisdell, 2015; Stake, 2010; Yin, 2018). For this study, the seminal framework for assessing rigour in qualitative research developed by Lincoln and Guba (1985) has been adopted. According to Lincoln and Guba (1985), the trustworthiness of qualitative research can be evaluated by considering its credibility, transferability, dependability and confirmability (Lincoln & Guba, 1985, p. 300). Credibility refers to carrying out the research in a

rigorous way such that the findings relate to reality, are plausible and can be validated (Lincoln & Guba, 1985). Transferability refers to the ability to apply or replicate the findings in other settings or contexts (Lincoln & Guba, 1985). Dependability refers to the reliability or consistency of the research (Lincoln & Guba, 1985). Confirmability refers to objectivity and being able to confirm the characteristics of the data (Lincoln & Guba, 1985).

Rigour in qualitative research can be enhanced by operationalising the four trustworthiness criteria identified above into specific research techniques (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007) for a particular study. It is also enhanced by using a theoretical framework (Boyatzis, 1998; Braun & Clarke, 2013; Ryan & Bernard, 2003; Wu & Volker, 2009) such as the theory-based framework synthesised for this study.

The following sections outline how the approach and methodology adopted for this study assisted with enhancing its credibility, transferability, dependability and confirmability.

### 3.6.1 Credibility

Credibility in qualitative research refers to the extent to which findings are congruent with reality (Lincoln & Guba, 1985; Merriam & Tisdell, 2015), recognising that reality is holistic, multiple, complex, changing (Lincoln & Guba, 1985; Merriam & Tisdell, 2015), and that it is socially constructed (Creswell & Miller, 2000; Denzin, 1978; Lincoln & Guba, 1985). In qualitative research, "no single conclusion or explanation can be unequivocally established" (Miles & Huberman, 1984, p. 22), a view that is consistent with the multiple theory validation approach adopted by this study.

Credibility in this study was improved by applying the operationalised trustworthiness technique of prolonged engagement (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007), which for this study involved allocating a sufficient period of time to deeply engage with the data, and to understand the context of the instances of corruption that were studied. Credibility was also improved by using triangulation in the form of theoretical triangulation (Denzin, 1978; Onwuegbuzie & Leech, 2007).

### 3.6.2 Transferability

Transferability relates to the degree to which the findings of one study might be applicable in other timeframes, situations, or contexts (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007). The ability to apply findings more broadly to new settings increases the worth of a qualitative study (Creswell, 2007; Creswell & Miller, 2000; Lincoln & Guba, 1985; Merriam & Tisdell, 2015; Yin, 2012, 2018). The decision as to whether the findings of a study are transferable to another setting should sit with the reader seeking to apply the findings more broadly rather than with the original researcher (Lincoln & Guba, 1985; Merriam & Tisdell, 2015). Transferability is enhanced when the researcher provides sufficient rich and thick (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007) detail about their cases to allow the reader to consider the potential for applying the findings to another situation, particularly on the basis of contextual similarity (Creswell, 2007; Lincoln & Guba, 1985; Merriam & Tisdell, 2015; Miles & Huberman, 1984; Yin, 2018). Transferability is also supported when the researcher maintains a clear and detailed document trail (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007).

The context, background and details of each of the cases in this study (see Chapter 4), along with the theoretical framework applied (see Figure 2.2), have been reported in sufficient detail to allow a reader to determine whether the findings might be transferrable to other settings by way of either literal or theoretical replication logic (Iacono et al., 2011; Onwuegbuzie & Leech, 2007; Yin, 2018). The cases in this study were analysed using existing theories that seek to explain corruption, enhancing transferability into other contexts. This chapter contains details of the strategy (Onwuegbuzie & Leech, 2007) used to select the cases for the study, along with theory-based assumptions about the nature of corruption in each case. These aspects of the methodology all assist with the transferability of this research.

### 3.6.3 Dependability

Dependability relates to the reliability or consistency of the data and findings (Lincoln & Guba, 1985). Dependability means that readers, knowing how the data were collected and analysed, concur that the findings are consistent with the evidence and are thus reliable (Merriam & Tisdell, 2015; Wolcott, 2005). Dependable qualitative research explains how it arrived at the results, including explaining how the data were collected, the codes were created, the data were analysed and inferences

were drawn (Creswell, 2007; Creswell & Miller, 2000; Lincoln & Guba, 1985; Merriam & Tisdell, 2015; Teddlie & Tashakkori, 2010). It is important to understand the process used by the researcher to draw their inferences (Guest et al., 2012; Sternberg, 2009; Teddlie & Tashakkori, 2010).

The dependability of this study was improved by using high quality, carefully prepared public documents - the ICAC transcripts and reports - as raw data. The transcripts are records created to comply with the reporting standards of the NSW Supreme Court. This means that data from the nine separate ICAC investigations which comprised the four cases were collected and recorded using a consistent, independently established process. Dependability was further enhanced by the use of a theory validation approach, via the revised theory framework for this study described in Figure 2.2, along with adherence to the detailed step by step procedure outlined in this chapter (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007).

### 3.6.4 Confirmability

Confirmability refers to the ability to confirm the characteristics of the data (Lincoln & Guba, 1985). A strong theoretical framework can assist to improve the confirmability of a study by reducing subjectivity and bias (Mertz & Anfara, 2015; Onwuegbuzie & Leech, 2007) through regular comparison of data and conclusions against the theory (Mertz & Anfara, 2015) and extant literature (Onwuegbuzie & Leech, 2007). This allows confidence in results and in the researcher's interpretations of data and theory (Jick, 1979; Onwuegbuzie & Leech, 2007). This effect is even more pronounced when theoretical triangulation is undertaken (Mathison, 2005), as in this study, because this approach specifically requires rival explanations to be considered (Onwuegbuzie & Leech, 2007). Confirmability of a study can also be enhanced when the data and the research procedures are described and documented in detail (Lincoln & Guba, 1985; Onwuegbuzie & Leech, 2007) so that others can review and scrutinize the researcher's work, evidence, findings and conclusions (Guest et al., 2012; Krippendorff, 2013; Ryan & Bernard, 2003; Yin, 2011).

Confirmability for this study was provided by the detailed exposition of the methodology and research procedures which have been presented in this chapter; the explanation and analysis of the results of the case study and presentation of findings undertaken in Chapter 4; and the discussion of the findings and their connections to

literature that is presented in Chapter 5. These factors assisted in generating confirmability for this study.

The next section contains information about how the ethics requirements for this study were managed.

## 3.7   ETHICS

Ethical research requires proper protection of the interests of participants in that research (Babbie, 2015; Blaikie, 2009; Braun & Clarke, 2013; Creswell, 2016; Yin, 2011). The requirements for research integrity and competence were addressed by the researcher complying with the Queensland University of Technology (QUT) Code for responsible conduct of research (Queensland University of Technology, 2016) and the National statement on ethical conduct in human research (National Health and Medical Research Council, 2007), by researching under the supervision and guidance of experienced supervisors, and by reporting findings accurately.

Formal QUT human ethics approval was sought in October 2016 and ethical approval (number 1600001049) was granted for Human - Low Risk research on 10 November 2016. This approval was valid until 9 January 2022 and a copy is included in Appendix H. Annual ethics reports were submitted each November, starting in 2017. The study was regarded as low risk because it used publicly available documents, unobtrusive research methods (Babbie, 2015), pseudonyms to protect the dignity of participants and organisations, and, finally, because of ICAC's legislative role to educate the public about corruption in the NSW public sector (*Independent Commission Against Corruption Act 1988*).

### 3.7.1 Use of Public Documents

ICAC is established by legislation (*Independent Commission Against Corruption Act 1988*), and section 2A(a)(ii) of this Act outlines a principal object of ICAC as being to educate public authorities, public officials and members of the public about corruption and its detrimental effects on public administration. Under this legislative authority, ICAC determines which public officials and organisations it will investigate. It also publishes a range of documents relating to its investigations, including the transcripts and reports that were used as sources of raw data for this study. Again under its legislative authority, ICAC does not require consent from those it investigates, neither to investigate their behaviour nor to publish documents about

its investigations (*Independent Commission Against Corruption Act 1988*). Accordingly, the usual requirements for voluntary participation and informed consent were not relevant to this study, which used public documents published by ICAC under its legislative authority.

ICAC transcripts and reports are openly available on the Past Investigations page of the ICAC web site (NSW Independent Commission Against Corruption, 2021b) for fee-free, unrestricted and unredacted public download. These documents could therefore reasonably be regarded as fully in the public domain. Despite their status as public documents, the researcher sought permission from ICAC on 10 October 2016 to use the selected transcripts and reports as cases for this study. ICAC granted permission by email on 17 October 2016 and a copy is included in Appendix I.

### 3.7.2 Protecting the Confidentiality and Dignity of Participants

Individuals and organisations which participate in ICAC investigations are named in full in the publicly available transcripts of hearings and reports of investigations, irrespective of whether ICAC makes any findings of corruption against an individual or corruption prevention recommendations for an organisation. Individuals are also named even when they give their evidence under compulsion. The news media also routinely publish details of individuals and organisations involved in ICAC investigations. Accordingly, the full names of people and organisations who participated in the ICAC investigations selected as cases for this study are knowable to any member of the public who chooses to access the relevant ICAC documents or to use the internet to ascertain details.

Under these conditions, it could be argued that there was no need to take steps to preserve the privacy, confidentiality and anonymity of the participants in this study. Braun and Clarke (2013) argued that "the greater the acknowledgement of the public nature of the materials, the less obligation there is to protect the privacy and confidentiality of people" (p. 156). Yin (2009) also argued persuasively that the identities of both cases and individuals should be disclosed, whilst noting the need to protect individuals involved in a case on a controversial topic. Some of the benefits of disclosing full details about a case include allowing readers to recollect other information they may have about the case, making the case easier to review, verify and generalise (Yin, 2018). This view sits comfortably with news media reports about

ICAC investigations and the existing full and unrestricted public access to the unredacted ICAC documents that were used as a data source for this study.

However, after taking into account that the ICAC data were not collected for the purposes of this study, that corruption findings may be regarded as controversial, and the strong opinions of the QUT ethics committee, the researcher concluded that it was desirable to preserve the confidentiality and dignity of individuals and organisations who participated in the ICAC processes by allocating them a pseudonym. On balance, it was not considered necessary for the purposes of this study to name individuals, although naming them may have assisted in improving the credibility and transferability of the research as described in Section 3.6 above.

Therefore, for this study the identity of individuals was concealed by allocating a unique identifying alpha-numeric code to each person referred to in this study. For example, an individual might be referred to as JAR01. In this code, the first letters identify the relevant ICAC investigation, and the number indicates the individual in question, arranged alphabetically. Codes in this format were allocated to corrupt public officials, corrupt suppliers, non-corrupt public sector managers and any other individual named in the ICAC transcripts or reports. ICAC Commissioners were referred to as "ICAC Commissioner" and lawyers assisting ICAC in the investigation were referred to as "ICAC Counsel Assisting" where it was necessary to attribute their remarks from an ICAC transcript or report.

The organisations, both public sector and private sector, where corruption was alleged were also named in full in the ICAC transcripts and reports. For the purposes of this study, public sector organisations were given a pseudonym in the format of "Organisation A" or "University B" as applicable. Supplier organisations were identified in the format of "Company A".

A master list showing the code allocated to each person and organisation named in an ICAC document and included in this study was kept by the researcher to facilitate cross checking of information from the study by relevant persons, including examiners. This list will not be made public. Accordingly, the list has not been included in the Appendices, but will be provided separately on request to those with a need to know.

## 3.8 CHAPTER SUMMARY

To recap, this chapter describes the qualitative thematic content analysis (QTCA) approach applied to this case study which comprised four cases, each selected purposively in order to examine, understand and explain the phenomenon of corruption within the context of procurement processes in the NSW public sector. The study used the public transcripts and reports of nine NSW ICAC investigations which comprised the four cases as a data set.

The chapter has outlined a research procedure which adopted a theory-based framework which was synthesised from five key theoretical explanations for corruption as a structure for examining and triangulating these theories against the data. Each major theory from the literature review was constituted as a category for the QTCA process used for the study. Using knowledge gained from the literature review, the researcher operationalised each theory (category) by developing 37 *a priori* content analysis codes as shown in Table 3.5 on page 134. These codes reflected likely statements that could be made by participants in their explanations of corruption contained in the ICAC transcripts and reports and formed the initial coding schema for the study (presented in Appendix C).

The data were interrogated using these content analysis codes in three coding passes. The first coding pass was conducted manually on a printed copy of the ICAC transcripts and reports, using the initial *a priori* codes and categories. The second coding pass was conducted electronically and recorded in nVivo12 Plus software, with the ICAC transcripts and reports imported as electronic sources to this software. During the first and second coding passes, unused *a priori* codes were deleted, some similar codes were merged, and additional inductive content analysis codes were generated from the data. An additional inductive category 'not covered by theory' was also added to address explanations (codes) that did not fit into the theories within the framework.

These changes resulted in a revised coding schema (presented in Appendix D) containing 48 content analysis codes as shown in Table 3.5, which comprised 30 of the original 37 *a priori* codes along with 18 added inductive codes suggested by the data. Each content analysis code rolled-up to one of the six categories (five *a priori* theory based categories and the added inductive category of 'not covered by theory') used for this study as shown in Figure 3.2 on page 135. The definitions for the content

analysis codes that formed the revised coding schema can be found in Appendix E. The revised coding schema was applied to the data iteratively during the second pass of coding. Finally, after a deliberate three-month break from coding, a third coding pass was conducted to ensure that the revised coding schema had been fully applied to all data, that coding was consistent and that any identified errors were corrected.

The raw coding data were exported from nVivo to an Excel spreadsheet and were further processed using inbuilt Excel functions to create the count spreadsheet as described in this chapter. The count spreadsheet identified and counted any content analysis code that was mentioned by a participant as a single occurrence of that content analysis code, no matter how many times the raw data showed that the content analysis code was actually mentioned by the participant. This allowed the researcher to remove inappropriate emphasis related to loquacious participants or participants' responses to repeated questions from the ICAC Counsel Assisting. The data were filtered by case and by UoA to allow for within-case and cross-case analysis that allowed the researcher to make findings.

The chapter also considered how research rigour was maintained and demonstrated by this study, addressed limitations of the qualitative case study approach, and explained how the ethical requirements for research were implemented.

The next chapter presents the results and findings of the study.

# Chapter 4: Results

*"So why did you do it?"* ICAC Counsel Assisting (NSW Independent Commission Against Corruption, 2011, p. 735).

*"Why didn't you say to him no, I don't want any part of that?"* ICAC Counsel Assisting (NSW Independent Commission Against Corruption, 2008i, p. 2582)

## 4.1 INTRODUCTION

This chapter reports and explains the results and key findings of each of the four cases comprising the study, as well as selected cross-case observations. The purpose of this case study was to address two research questions, each with two sub-questions, which were:

1. How is corrupt behaviour in NSW public sector procurement processes explained or justified?

   a. Do the explanations reflect any theories about corruption from the framework used in this study, and if so, which theories?

   b. Does any single theory comprehensively explain the instances of corrupt behaviour?

2. How consistent is the explanation of corrupt behaviour in this context?

   a. How similar are the explanations of individuals from different units of analysis (individual, organisational, institutional)?

   b. How similar are the explanations of individuals from the same unit of analysis, including across different cases?

The explanations given by participants from the individual, organisational and institutional units of analysis (UoA) in each of the four cases that comprised this study were subjected to qualitative thematic content analysis (QTCA) using categories that represent each of the theories from the revised theory framework used for this study and detailed content analysis codes that operationalise concepts from each of the theories, as described in Chapter 3. Each of the cases for this study was specifically

selected, as described in Chapter 3, for its ability to elicit nuanced understanding of instances of corruption in procurement processes in the NSW public sector.

The chapter opens by outlining in Section 4.2 the reporting structure that will be followed for each of the within-case analyses. Next, the structure for reporting the cross-case analysis is presented in Section 4.3. Within-case QTCA for each case is then reported sequentially, starting with Case 1 and moving through to Case 4 in Sections 4.4 to 4.7. The within-case analysis presents for each case the "biographical" characteristics of the case and the descriptive statistical summaries of the category level results of the QTCA for each case. The category level results are summarised from the underlying content analysis coding, which is available in the Appendices. Within-case results are next reported against RQ 1, the comprehensiveness question, which addresses the relevance of the key theories in each case, and against RQ 2, which addresses the consistency of explanations given by participants from the three units of analysis within each case. Finally, each case report concludes with an elucidation of key issues identified in that case.

Following on from the within-case analysis, the results of cross-case analysis are introduced in Section 4.8. The cross-case analysis examines patterns that emerged across the four cases, analysed for each of the three UoA (individual, organisational, institutional). The key findings of the study are then presented in Section 4.9 and finally the chapter concludes with a summary contained in Section 4.10.

## 4.2 CASE PRESENTATION STRUCTURE

This section provides an outline of the way the results of each case are presented in this chapter. Each case contains a description of the case context, the results of the case at category level presented as a descriptive statistical summary, analysis of the results of the case, and a summary of key issues identified from the case.

### 4.2.1 Case Context Section

The case context section provides "biographical" characteristics and details about each case. It contains the name(s) and dates of the ICAC investigation(s) that comprised the case, the sector of the NSW public sector where the corruption occurred, the type(s) of corruption involved in the case, descriptive information about the case participants and their relationships, details of the corruption history of the public sector organisation (s) involved, the rationale for selection of the case, and an *a priori* theory-

based assumption as to the category(ies) from which participants might give their explanations based on these case characteristics.

### 4.2.2 Results Section

The results section reports the data in the form of descriptive statistical summaries of QTCA coding outcomes. It presents the category level results of the QTCA for each case, displayed separately by UoA. When applying the methodology described in Chapter 3, category level results were produced by first applying the theory-based qualitative content analysis codes to the data and then rolling the coded analysis up to the relevant category as previously described in Figure 3.2. Definitions for the content analysis codes are located in Appendix E. The detailed content analysis code level results for each case can be found in Appendix M for Case 1, Appendix O for Case 2, Appendix Q for Case 3, and Appendix S for Case 4. Examples illustrating how the content analysis codes were applied in the form of illustrative quotes from ICAC transcripts and reports have also been provided for each of the four cases. These can be found in Appendix N for Case 1, Appendix P for Case 2, Appendix R for Case 3, and Appendix T for Case 4.

In all four cases, explanations by corrupt individuals were taken to represent the views of the individual UoA; explanations by non-corrupt public sector managers were taken to represent the views of the organisational UoA; and explanations by ICAC Commissioners were taken to represent the views of the institutional UoA.

#### *Categories mentioned by at least 30% of participants*

The first set of results for each case provides a summary of results identifying categories that were mentioned by at least 30% of participants in any UoA. As described in Chapter 3, any category mentioned by at least 30% of participants from a UoA was considered to be an important source of explanations. The results reported at this level allowed a focus on the main theories that were mentioned in participants' explanations.

#### *Comprehensive results - all categories mentioned*

The second set of results is a comprehensive presentation of all categories mentioned for Case 2, Case 3 and Case 4, presented by UoA. These results present a rank order analysis of all categories that were mentioned by participants in their explanations, the percentage of participants that mentioned that category, as well as

the number of participants that gave an explanation for corrupt behaviour from that category. The results reported at this level allowed a more detailed focus on explanations given in each case by participants from different UoA. Results from Case 1, which contained only a single participant from each UoA, are not presented in this format.

Figure 4.1 below provides a quick reference on how to read the key features of the comprehensive results – all categories mentioned tables for each case.

Indicates the category under analysis.

Indicates the percentage of participants from this unit of analysis that gave explanations mentioning this category.
In this example, 96% of participants from this unit of analysis gave explanations that mentioned the bad apples category.

Indicates the unit of analysis being reported.

| Rank order analysis of frequency of category level explanations in Case 2 | | | | | | |
|---|---|---|---|---|---|---|
| UoA | ERCT | **Bad apples** | Bad barrels/ orchards | Clash of moral values | Ethos of public admin | 'not covered by theory' |
| **Individual (corrupt public official)** n=23 | 6 35% | **1** **96%** | 4 57% | 5 43% | 3 70% | 2 87% |
| **Institutional (ICAC Commissioner)** | Yes | Yes | Yes | Yes | Yes | Yes |

Indicates the number of participants from this unit of analysis.

Yes/No format used for units of analysis with only 1 or 2 participants to indicate whether this category was mentioned/ not mentioned.
In this example, the bad apples category was mentioned.

Indicates the case under analysis.

Indicates the ranking for this category, with 1 being the category mentioned by the largest number of participants from this unit of analysis.
In this example, the bad apples category was the most frequently mentioned.

*Figure 4.1.* How to read the comprehensive results tables – Cases 2-4.

### 4.2.3 Interpretation of Results

Interpretation of results for each case was conducted using two key concepts from the research questions. The first of these concepts has been labelled "comprehensiveness of explanations", and relates to RQ 1. RQ 1 sought to understand whether explanations of corrupt behaviour in NSW public sector procurement reflected any of the theories from the framework used for this study, and whether any single theory could comprehensively explain the corruption in this case.

The second of these concepts has been labelled "consistency of explanations", and relates to RQ 2. RQ 2 sought to understand how consistent the explanations of corrupt behaviour were within each case, and specifically to identify the extent of consistency in explanations within each case by participants from *across* the three different UoA. It also sought to identify the level of consistency in explanations from participants *within* the individual UoA, according to whether those participants were corrupt public officials or corrupt suppliers, with explanations from participants from each of these job roles analysed separately. This was necessary because during the QTCA it became evident that there were some differences in the explanations favoured by participants from the individual UoA according to whether they were a public official or a supplier. Finally, RQ 2 also sought to understand whether there was consistency in explanations by participants from within each UoA across all cases in the study (cross-case analysis).

### 4.2.4 Key Issues Section

Finally, the key issues section elucidates important conclusions that emerged from the analysis in relation to each case. It addresses the accuracy of the theory-based assumption about the case, the number of theories reflected in explanations of corruption in the case, and the extent of consistency in explanations within the individual UoA and across the three UoA for each case.

### 4.3  CROSS-CASE ANALYSIS PRESENTATION STRUCTURE

The cross-case analysis contains the aggregated results from the four cases that comprised this study, presented by UoA. It contains a results section which presents results for categories mentioned by at least 30% of participants and comprehensive results covering all categories mentioned. These aggregated results for all cases are then analysed for comprehensiveness (RQ 1) and consistency (RQ 2) of explanation

by UoA, along with other interesting aspects of the results, and this is presented in the interpretation section. As described in Chapter 3, a sensitivity analysis section using 40% and 50% thresholds is also included in the cross-case analysis. Finally, the key findings from the cross-case analysis are presented.

## 4.4 CASE 1 - SINGLE INVESTIGATION INTO A SINGLE ORGANISATION

The following sections present a qualitative description of the case context, QTCA results in the form of descriptive statistical summaries of coding outcomes, interpretation of results, and a summary of key issues for Case 1.

### 4.4.1 Case Context

The following description of Case 1 has been developed from the relevant ICAC transcript (NSW Independent Commission Against Corruption, 2010c) and report (NSW Independent Commission Against Corruption, 2010a).

#### *Background*

The data for this case were from Operation Coral, a single ICAC investigation into corruption in procurement occurring at Organisation A, a NSW state government organisation. The corrupt events took place between 2001-2008 and the investigation occurred between 2007-2010. ICAC public hearings were held in 2010. The ICAC transcripts and report were made public in 2010.

The single ICAC Commissioner in this case made corruption findings against one public official. One non-corrupt public sector manager participated in the public hearings. There were no corrupt suppliers in this case. This investigation was initiated by a referral made to ICAC by Organisation A after internal processes revealed that the corrupt public official COR01 had failed to declare his private interest in benefitting from contracts awarded by Organisation A.

#### *The Corrupt Behaviour in Case 1*

The main form of corruption in this case was conflict of interest, including inappropriate secondary employment.

#### *Conflict of Interest*

Conflict of interest in this case took four forms. The first was where the corrupt public official COR01, along with his friend COR02, secretly operated an undeclared

business (Company R) that received financial benefits from contracts with Organisation A. Further, COR01 represented Organisation A's interests at contract management meetings relating to Company R without declaring his interest in that company. The second was where COR01 benefited financially from contracts with Organisation A performed by a business operated jointly with a member of his family (Company U), without declaring their relationship.

The third conflict of interest arose when COR01 made procurement and contract management decisions that financially benefitted his friend COR02's company, Company S, without declaring their relationship. These included approving budget increases, approving invoices for payment, and extending contracts without running tenders. The fourth conflict of interest related to COR01's failure to obtain approval for secondary employment, including operating a business as required by Organisation A's policies.

It was contrary to Organisation A's code of conduct for COR01 to have an undeclared conflict of interest. COR01 knew he was required to but in fact did not advise Organisation A that he worked for either of his companies or that his companies held contracts with Organisation A. COR01 denied knowing that he was required to declare his friendship with COR02.

### The Public Sector Organisation

Organisation A is a NSW state government organisation operating on a state-wide basis to provide facilities and supporting maintenance and horticultural services to disadvantaged members of the community. Organisation A engages a number of supplier organisations to provide these support services.

### The Corrupt Public Official – COR01

The corrupt public official, COR01, was employed for 22 years at Organisation A between 1986 and 2008, when he resigned as a result of the ICAC investigation. Between 1994 and 2000, COR01 was employed as a Senior Client Services Officer, and in 2000 he became an Acting Team Leader in Organisation A's Greater Western Sydney division, located approximately 50km from the Sydney central business district (CBD). His duties involved contract administration, paying invoices, recommending contract value increases, extending contracts and accepting quotes that were within his delegation.

COR01 was friends with COR02, a non-corrupt supplier to Organisation A. In 2004, whilst COR01 was employed by Organisation A, COR 01 and COR02 together registered Company R to provide plant and equipment and to engage subcontractors that provided services to Organisation A. COR01 and COR02 jointly owned and operated Company R until early 2007, when COR01 bought out COR02 and became the company's sole director and shareholder.

From 2002 onwards, COR01 and his brother also operated a demolitions business, Company U, which received work from Organisation A.

### The Non-Corrupt Supplier – COR02

The non-corrupt supplier, COR02, was friends with the corrupt public sector official, COR01. COR02 was the sole director and shareholder of Company S, which provided grounds maintenance services under a casual contract with Organisation A, initially awarded without tender in 2001. The usual procurement process of Organisation A required such contracts to be awarded via tender. This contract was extended on several occasions also without tender, and Company S was ultimately paid around $2.7 million for these services.

### The Non-Corrupt Public Sector Manager – COR03

The non-corrupt public sector manager, COR03, held the middle management position of Contracts Manager for the Greater Western Sydney Division of Organisation A and was COR01's supervisor.

### Anticipated Theory

As described in Chapter 3, this case was selected to examine explanations for corrupt behaviour by a single corrupt individual from a single government organisation to illuminate whether the corruption was a result of the individual's actions alone or whether organisational or institutional factors were also involved. This case appeared to result from the isolated acts of a single corrupt person in the organisation. Neither the individual nor the organisation had previously been investigated by ICAC. According to theory, it was therefore anticipated that explanations for that individual's corrupt behaviour would tend to lean towards the ERCT or bad apples categories, which emphasise individual factors such as self-interest or personal weaknesses in explaining corrupt behaviour.

### 4.4.2 Results in Case 1

The explanations of corrupt behaviour given by participants and recorded in the ICAC transcripts and reports for Case 1 were coded and rolled-up to the relevant category from the framework used for this study, using the approach described in the methodology chapter. The following sections report the results of this process via descriptive statistical summaries, and show that the range of explanations for corrupt behaviour mentioned by participants from the three UoA represented in this case covered five of the categories noted in the framework.

#### *Categories Mentioned by at Least 30% of Participants*

Table 4.1 below presents a summary of the categories for which participants in Case 1 mentioned at least one content analysis code when explaining the corrupt behaviour. The results are displayed for each of the three UoA. However, as there was only a single participant from each of the UoA in this case, percentages of participants mentioning a category and a rank order analysis were not conducted for Case 1, although this was done for the remaining cases in this study. For Case 1, Table 4.1 presents the binary positions of "Yes" = mentioned by the participant in this UoA and "No" = not mentioned by the participant in this UoA.

Table 4.1

*Categories Mentioned by Participants in Case 1*

| UoA | **ERCT** | **Bad apples** | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | ''Not covered by theory'' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official)^ | Yes | Yes | Yes | Yes | No | Yes |
| Organisational (non-corrupt public sector manager) | No | No | Yes | Yes | No | No |
| Institutional (ICAC Commissioner) | Yes | Yes | Yes | Yes | No | Yes |

| | |
|---|---|
| ^ | There were no corrupt suppliers in this case |
| **x** | Anticipated theory represented by this case |
| | Theory category mentioned by all UoA |

•

### 4.4.3 Interpretation of Results in Case 1

The following sections provide an interpretation of the comprehensiveness and consistency of explanations across the UoA in Case 1.

### Comparison of Findings to Theoretical Sample (Expected Outcome)

As previously explained, it was anticipated that explanations of corruption in this case would tend towards the individual factor theories, ERCT and bad apples. Table 4.1 shows that whilst these theories were indeed mentioned by participants, they were not the only theories participants mentioned. This table shows that bad barrels/orchards and clash of moral values (CMV) were more widely mentioned by participants in this case than the anticipated theories, and that participants also mentioned explanations that were not covered by the theories in the revised theory framework.

### Comprehensiveness of Explanations in Case 1

#### Individual unit of analysis

As can be seen in Table 4.1, the single corrupt individual public official gave explanations for his corrupt behaviour from four of five theory-based categories included in this study, along with the added inductive category of 'not covered by theory'. The category that was not identified in the data was the ethos of public administration (EPA). These results suggested that no single theory could comprehensively explain the corruption in this case for the participant from this UoA.

An example of a statement by a participant from the individual UoA coded to the CMV category in Case 1 was "…like you know, if you can't deal with your brother, your family, who can you deal with" (NSW Independent Commission Against Corruption, 2010c, p. 140).

#### Organisational unit of analysis

The single non-corrupt public sector manager in Case 1 gave explanations that aligned with only two of the theory-based categories. These were bad barrels/orchards and CMV theories. These results again suggested that no single theory could comprehensively explain the corruption in this case for the participant from this UoA.

An example of a statement by a participant from this UoA coded to the bad barrels/orchards category in Case 1 was "that was the practice [rolling over a contract without any tender process] in those times, yes" (NSW Independent Commission Against Corruption, 2010c, p. 29).

#### Institutional unit of analysis

The single ICAC Commissioner in Case 1 mentioned explanations from four out of the five theory-based categories included in this study, along with the added

category of 'not covered by theory'. The category that was not mentioned was the EPA. These results again suggested that no single theory could comprehensively explain the corruption in this case for the participant from this UoA.

An example of a statement by the ICAC Commissioner coded to ERCT in Case 1 was "COR01 deliberately failed to declare his conflicts of interest…in order to conceal his involvement in…contract work and thereby continue to benefit financially from that work" (NSW Independent Commission Against Corruption, 2010a, p. 21).

### Consistency of Explanations in Case 1

#### Within the individual unit of analysis

As there were no corrupt suppliers in this case, it was not possible to conduct analysis of consistency of explanations *within* the individual UoA.

#### Across the three units of analysis

The results for this case suggest that there were both similarities and differences in the explanation of corruption *across* different UoA. In terms of similarities, as shown in Table 4.1 above, participants from all three UoA were consistent in giving explanations that mentioned the bad barrels/orchards and CMV categories, and no participant in Case 1 gave an explanation which mentioned EPA.

In terms of differences, only two categories of explanation were mentioned by participants from the organisational UoA. These were the bad barrels/orchards and CMV categories. However, by comparison, participants from the individual and institutional UoA each gave explanations that mentioned all the categories except EPA.

### 4.4.4 Summary of Key Issues in Case 1

#### Comprehensiveness of Explanations - Theories Reflected

The explanations of corruption in this case mentioned all of the theory-based categories except the EPA category, that was not mentioned by any participant in this case. Explanations that were not clearly aligned to an existing theory-based category ('not covered by theory') were also given by participants from the individual and institutional UoA in this case.

### *Comparison of Anticipated Versus Actual - Theories Reflected*

As described in Chapter 3, because of the case characteristics, the explanations given were anticipated to relate to the individual factor theories (ERCT, bad apples). The results showed that concepts from both these theories were mentioned by participants from the individual and institutional UoA. However, neither of these categories was mentioned by the participant from the organisational UoA. Additionally, participants from all three UoA mentioned other categories in their explanations. It could therefore be concluded that the theory-based assumption for this case was partially accurate, in that the ERCT and bad apples categories were important in explanations by participants from some (but not all) UoA. However, the theory-based assumption was also incomplete, in that it did not fully identify all the explanations of corruption that were given by participants in the case.

The results reported above indicate that the corruption in Case 1 was complex and could not be explained comprehensively by any single theoretical perspective. All theories from the framework used for this study, except for EPA, along with the added inductive category of 'not covered by theory' taken together gave a reasonably comprehensive and rich insight into this case of corruption in procurement processes in the NSW public sector. However, no single theory alone was sufficient to comprehensively explain the corruption in this case.

### *Consistency of Explanations*

#### *Within the individual unit of analysis*

As there were no corrupt suppliers in this case, it was not possible to conduct analysis of consistency of explanations *within* the individual UoA.

#### *Across the three units of analysis*

Participants from all three UoA consistently mentioned the bad barrels/orchards and CMV categories. No participant, from any UoA, gave an explanation that mentioned the EPA. The participants from the individual and institutional UoA both mentioned the ERCT and bad apples categories in their explanations, although these were not mentioned by the participant from the organisational UoA. These results suggest a degree of consistency in explanations of corruption for participants across the UoA in Case 1.

The results from Case 2 are presented in the next section.

### 4.5 CASE 2 - SINGLE INVESTIGATION INTO MULTIPLE ORGANISATIONS

The following sections present a qualitative description of the case context, QTCA results in the form of descriptive statistical summaries of coding outcomes, interpretation of results, and a summary of key issues for Case 2.

### 4.5.1 Case Context

The following description of Case 2 has been developed from the relevant ICAC transcript (NSW Independent Commission Against Corruption, 2011) and report (NSW Independent Commission Against Corruption, 2012b).

#### *Background*

The data for this case were from Operation Jarek, a single ICAC investigation into corruption in procurement in 14 local government organisations in NSW and one state government organisation. These independent organisations were located in Sydney and throughout regional NSW. The corrupt events took place between 2004-2011, and were investigated between 2009-2011. ICAC public hearings were held in 2011. The ICAC transcripts and reports were made public in 2012.

The single ICAC Commissioner for this case made corruption findings against 41 people, 23 public officials and 18 suppliers. Four non-corrupt public sector managers also participated in the public hearings. The organisations all experienced similar types of corruption, predominantly false invoicing and receipt of cash, gifts, benefits or hospitality by public officials. This investigation was initiated when Organisation E, a local government organisation in a regional area of NSW, received an anonymous email tip-off alleging corrupt behaviour by a single public official, JAR06, and two supplier organisations, Company Y and Company Z. This allegation was referred to ICAC by Organisation E. Initial investigation by ICAC identified that a number of other supplier organisations had engaged in similar behaviour at Organisation E. ICAC also discovered that several of Organisation E's supplier organisations had also engaged in similar corrupt behaviour at other local government organisations in NSW.

Ultimately, ICAC concluded that the corrupt behaviour was "systemic" (NSW Independent Commission Against Corruption, 2012b, p. 8) and "widespread" (NSW Independent Commission Against Corruption, 2012b, p. 115) in the local government

sector of NSW, with a total of 110 government organisations being identified as experiencing the corrupt behaviour (NSW Independent Commission Against Corruption, 2012b, p. 11). Due to ICAC's own resourcing issues, 95 government organisations with suspected corruption were not investigated in Operation Jarek.

A diagram illustrating the relationships between corrupt public officials and corrupt suppliers is at Figure 4.2 on page 164 below. It reveals the spread and pattern of influence of a number of corrupt suppliers working for a small number of corrupt supplier companies. These individual suppliers interacted corruptly with a large number of public officials from the 15 independent local government organisations from this case.

### The Corrupt Behaviour in Case 2

The corrupt behaviour in Case 2 took two main forms - false invoicing and inappropriate use of loyalty schemes.

#### False Invoicing

The false invoicing schemes in this case involved corrupt public officials at two local government organisations colluding with corrupt suppliers from four corrupt supplier organisations to pay invoices that did not accurately reflect the true quantity, nature, or cost of the goods supplied to the local government organisations. Some false invoices resulted in the corrupt supplier receiving payment for more goods than were actually supplied (under-supply). In some instances, the invoices were wholly false and no goods at all were supplied (non-supply). Some false invoices contained inflated prices, or related to goods where an inferior (and thus cheaper) product had been supplied.

The corrupt secret proceeds of the various forms of false invoicing were estimated at over $1.5 million, and were typically shared between the corrupt public official and the corrupt supplier, without the knowledge of the public sector organisation or the supplier company. False invoicing schemes also involved corrupt public officials fraudulently certifying as correct payment invoices that they knew to be false. This was contrary to their organisation's code of conduct and their obligations under a range of organisational procurement policies.

*Loyalty Schemes*

Many of the supplier organisations that served the local government organisations operated loyalty schemes providing gifts and rewards for repeatedly ordering from that supplier. These included items such as power tools, computers, ipads, iphones, televisions, clothing items, sporting equipment and tickets to sporting events, barbeques, alcohol, restaurant vouchers, holidays and gift vouchers that could be used at a wide array of shops. The value of the rewards provided increased with the value of orders placed. These loyalty schemes were instigated by the supplier organisations to encourage public officials to ignore other potential suppliers of the various goods their local government organisations required. Individual corrupt suppliers used the loyalty schemes and other sales tactics such as relational selling to pressure public officials to order from them in order to receive a loyalty reward, to increase the value of orders in order to qualify for a better reward, or to split orders in order to qualify for multiple desired rewards.

Although some corrupt public officials claimed to be unaware of or confused about the fact that the code of conduct and/or gift policy of their local government organisation prohibited them from accepting gifts above a token value, most of the corrupt public officials who accepted gifts acknowledged that they were aware that this behaviour was proscribed (NSW Independent Commission Against Corruption, 2012b, pp. 115-116).

### The Public Sector Organisations

The 15 government organisations investigated in Operation Jarek were selected from those where there was evidence that at least one employee had allegedly received benefits from a supplier that exceeded a monetary threshold established by ICAC. This threshold was not disclosed in the public documents. The organisations investigated by ICAC were located in the CBD of Sydney, the state capital of NSW, the Sydney metropolitan area, the Greater Western Sydney area (located approximately 50km from the Sydney CBD), regional towns and cities in the north, south and west of NSW, and remote areas of the state (located 650-1,000 km from the Sydney CBD). The public sector organisations were geographically remote from each other and operated as independent entities. They did not share a common pool of employees. However, these organisations were served by the same corrupt supplier organisations.

### The Corrupt Public Officials

The corrupt public officials in this case had been employed by their government organisation for between 2 and 34 years, with many employed for over 20 years. Of the 23 corrupt public officials, 22 were male and one was female. In relation to the loyalty schemes, the corrupt public officials typically held blue collar or trade level positions such as sewer technician, storeman, tradesman, handyman, groundsman, and plant operator within their local government organisation. Eleven (JAR03, JAR05, JAR07, JAR11, JAR15, JAR16, JAR17, JAR18, JAR21, JAR22 and JAR23) were team leaders of blue collar work teams. The gifts and benefits received by the majority of corrupt public officials were "relatively modest" (NSW Independent Commission Against Corruption, 2012b, p. 15), ranging from a DVD player valued at $150 or $200 in gift vouchers to an estimated $5,750 in gift vouchers.

The false invoicing schemes involved two public officials, JAR06 and JAR10, both employed by different regional local government organisations as storespeople.

As a result of Operation Jarek, a number of the corrupt public officials suffered negative outcomes including formal warning, demotion, salary reduction, suspension without pay or termination. Thirteen corrupt public officials resigned from their employment. Two corrupt public officials, JAR06 and JAR10, were sentenced to jail terms. More details about the corrupt public officials in this case can be found in Appendix J.

### The Corrupt Suppliers

In relation to loyalty scheme corruption, the individual corrupt suppliers in this case all worked as salespeople for organisations that supplied goods to multiple local government organisations across NSW. These supplier organisations had instigated loyalty schemes that operated for customers from both public and private sector organisations. The supplier organisations' sales staff were expected to implement their employer's loyalty scheme and engage in a practice of relational selling, which involved building a friendship – either real or confected – with the public officials who could place orders.

The individual corrupt suppliers came from a wide range of backgrounds. Some were long term sales people; others had previous professional backgrounds as diverse as minister of religion, storesperson, and various engineering and technical roles; and

some were the managers, senior managers or directors of the supplier organisations. The duration of employment of these individual corrupt suppliers ranged from less than 1 year through to 20 years or longer. Of the 18 corrupt suppliers, 17 were male and one was female.

The false invoicing schemes were not formally endorsed by the supplier organisations in the way the loyalty schemes were, and so were generally the independent, corrupt actions of individuals (JAR24, JAR30, JAR33, JAR35, JAR39). However, the Managing Director of Company V (JAR37) was found by ICAC to have been aware of false invoicing by Company V, but to have wilfully ignored it, thus facilitating the payments by his employee, JAR24.

The corrupt supplier organisations in this case were two micro businesses, which were essentially owner operated, two small-medium enterprises with several employees, and three organisations which were the substantial local operations of American companies. Figure 4.2 overleaf represents the relationships between corrupt public officials, corrupt individual suppliers and corrupt supplier organisations in Case 2. As indicated in the legend, this diagram shows which individual suppliers behaved corruptly with which public officials. It shows the supervisory relationships between corrupt public officials, and also identifies those corrupt public officials who were colleagues of other corrupt public officials. It shows the supervisory relationships between corrupt suppliers, and identifies those corrupt individual suppliers who were colleagues of other corrupt individual suppliers Additionally, the diagram illustrates which corrupt individual suppliers worked for the same corrupt supplier organisations. Figure 4.2 reveals a complex pattern of corrupt relationships.

### *The Non-Corrupt Public Sector Managers*

The non-corrupt public sector managers held senior positions including those of Council General Manager, Director of Corporate Services, and Executive Director and did not directly supervise any of the corrupt public officials.
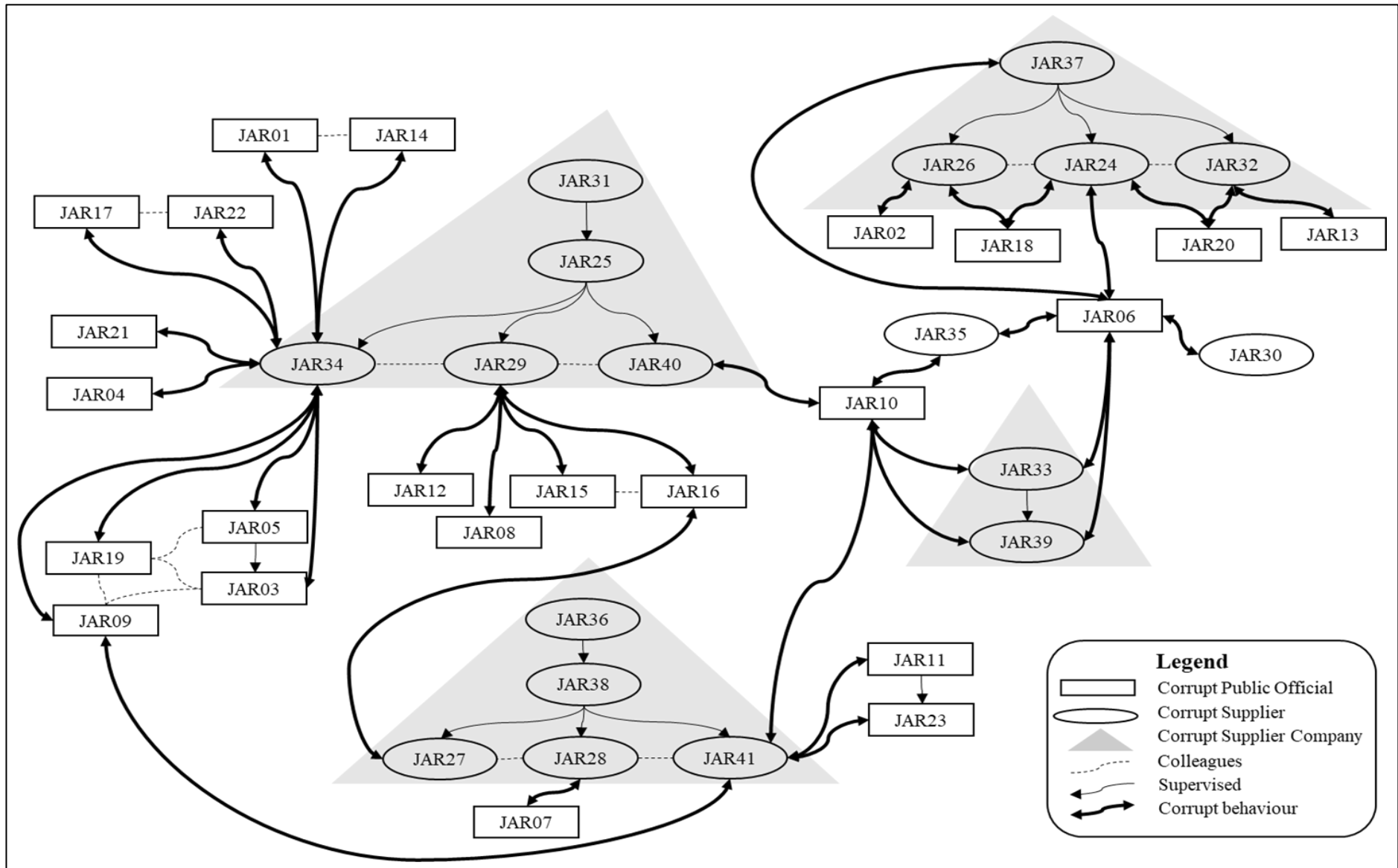
*Figure 4.2.* Corrupt relationships - corrupt public officials and corrupt suppliers

*Anticipated Theory*

As described in Chapter 3, this case was selected to examine explanations for corrupt behaviour by small numbers of individuals from multiple government organisations, to illuminate whether the corruption was a result of the individuals' actions alone or whether organisational or institutional factors were also involved. This case involved a narrow range of corrupt activities carried out by small numbers of apparently opportunistic corrupt individuals at a large number of organisations.

According to theory, it was anticipated that explanations for corrupt behaviour would lean towards explanations from the ERCT and bad apples categories, for several reasons. In Case 2, only a small number of individuals, ranging from a single person through to a maximum of four individuals, was found to have behaved corruptly in each public sector organisation. This was expected to imply individual factors, or possibly an organisation of corrupt individuals (bad barrels), rather than a corrupt organisation (bad orchards) explanation. Finally, although the organisations investigated in Case 2 were from the same sector of government (local government), they all operated independently of each other, were geographically dispersed, and did not share a common pool of procurement staff, suggesting that system or institution-wide issues were less likely to be relevant to the actions of the individual staff from the individual organisations affected by corruption in this case. The organisations investigated by ICAC did, however, share a pool of common suppliers, which seem to have acted as a system-wide vector of corruption.

## 4.5.2 Results in Case 2

The explanations of corrupt behaviour given by participants were coded and rolled-up to the relevant category from the framework used for this study. The following sections report the results of this process. The results show that the range of explanations for corrupt behaviour mentioned by participants from the three UoA in this case included all six of the categories noted in the framework.

*Categories Mentioned by at Least 30% of Participants*

Table 4.2 overleaf presents the categories that were mentioned by at least 30% of participants from any UoA in Case 2, and were thus regarded as an important source of explanations in this case.

Table 4.2

*Categories Mentioned by at Least 30% of Participants in Case 2*

| UoA | **ERCT** | **Bad apples** | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official) | Yes | Yes | Yes | Yes | Yes | Yes |
| Individual (corrupt supplier) | Yes | Yes | Yes | No | No | Yes |
| Organisational (non-corrupt public sector manager) | No | No | Yes | No | Yes | No |
| Institutional (ICAC Commissioner)* | Yes* | Yes* | Yes* | Yes* | Yes* | Yes* |
| * | There was only a single participant from this UoA | | | | | |
| **x** | Anticipated theory represented by this case | | | | | |
|  | Theory response given by at least 30% of participants from each UoA | | | | | |

The results presented in Table 4.2 above indicate that, taken collectively, the participants in this case mentioned explanations for corrupt behaviour from all six categories. However, it can also be seen that only one category, the bad barrels/orchards category, was consistently mentioned by at least 30% of participants from each of the three UoA. Additionally, the EPA category was consistently important (mentioned by at least 30%) to participants from the UoA covering public sector employees – corrupt public officials (individual UoA), non-corrupt public sector managers (organisational UoA), and the single ICAC Commissioner (institutional UoA); but it was not important to corrupt suppliers. The only two categories that were mentioned by at least 30% of participants from the organisational UoA were the bad barrels/orchards category and the EPA category.

The ERCT and bad apples categories, along with the 'not covered by theory' category, were mentioned by at least 30% of participants from the individual UoA and the single ICAC Commissioner (institutional UoA). The CMV category was only mentioned by at least 30% of corrupt public officials (individual UoA) and the single ICAC Commissioner (institutional UoA).

### Detailed Results - All Categories Mentioned

More detailed category level analysis for this case revealed complexity in explanations of corruption. Table 4.3 overleaf presents the summary of detailed results showing all category level explanations mentioned, displayed for each of the three

UoA. An interesting aspect of these results is the variance in the percentage of participants from each UoA that mentioned each category, and thus the ranking of each category.

As noted earlier, a detailed breakdown of the content analysis codes identified in the data for this case which were rolled-up to provide these category level results can be found in Appendix O. Illustrative examples of coding at the content analysis code level for each theory category and examples of explanations given by participants can be found in Appendix P.

Table 4.3

*All Categories Mentioned in Case 2*

| UoA | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official) n=23 | 6* 35%# | 1 96% | 4 57% | 5 43% | 3 70% | 2 87% |
| Individual (corrupt supplier) n=18 | 2 83% | 4 67% | 3 78% | 5 17% | 6 0% | 1 94% |
| Organisational (non-corrupt public sector manager) n=4 | 3 25% | 3 25% | 2 50% | 3 25% | 1 75% | 3 25% |
| Institutional (ICAC Commissioner) n=1 | Yes | Yes | Yes | Yes | Yes | Yes |

\*    The rank order of the frequency of this explanation for the UoA

\#    Percentage of participants from this UoA who gave this explanation.

### 4.5.3 Interpretation of Case 2 Results

The following sections provide an interpretation of the comprehensiveness and the consistency of explanations within and across the three UoA in Case 2.

#### *Comparison of Findings to Theoretical Sample (Expected Outcome)*

It was anticipated that the explanations of corruption in this case would tend towards the individual factor theories, ERCT and bad apples. Table 4.2 above shows that, whilst these theories were mentioned by participants, they were not the only theories mentioned in their explanations. This table also shows that bad

barrels/orchards and CMV were more widely mentioned by participants in this case than the anticipated theories.

### *Comprehensiveness of Explanations in Case 2*

*Individual unit of analysis*

Explanations by corrupt individuals, either corrupt public officials or corrupt suppliers, were taken to represent the views of the individual UoA.

As shown in Table 4.3, corrupt public officials in this case gave explanations for corrupt behaviour that mentioned all six of the categories used in this study. The bad apples category (mentioned by 96% of corrupt public officials), which was evidenced by statements such as, "I was naïve and stupid" (NSW Independent Commission Against Corruption, 2011, p. 622), was the most frequently mentioned in explanations by corrupt public officials. This was followed by 'not covered by theory' (87%), EPA (70%), bad barrels/orchards (57%), CMV (43%) and finally ERCT (35%). An illustrative example of a statement coded to ERCT for corrupt public officials in this case was "oh, oh, I knew I'd get something out of it" (NSW Independent Commission Against Corruption, 2011, p. 1181). It appears from these results that all five theory-based categories, along with the added inductive category of 'not covered by theory', were important in explanations by corrupt public officials, and, by corollary, that no single theory could comprehensively explain the corruption in this case for these participants.

The corrupt individual suppliers in this case gave explanations from five of the categories, although with a different emphasis to that of the corrupt public officials. The rank order of categories was 'not covered by theory' (mentioned by 94% of corrupt individual suppliers), ERCT (87%), bad barrels/orchards (78%), bad apples (67%), and finally CMV (17%). An example of a statement by a corrupt supplier coded to the bad barrels/orchards category in this case was, "if you want to be in business to make a living you've got to do what everyone else is doing" (NSW Independent Commission Against Corruption, 2011, p. 107). Corrupt suppliers did not give any explanations from the EPA category; this may be because suppliers regarded the EPA as a public sector matter that is not relevant to them. As shown in Table 4.3, the CMV category was also not an important source of explanations by corrupt suppliers. The remaining four categories were mentioned by at least 30% of corrupt suppliers in this

case and were therefore regarded as important. Again, it appears that no single theory could comprehensively explain the corruption in this case for these participants.

*Organisational unit of analysis*

As shown in Table 4.3, the four non-corrupt public sector managers in Case 2 gave explanations skewed towards organisational and institutional factors. These came from two theory-based categories, namely EPA, which was mentioned by 75% of non-corrupt public sector managers, and bad barrels/orchards, which was mentioned by 50%. These were the only categories mentioned by at least 30% of non-corrupt public sector managers, and were therefore the only ones regarded as important to participants from this UoA. These results again suggested that no single theory could comprehensively explain the corruption in this case for this group of participants.

*Institutional unit of analysis*

As can be seen from Table 4.3, the single ICAC Commissioner mentioned explanations from all six of the categories. An example of a statement by the ICAC Commissioner coded to the bad barrels/orchards category is "what you're saying is, that it all started off with the gift voucher, then it got the gift vouchers increased *(sic)* that included accommodation and other items, then you started defrauding" (NSW Independent Commission Against Corruption, 2011, p. 830). These results again suggested that no single theory could comprehensively explain the corruption in this case for the single participant from this UoA.

### Consistency of Explanations in Case 2

*Within the individual unit of analysis*

As shown in Table 4.3, there were clear differences in the way corruption was explained by participants from *within* the individual UoA. This manifested as differences in the percentage of participants who mentioned each of the categories in their explanations of corrupt behaviour.

There were some notable disparities in relation to the percentages of corrupt public officials and corrupt suppliers who gave explanations that mentioned particular categories. This disparity was most stark for the EPA category, which was mentioned by 70% of corrupt public officials in Case 2, but was not mentioned at all by corrupt suppliers. Similarly, the CMV category was mentioned by 43% of corrupt public officials but only by 17% of corrupt suppliers. The bad barrels/orchards category was mentioned by 57% for corrupt public officials but 78% for corrupt suppliers. The only

category that shared a similar percentage of mentions by both corrupt public officials and corrupt suppliers in this case was the 'not covered by theory' category, which was mentioned by 87% of corrupt public officials and by 94% of corrupt suppliers.

*Across the three units of analysis*

As shown in Table 4.2, the bad barrels/orchards category was the only category that was important in explanations by participants across all three UoA in this case. The detailed results for this case presented in Table 4.3 suggest that there were notable differences in the explanation of corruption *across* the three UoA. This manifested as differences in the percentage of participants from different UoA who mentioned each of the categories in their explanations of corrupt behaviour.

Examination of the percentage of participants whose explanations mentioned particular categories presented a complex picture. For example, there was a similarity in the percentage of non-corrupt public sector managers (75%) and corrupt public officials (70%) who mentioned the EPA in their explanations, but this category was not mentioned at all by corrupt suppliers. The bad barrels/orchards category was mentioned by 50% of non-corrupt public sector managers and 57% of corrupt public officials, but was mentioned by a higher percentage of corrupt suppliers (78%).

These results suggest the possibility of a shared perspective by participants employed within the public sector, whether corrupt or not, because of the similarity of percentage responses for both corrupt public officials (individual UoA) and non-corrupt public sector managers (organisational UoA). This shared perspective was apparent across the multiple organisations that were investigated in Case 2, despite their geographical separation and operational independence. However, a clearly different perspective was presented by the corrupt suppliers in this case, who were employed by the private sector.

### 4.5.4 Summary of Key Issues in Case 2

#### *Comprehensiveness of Explanations - Theories Reflected*

The explanations of corruption in this case mentioned all five of the theory-based categories. Explanations from the 'not covered by theory' category were also prevalent in explanations of corruption given by participants from the individual and institutional UoA in this case.

### *Comparison of Anticipated Versus Actual - Theories Reflected*

As described in Chapter 3, because of case characteristics, the explanations given were anticipated to relate to individual factor theories (ERCT, bad apples). The results reported above show that concepts from both these theories were important for participants from the individual UoA and were mentioned by the single participant from the institutional UoA. However, neither of these categories was important for participants from the organisational UoA. Additionally, it is notable that many other categories (theories), and the 'not covered by theory' category, were also mentioned in explanations by participants from all three UoA. The theory-based assumption for this case was accurate, in that the ERCT and bad apples categories were important in explanations by participants from some (but not all) UoA, but was also incomplete, in that it did not fully identify all the major explanations of corruption that were given by participants in the case.

The results reported above indicate that the corruption in Case 2 was complex and could not be explained comprehensively by any single theoretical perspective. All theories from the framework used for this study, along with the added inductive category of 'not covered by theory', taken together, gave a reasonably comprehensive and rich insight into this case. However, no single theory alone was sufficient to comprehensively explain the corruption in this case.

### *Consistency of Explanations*

#### *Within the individual unit of analysis*

As shown in Table 4.2, there was some consistency of categories mentioned by at least 30% of participants from within the individual UoA in this case. However, the more detailed and granular results reported above in Table 4.3 revealed substantial differences in the theory-based concepts mentioned by corrupt public officials and corrupt suppliers in their explanations of corruption. Overall, this suggested a lack of consistency in how corruption was explained within the individual UoA.

#### *Across the three units of analysis*

As shown in Table 4.2, the bad barrels/orchards category was the only category consistently mentioned by at least 30% of participants from all three UoA in this case. Further, as shown in the more detailed results presented in Table 4.3 above, because different theories were emphasised in explanations by participants from each of the three different UoA, the results reported above suggest that explanations of corruption

were not consistent between UoA in this case. Accordingly, UoA may potentially be an influence on which of the theory-based perspectives are more prevalent in a participant's explanations of corruption.

## 4.6 CASE 3 – MULTIPLE INVESTIGATIONS INTO A SINGLE ORGANISATION

The following sections present a qualitative description of the case context, QTCA results in the form of descriptive statistical summaries of coding outcomes, interpretation of results and a summary of key issues for Case 3.

### 4.6.1 Case Context

The following description of Case 3 has been developed from the relevant ICAC transcripts (NSW Independent Commission Against Corruption, 2007, 2008i) and reports (NSW Independent Commission Against Corruption, 2008a, 2008b, 2008c, 2008d, 2008e, 2008f, 2008g, 2008h).

*Background*

The data for this case were from Operation Monto, which involved a series of seven separate ICAC investigations conducted between 2006-2008 into seven different corrupt events in procurement within a single NSW state government organisation, Organisation D. The corrupt events took place over the period 2000-2008. Public hearings were held between 2007-2008 into six of these instances. All seven investigation reports and a separate corruption prevention report were made public in 2008.

ICAC made corruption findings against 31 individuals – 15 corrupt public officials and 15 corrupt suppliers, plus one person who was corrupt as both a public official and as a supplier. The data relating to this person could not be attributed to actions taken as a corrupt public official and those as a corrupt supplier, so were excluded from analysis. Nine non-corrupt public sector managers also participated. There were two ICAC Commissioners, who each sat alone for certain hearings. The main forms of corruption in this case were false invoicing, conflict of interest, and improper use of position by corrupt public officials.

Investigations 1, 6 and 7 were initiated by ICAC after referral from Organisation D when internal processes revealed potential corrupt behaviour by a public official. Investigation 2 was initiated by a referral to ICAC from the NSW Police regarding

criminal conduct by a corrupt public official. Investigations 3, 4 and 5 were each initiated by an anonymous complaint to ICAC about the way contracts were being awarded by corrupt public officials in Organisation D.

The organisational relationships between the participating non-corrupt managers and corrupt public officials can be seen in Figure 4.3 on page 177. Figure 4.4 on page 178 provides details of the corrupt relationships between public officials and suppliers in this case. Figure 4.4 reveals that, in contrast to Case 2, the corruption in this case tended to operate in silos, with a small number of suppliers behaving corruptly with either a single public official or with a very small number of public officials.

### *The Corrupt Behaviour in Case 3*

The corrupt behaviour in Case 3 took three main forms – false invoicing, conflict of interest, and improper use of position.

#### *False Invoicing*

The false invoicing schemes in this case involved corrupt public officials colluding with corrupt suppliers to pay invoices that did not accurately reflect the true quantity, nature or cost of the services or plant and equipment hire that had been supplied to Organisation D. Additionally, relevant supporting documents, particularly time sheets, were also falsified to support inflated payments. The corrupt secret proceeds of the various forms of false invoicing were typically shared between the corrupt public official and the corrupt supplier, without the knowledge of Organisation D. False invoicing schemes also involved corrupt public officials fraudulently certifying as correct for payment invoices that they knew to be false. This was contrary to the code of conduct and their obligations under a range of procurement policies of Organisation D.

False invoicing schemes operated in Investigations 1, 2, 3, 4, 5, and 7

#### *Conflict of Interest*

Conflict of interest in this case took two main forms. One was where the corrupt public official was secretly operating a business and awarded contracts on behalf of Organisation D to their own business. The other was where the corrupt public official awarded contracts to businesses operated by their family or friends without declaring the relationship. Sometimes, a corrupt official interfered in procurement processes conducted by other public officials to influence the award of a contract to their own

secret company or to the company of a friend or family member. It was contrary to Organisation D's code of conduct for a public official to have an undeclared conflict of interest, or to engage in secondary employment, including operating a business, without prior approval. ICAC made findings relating to this type of corruption against the corrupt public officials rather than against the suppliers involved.

Undeclared conflict of interest relating to a secretly operated business and failure to obtain permission for secondary employment was identified in Investigations 1, 5, 6, and 7.

*Improper Use of Position*

Improper use of position in this case mainly related to a public official soliciting or accepting bribes or kickbacks from corrupt suppliers in exchange for exercising their official procurement functions to award a contract to the corrupt supplier, or influencing the procurement process to that effect. In order to award contracts to suppliers who had paid a bribe or kickback, corrupt public officials frequently breached Organisation D's procurement policies such as requirements to seek a specified number of quotations, to use a panel of approved providers, to adhere to the delegation structure, and/or to avoid splitting orders to defeat a delegation limit.

Payment of bribes or kickbacks was identified in Investigations 1, 4, 5, and 7.

### The Public Sector Organisation

Organisation D was a very large public sector organisation with over 14,000 employees that provided a state-wide service to the public. It engaged staff and contractors from a relatively fixed pool of people with a specific blue collar, technical skill set or with specialised plant, machinery and equipment. Organisation D had been the subject of significant reorganisations over a number of years (State Records Authority of New South Wales, 2021a, 2021b, 2021c). It had been the subject of seven prior investigations into corruption in its procurement processes in the 15 years before the seven investigations that comprised Case 3, with the result that ICAC described the corruption at Organisation D as "endemic and enduring" (NSW Independent Commission Against Corruption, 2008c, p. 11) and "systemic" (NSW Independent Commission Against Corruption, 2008c, p. 11).

### The Corrupt Public Officials

All corrupt public officials in this case worked within the Asset Management Group, which comprised 4,300 employees, about 30% of the employees of Organisation D, working in 10 divisions. Staff from two of these divisions were investigated by ICAC. Figure 4.3 overleaf illustrates the organisational relationships between the corrupt public officials and the non-corrupt managers in this case.

The corrupt public officials had been employed by Organisation D for between six and 41 years, many for over 20 years. The corrupt public officials typically held blue collar and technical positions such as labourer, construction worker, safety officer, or site supervisor. Two were team leaders of blue collar teams (MON06, MON13), and one, MON11, was a team manager. Three held degree qualified positions - Civil Engineer (MON07), Project Engineer (MON14) and Project Accountant (MON10), and two held white collar positions - Contracts Relationship Manager (MON15), and Operations Manager (MON03). Of the 15 corrupt public officials, 14 were male and one was female. The amounts of money received by corrupt public officials as a result of corrupt behaviour varied from $30,000 to $1.3 million. Following Operation Monto, many corrupt public officials were dismissed, and some resigned shortly before or after giving evidence to ICAC.

One corrupt participant, MON01, was initially corrupt as a public official before he resigned from Organisation D and subsequently started working at Organisation D as a supplier. He was also corrupt as a supplier to Organisation D. Descriptive details about MON01 have been included in this section and the descriptive appendices, but his explanations of corruption have been excluded from the descriptive statistical summaries as it was not always clear in the ICAC transcripts whether his explanations related to his corrupt behaviour as a public official or as a supplier.

More details about the corrupt public officials can be found in Appendix K. Additionally, Figure 4.4 on page 178 represents the corrupt relationships between public officials and suppliers in this case.

### The Corrupt Suppliers

Corrupt suppliers participated in false invoicing schemes and made improper payments in exchange for the award of contracts. The corrupt suppliers included low-skilled blue-collar workers, such as truck drivers, gardeners and rubbish removers;

high-skilled blue collar workers such as tradespeople and plant/equipment operators; and professional workers such as a qualified accountant. In contrast to Case 2, the corrupt supplier organisations in this case were all small, independent businesses, with a very small number of employees, who were usually family members or close friends. As shown in Figure 4.4, the corrupt suppliers in this case typically behaved corruptly with only one, two or three corrupt public officials, in contrast to Case 2, where the corrupt suppliers typically behaved corruptly with many public officials (see Figure 4.2).

Twelve corrupt suppliers participated in false invoicing schemes with corrupt public officials. These were MON17, MON18, MON20, MON21, MON23, MON24, MON25, MON26, MON27, MON28, MON30, and MON31. Five corrupt suppliers made payments to corrupt public officials to secure or continue the award of contracts with Organisation D. These were MON19, MON23, MON27, MON28, and MON31.

### *The Non-Corrupt Public Sector Managers*

A range of non-corrupt public sector managers participated in this case. Some non-corrupt public sector managers directly supervised corrupt public officials, whilst others had more general organisational responsibilities.

Senior executive managers in this case were the Chief Executive Officer of Organisation D (MON40), and the Group General Manager of Asset Management Group (MON35). Middle managers were Manager of the Works Unit (MON 32), South Region Manager (MON34), Finance Manager of the Commercial Renewals Division (MON36), and Manager of Infrastructure Procurement (MON38). MON37 and MON 39 were operational level managers. Figure 4.3 overleaf represents the organisational relationships between non-corrupt public sector managers and corrupt public officials.
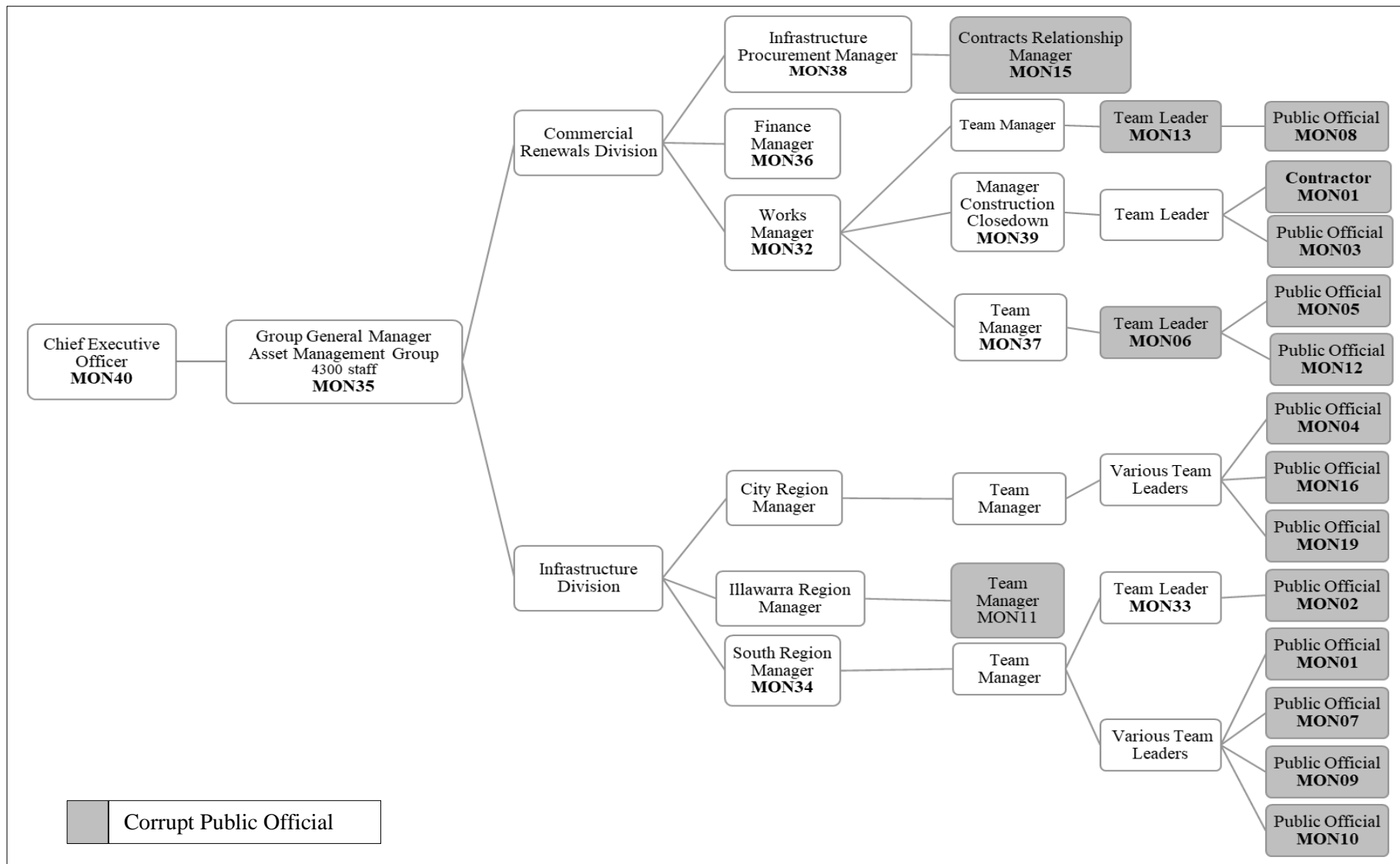
*Figure 4.3.* Organisational relationships in Organisation D – corrupt public officials and non-corrupt public sector managers
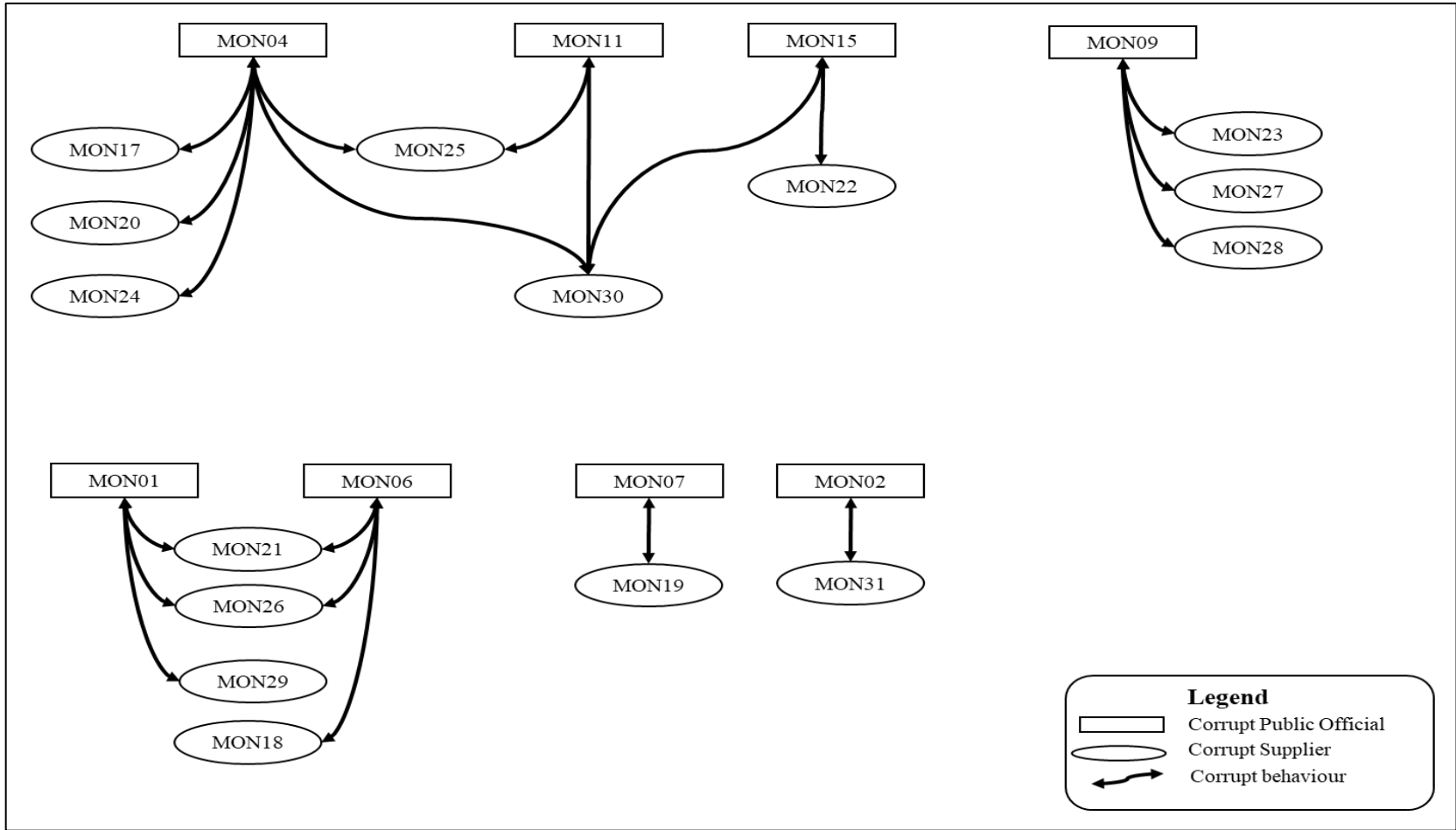
*Figure 4.4.* Corrupt relationships – corrupt public officials and corrupt suppliers

*Anticipated Theory*

This case covered a narrow range of corrupt activities carried out over a long period by numerous corrupt public officials from many work areas across a single organisation, Organisation D. The corruption in this case was systemic, repeated, deliberate and systematic. Corrupt public officials and favoured corrupt suppliers maintained inappropriately close relationships that took advantage of the fact that Organisation D was specialised and highly technical, and consequently operated with relatively closed staffing and contractor pools.

Additionally, ICAC had previously investigated into corruption in procurement at Organisation D, both before and after Case 3, with seven investigations in the period from 1993 to 2007 (NSW Independent Commission Against Corruption, 2020b). These resulted in corruption findings against 31 people. In the years following Case 3, a further nine people were found corrupt in two ICAC operations, in 2009 (NSW Independent Commission Against Corruption, 2020b) and 2014 (NSW Independent Commission Against Corruption, 2020a).

According to theory it was therefore anticipated that explanations for corrupt behaviour in Case 3 would lean towards explanations from the bad barrels/orchards category, for several reasons. These included the numerous corrupt individuals, the considerable organisational change faced by Organisation D, and the fact that the corruption in Organisation D was widespread, pervasive and recurrent for many years.

### 4.6.2 Results in Case 3

The explanations of corrupt behaviour given by participants in Case 3 were coded and rolled-up to the relevant category from the framework used for this study. The following sections report the results of this process. The results show that the range of explanations for corrupt behaviour mentioned by participants from the three UoA in this case included all six of the categories noted in the framework.

*Categories Mentioned by at Least 30% of Participants*

Table 4.4 overleaf presents the categories that were mentioned by at least 30% of participants from any UoA in Case 3, and were thus regarded as an important source of explanations in this case.

Table 4.4

*Categories Mentioned by at Least 30% of Participants in Case 3*

| UoA | ERCT | Bad apples | **Bad barrels/ bad orchards** | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official) | Yes | Yes | Yes | Yes | Yes | Yes |
| Individual (corrupt supplier) | Yes | Yes | Yes | Yes | No | Yes |
| Organisational (non-corrupt public sector manager) | Yes | Yes | Yes | No | Yes | Yes |
| Institutional (ICAC Commissioner)* | Yes* | Yes* | Yes* | Yes* | Yes* | Yes* |
| * | There were only two participants from this UoA | | | | | |
| **x** | Anticipated theory represented by this case | | | | | |
| | Theory response given by at least 30% of participants from each UoA | | | | | |

The results presented in Table 4.4 above indicate that, taken collectively, the participants in this case mentioned explanations for corrupt behaviour from all six categories. It can be seen that three theory-based categories were consistently mentioned by at least 30% of participants in each of the three UoA. These were the ERCT, bad apples and bad barrels/orchards categories. The added category of 'not covered by theory' was also consistently mentioned by at least 30% of participants in all three UoA.

The position for the CMV and EPA categories was more complex. CMV was consistently mentioned in explanations by at least 30% of participants from the individual UoA and both ICAC Commissioners for this case (institutional UoA), but not by participants from the organisational UoA. The EPA category was consistently mentioned by at least 30% of participants employed in the public sector – the corrupt public officials (individual UoA) and non-corrupt public sector managers (organisational UoA), and both ICAC Commissioners (institutional UoA); but again, as in Case 2, not by that percentage of corrupt suppliers.

### *Detailed Results - All Categories Mentioned*

More detailed category level analysis for this case revealed complexity in explanations of corruption. Table 4.5 overleaf presents the summary of detailed results showing all category level explanations mentioned in Case 3, displayed for each of the three UoA. An interesting aspect of these results is the variance in the percentage of

participants from each UoA that mentioned each category, and thus the ranking of each category.

As noted earlier, a detailed breakdown of the content analysis codes identified in the data for this case and which were rolled-up to provide these category level results can be found in Appendix Q. Illustrative examples of coding at the content analysis code level for each theory category and examples of explanations given by participants can be found in Appendix R.

Table 4.5

*All Categories Mentioned in Case 3*

| UoA | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | "Not covered by theory' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official) n=15 | 3* 73%# | 3 73% | 1 87% | 3 73% | 6 47% | 2 80% |
| Individual (corrupt supplier) n=15 | 3 60% | 1 80% | 1 80% | 5 47% | 6 13% | 3 60% |
| Organisational (non-corrupt public sector manager) n=9 | 3 44% | 5 33% | 1 78% | 6 11% | 2 56% | 3 44% |
| Institutional (ICAC Commissioner) n=2 | Yes~ | Yes~ | Yes~ | Yes~ | Yes~ | Yes~ |

\*   The rank order of the frequency of this explanation for the UoA

\#   Percentage of participants from this UoA who gave this explanation.

~   There were only 2 participants in this UoA, so rank order and percentages were not calculated. Both ICAC Commissioners mentioned each of the categories.

### 4.6.3 Interpretation of Case 3 Results

The following sections provide an interpretation of the comprehensiveness and the consistency of explanations within and across the three UoA in Case 3.

#### *Comparison of Findings to Theoretical Sample (Expected Outcome)*

This case was chosen to represent an example of corruption by large numbers of individuals from a single organisation, and it was anticipated that the explanations of corruption would therefore tend towards the organisational factor theories, bad barrels/orchards. Table 4.4 above shows that whilst this theory was mentioned by

participants it was not the only theory mentioned in their explanations. This table also shows that the ERCT, bad apples and 'not covered by theory' categories were extensively mentioned by participants in this case, along with the anticipated bad barrels/orchards category.

### Comprehensiveness of Explanations in Case 3

*Individual unit of analysis*

As shown in Table 4.5 above, the corrupt public officials in this case gave explanations for corrupt behaviour that mentioned all six of the categories used in this study. The most frequently mentioned category was bad barrels/orchards (mentioned by 87% of corrupt public officials), followed by 'not covered by theory' (80%), bad apples, CMV and ERCT (each mentioned by 73%), and, finally, EPA (47%). An example of a statement coded to CMV for corrupt public officials in this case was, "I know it's wrong, I was trying to…help a colleague in strife, went the wrong away about it" (NSW Independent Commission Against Corruption, 2007, p. 980). It appears from these results that all five theory-based categories along with the added inductive category of 'not covered by theory' were important in explanations by corrupt public officials, and by corollary, that no single theory could comprehensively explain the corruption in this case for these participants.

The corrupt individual suppliers in this case also gave explanations from all six of the categories, although with a different emphasis to corrupt public officials. The most frequently mentioned categories in this case were bad apples and barrels/bad orchards (each mentioned by 80% of corrupt individual suppliers). These were followed by ERCT and 'not covered by theory' (each mentioned by 60%). ERCT explanations were evident in statements by corrupt suppliers like "[I paid a bribe] because he's a pretty influential person and I wanted to keep my work, and it was a small price to pay, I thought to keep my work" (NSW Independent Commission Against Corruption, 2007, p. 1027). The next most frequently mentioned categories were CMV (47%) and finally EPA (13%), which was below the 30% importance threshold. These results again show that the EPA category was not an important source of explanations by corrupt suppliers, although the remaining five categories were mentioned by at least 30% of them. Again, it appears that no single theory could comprehensively explain the corruption in this case for these participants.

*Organisational unit of analysis*

As shown in Table 4.5, the non-corrupt public sector managers in Case 3 again gave explanations skewed towards organisational and institutional factors, which was a similar pattern to Case 2. The most frequently mentioned category was bad barrels/orchards (mentioned by 78% of non-corrupt public sector managers), and an example of a statement coded to this category was, "that's a - I guess a culture [not reporting and turning a blind eye] that has been there and possibly still is." (NSW Independent Commission Against Corruption, 2007, p. 788). The next most frequently mentioned category was EPA (mentioned by 58%), and the following statement by the Chief Executive Officer of Organisation D is illuminating of public sector pressures at the time: "there are a number of issues particularly safety and reliability of services that were a significantly higher priority than the control environment for fraud and corruption" (NSW Independent Commission Against Corruption, 2007, p. 2985). These were followed by the ERCT and 'not covered by theory' (each mentioned by 44%), bad apples (mentioned by 33%), and finally CMV categories (mentioned by 11%), which was below the 30% importance threshold. These results show that the CMV theory was not an important source of explanations by non-corrupt public sector managers, although the remaining five categories were mentioned by at least 30% of them. These results again suggest that no single theory could comprehensively explain the corruption in this case for these participants.

*Institutional unit of analysis*

As shown in Table 4.5, both ICAC Commissioners mentioned explanations from all six categories. An example of a statement by an ICAC Commissioner that was coded to the bad apples category was, "it wouldn't have mattered whether anyone had given you ethical training, you well knew from the very start of the relationship that it was the wrong thing to do" (NSW Independent Commission Against Corruption, 2007, p. 1039). These results again suggest that no single theory could comprehensively explain the corruption in this case for the two participants from this UoA.

### Consistency of Explanations in Case 3

*Within the individual unit of analysis*

As shown in Table 4.5, the detailed results revealed more differences than similarities in the way corruption was explained by participants from *within* the individual UoA. This manifested as differences in the percentage of participants who

mentioned each of the categories in their explanations of corrupt behaviour, according to whether they were corrupt public officials or corrupt suppliers.

When considering the percentages of corrupt public officials and corrupt suppliers giving a similar explanation, the only similarity evident was for the bad apples category, which was mentioned by 73% of corrupt public officials and 80% of corrupt suppliers. There were notable disparities relating to the percentages of corrupt public officials and corrupt suppliers who gave explanations from particular categories. For example, as shown in Table 4.5, the CMV category was mentioned by 73% of corrupt public officials, but by only 47% of corrupt suppliers, and similarly the EPA category was mentioned by 47% of corrupt public officials but by only 13% of corrupt suppliers. Additionally, the 'not covered by theory' category was mentioned by 80% of corrupt public officials but only by 60% of corrupt suppliers.

*Across the three units of analysis*

The results for this case suggested that there was both consistency and difference in explanations of corruption across the three UoA. This manifested as differences in the percentage of participants from different UoA who mentioned each of the categories in their explanations of corrupt behaviour.

As shown in Table 4.4, four categories (ERCT, bad apples, bad barrels/orchards and 'not covered by theory') were mentioned by at least 30% of participants from the individual and organisational UoA in this case, and were mentioned by both participants from the institutional UoA, demonstrating consistency in explanations by participants from the three UoA. As shown in the detailed results presented in Table 4.5, the bad barrels/orchards category was the most frequently mentioned, and was mentioned by a consistently high percentage of participants from each of the three UoA. This suggested that explanations from the bad barrels/orchards category were consistently very important in Case 3 for participants from all three UoA.

However, detailed results for other categories were more variable. For example, in relation to the EPA category, whilst Table 4.5 revealed a similarity in the percentages of corrupt public officials (47%) and non-corrupt public sector managers (56%) who mentioned this category in their explanations, only 13% of corrupt suppliers mentioned this category. Similarly, while reasonably similar percentages of participants from the individual UoA (both corrupt public officials and corrupt suppliers) mentioned ERCT and bad apples explanations, these categories were both

mentioned by much lower percentages of participants from the organisational UoA. Finally, there was a wide spread across the UoA in the percentages of participants who mentioned CMV concepts in their explanations of corruption.

Analysis of the detailed results suggested little consistency in how corruption was explained by participants across the three UoA, other than the clear importance of bad barrels/orchards explanations to participants from all three UoA in this case.

### 4.6.4 Summary of Key Issues in Case 3

#### *Comprehensiveness of Explanations - Theories Reflected*

The explanations of corruption in this case by participants from each of the UoA mentioned all five of the theory-based categories, as well as the 'not covered by theory' category.

#### *Comparison of Anticipated Versus Actual - Theories Reflected*

As described in Chapter 3, because of case characteristics, the explanations given were anticipated to relate to the bad barrels/orchards theories, which emphasise organisational factors for corruption. The results reported above showed that concepts from this theory perspective were very important for participants from all three UoA in this case. Additionally, however, it is notable that concepts from both ERCT and bad apples theories and the 'not covered by theory' category were also mentioned by at least 30% of participants from all three UoA in this case. The theory-based assumption for this case was accurate, in that the bad barrels/orchards category was important in explanations by participants from all three UoA, but was also incomplete, in that it did not fully identify all the major explanations of corruption that were given by participants in the case.

The results reported above indicate that the corruption in Case 3 was complex and could not be explained comprehensively by any single theoretical perspective. All theories from the framework used for this study, along with the added inductive category of 'not covered by theory', taken together, gave a reasonably comprehensive and rich insight into this case. However, no single theory alone was sufficient to comprehensively explain the corruption in this case.

*Consistency of Explanations*

*Within the individual unit of analysis*

Considering the results from Table 4.4, there was considerable consistency of categories that were mentioned by at least 30% of participants from this UoA. However, the more detailed and granular results reported above in Table 4.5 revealed that corrupt behaviour tended to be explained differently by corrupt public officials and corrupt suppliers in Case 3, although the explanations were more similar and consistent than those of the corrupt public officials and corrupt suppliers in Case 2. Overall, these results suggest some lack of consistency in how corruption was explained within this unit of analysis.

*Across the three units of analysis*

As presented in Table 4.4, there was a reasonably high level of consistency in results across the three UoA when considering the categories that were mentioned by at least 30% of participants. However, analysis of the more detailed results reported above in Table 4.5 revealed that different theories were emphasised in explanations by participants from each of the three UoA. This suggested that explanations of corruption were not highly consistent across the three UoA in this case, which in turn suggested that UoA may be an influence on which of the theory-based perspectives are more prevalent in a participant's explanations of corruption.

However, the high degree of consistency with which participants from all three UoA mentioned concepts from the bad barrels/orchards category was a particular feature of the results for this case. This category was mentioned by consistently high percentages of participants and was also the most frequently mentioned category for participants from all three UoA in this case. This suggested that organisational factors were consistently and notably important in explanations of corruption for participants across all three UoA in this case.

## 4.7 CASE 4 – MULTIPLE INVESTIGATIONS INTO MULTIPLE ORGANISATIONS

The following sections present a qualitative description of the case context, QTCA results in the form of descriptive statistical summaries of coding outcomes, interpretation of results and a summary of key issues for Case 4.

### 4.7.1 Case Context

The data for this case were from the six separate ICAC investigations that occurred in the period 2005-2016 into corruption in procurement processes in the NSW university sector, at five different universities. Staff from University A were investigated in four of the six investigations. Only one ICAC investigation involved corruption at two or more universities. Additionally, each of the six instances of corruption in Case 4 involved only a very small number of corrupt individuals at each university – a single corrupt public official in each ICAC investigation, and no more than three corrupt suppliers in any instance. Three investigations involved no corrupt suppliers at all.

ICAC made corruption findings against 12 individuals - six public officials and six suppliers. Twelve non-corrupt public sector managers participated in the public hearings. The same ICAC Commissioner presided over three operations; another presided over two operations; and one presided over a single operation. Case 4 therefore captures the views of an ICAC Commissioner on six separate occasions.

Each of these ICAC investigations is summarised below.

#### *Operation Kanda (2010)*

Operation Kanda investigated corruption in procurement at University A. The corrupt events took place between 2007-2009 with ICAC investigation between 2009-2010. Public hearings were held in 2010 and the report was made public in 2010. The main form of corruption in this operation was conflict of interest. This investigation was initiated by ICAC following a referral by University A when internal processes revealed potentially corrupt behaviour by public official KAN01.

#### *Operation Citrus (2012)*

Operation Citrus investigated corruption in procurement at University A. The corrupt events took place between 2006-2010 with ICAC investigation in 2010. Public hearings were held in 2012 and the report was made public in 2012. The main form of corruption in this operation was conflict of interest. This investigation was initiated by ICAC following a referral by University A when internal processes revealed potentially corrupt behaviour by public official CIT01.

### *Operation Crusader (2012)*

Operation Crusader investigated corruption in procurement at University B. The corrupt events took place between 2005-2011 with ICAC investigation between 2009-2011. Public hearings were held in 2012 and the report was made public in 2012. The main forms of corruption in this operation were false invoicing, conflict of interest, and receipt of cash, gifts, benefits, and hospitality. This investigation was conducted after ICAC received an anonymous complaint about the way contracts were being awarded by public official CRU01 at University B.

### *Operation Stark (2013)*

Operation Stark investigated corruption in procurement at University C. The corrupt events took place between 2006-2012 with ICAC investigation between 2011-2012. Public hearings were held in 2012 and the report was made public in 2013. The main forms of corruption in this operation were false invoicing, conflict of interest, receipt of cash, gifts and travel, and improper use of position by the official. This investigation was conducted after ICAC received an anonymous complaint about the way contracts were being awarded by public official STA01 at University C.

### *Operation Misto (2015)*

Operation Misto investigated corruption in procurement at three universities. The corrupt events took place in 2006 at University D, in 2010 at University A, and between 2012-2013 at University E. The ICAC investigation occurred in 2014. Public hearings were held in 2015 and the report was made public in 2015. The main form of corruption in this operation was false invoicing. This investigation was conducted after ICAC received a complaint from corrupt supplier MIS02 about the conduct of public official MIS01.

### *Operation Elgar (2016)*

Operation Elgar investigated corruption in procurement at University A. The corrupt events took place between 2012-2013 with ICAC investigation between 2014-2015. Public hearings were held in 2015 and the report was made public in 2016. The main from of corruption in this operation was conflict of interest. This investigation was initiated by ICAC following a referral by University A when internal processes revealed potentially corrupt behaviour by public official ELG01.

Figure 4.5 on page 192 shows the organisational relationships between corrupt public officials and non-corrupt public sector managers in this case. It also shows the corrupt relationships between public officials and suppliers.

### The Corrupt Behaviour in Case 4

The corrupt behaviour in this case took four main forms – false invoicing, conflict of interest, improper use of position, and improper acceptance of gifts, benefits, or hospitality.

#### False Invoicing

The false invoicing schemes in this case operated in a manner similar to that described previously for Case 2 and Case 3. False invoicing schemes were identified in three ICAC investigations.

#### Conflict of Interest

Conflict of interest in this case operated in a manner similar to that described previously for Case 3. Undeclared conflict of interest relating to a secretly owned and operated business and/or failure to obtain permission for secondary employment were identified in four ICAC investigations. Undeclared conflict of influence relating to awarding contracts to business acquaintances was identified in one ICAC investigation.

#### Improper Use of Position

Improper use of position in this case operated in a manner similar to that described previously for Case 3. Payment of bribes or kickbacks was identified in one ICAC investigation.

#### Improper Acceptance of Gifts, Benefits and Hospitality

Some public officials in Case 4 solicited and/or accepted a wide range of gifts, benefits such as accommodation and domestic and overseas travel paid for by suppliers, and hospitality such as lavish meals and tickets to sporting events. It was contrary to the codes of conduct of all the Universities in Case 4 for a public official to accept anything except a token gift from a supplier. Any token gift accepted was required to be declared. Improper acceptance of gifts, benefits and hospitality was identified in two ICAC investigations.

### The Public Sector Organisations

The public sector organisations in this case were five public universities that operated independently of each other within the state of NSW. Three of these organisations, University A, University C and University E, were located in Sydney. Two, University B and University D, were located in regional cities. As described above, University A was the subject of four of the ICAC investigations that comprised Case 4 over a six year time span. All other universities were investigated only once.

### The Corrupt Public Officials

Five of the corrupt public officials in Case 4 were male and one was female. In contrast to the corrupt public officials in the other cases, the corrupt public officials in Case 4 all held middle manager positions, such as Manager of Campus Services, Head of ICT Projects, Manager of IT Services, and Manager of Engineering Services. Again, in contrast to the corrupt public officials in the other cases, the corrupt public officials in Case 4 had a relatively short period of employment. Two were employed for 11-12 years, and all other corrupt public officials were employed for 4 or fewer years. Unlike Case 2 and Case 3, corrupt public officials CIT01, COR01, and KAN01 from this case were corrupt without the involvement of any corrupt suppliers.

Another unique aspect of Case 4 relates to the corrupt public official STA01. From 24 March to 11 July 2010, STA01 was suspended from his position on full pay while University C investigated allegations that he was not adhering to procurement policies and held unapproved secondary employment with a University supplier. The allegations were substantiated and STA01 was formally censured for breaches of University C's code of conduct, procurement and employment policies. He returned to work on 12 July 2010, and worked without a procurement delegation until he was dismissed in April 2012. During Operation Stark, ICAC found that despite not having a procurement delegation, STA01 was able to confer favouritism to his preferred suppliers because of his seniority and ability to influence the procurement decisions of the managers to whom he reported (NSW Independent Commission Against Corruption, 2013, p. 6).

More details about the corrupt public officials can be found in Appendix L. Figure 4.5 on page 192 illustrates the organisational relationships between the corrupt public officials and the non-corrupt managers in this case. It also shows the corrupt relationships between public officials and suppliers.

*The Corrupt Suppliers*

Figure 4.5 overleaf shows the corrupt relationships between suppliers and public officials in this case.

ICAC did not identify any corrupt suppliers in Operation Kanda, Operation Citrus and Operation Elgar. In Operation Crusader, three corrupt suppliers, CRU02 (cleaning), CRU03 (security), and CRU04 (electronically controlled access) from three different supplier organisations admitted that they had provided corrupt public official CRU01 with extensive, lavish hospitality in anticipation of receiving favourable treatment in the management of their organisation's contract with University B. However, although ICAC made corruption findings against CRU01 for accepting this hospitality, it did not make corruption findings against the three suppliers for providing it. ICAC did make corruption findings against the three suppliers CRU02, CRU03, and CRU04, for participating in a false invoicing arrangement with corrupt public official CRU01.

From Operation Stark, corrupt supplier STA02 had provided building services to University C for approximately 25 years. He paid bribes and kickbacks to corrupt public official STA01 over a period of approximately 2 years in exchange for being awarded contracts by STA01.

In Operation Misto, corrupt supplier MIS02 provided University D with IT consulting services. MIS02 had a longstanding friendship with corrupt public official MIS01, who recommended him for this work. Corrupt public official MIS01 and corrupt supplier MIS02 then began a false invoicing scheme and shared the proceeds. About 3 years later, after MIS01 had left University D and was working at University A, he again engaged MIS02 as a supplier, and the two enacted another false invoicing scheme at University A. After approximately 2 years, MIS01 took a new position at University E, where he yet again engaged MIS02 and they again conducted a false invoicing scheme. Corrupt supplier MIS03, from a different company, also participated in false invoicing for IT consultancy services with corrupt supplier MIS01 at University E.
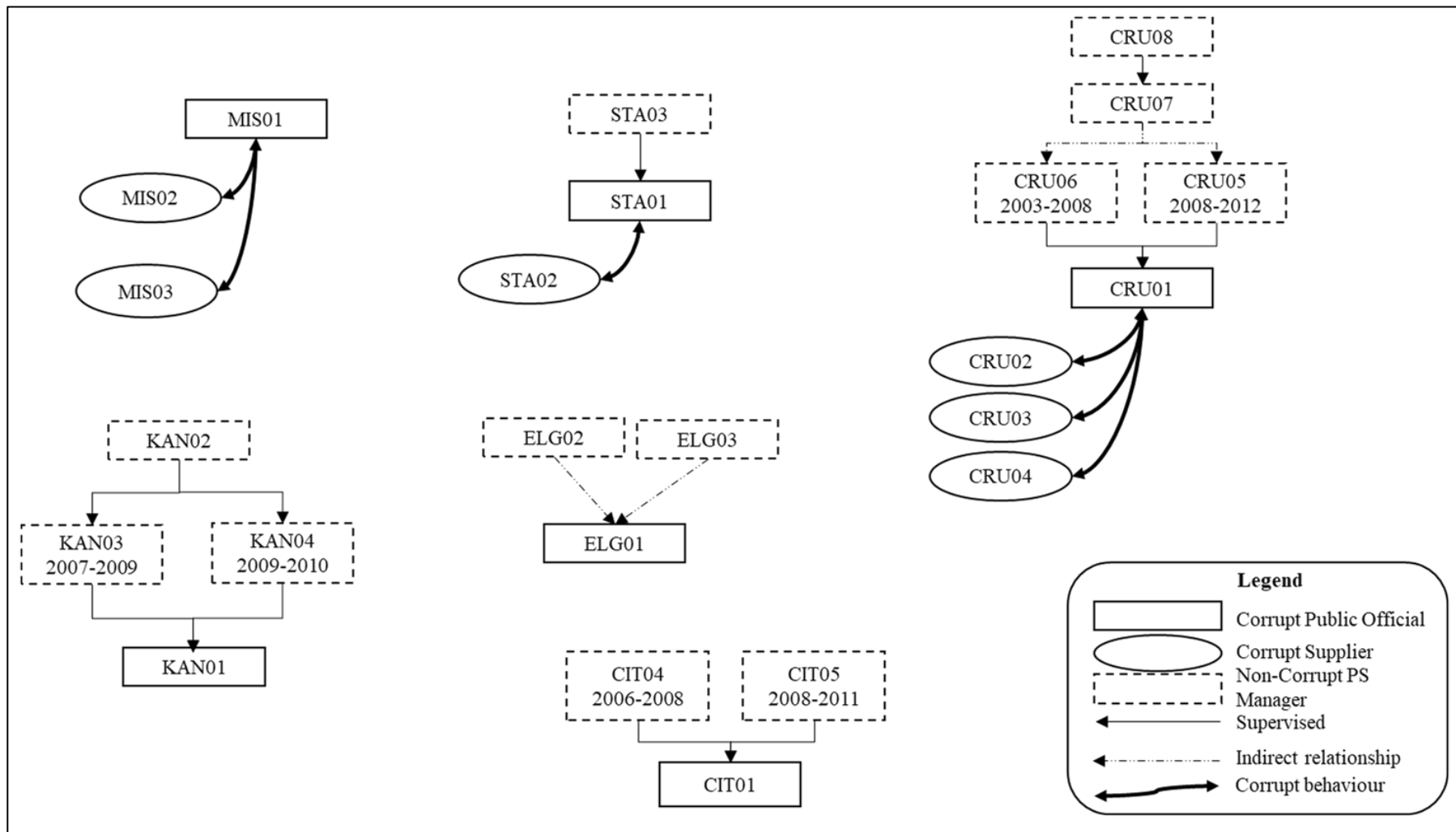
*Figure 4.5.* Organisational and corrupt relationships – non-corrupt public sector managers, corrupt public officials and corrupt suppliers

*The Non-Corrupt Public Sector Managers*

A range of non-corrupt public sector managers participated in Case 4. Senior executive managers in this case were the Chief Operating Officer (CRU07) and the Deputy Chancellor (CRU08) of University B, and the Chief Information Officer of University A (ELG02). There were eight middle managers from University A across five ICAC investigations, and one from University C. There were no non-corrupt public sector managers representing University D or University E.

Some non-corrupt public sector managers directly supervised corrupt public officials, whilst some had more general organisational responsibilities. The organisational relationships between the non-corrupt managers and corrupt public officials can be seen in Figure 4.5 on page 192 above.

*Anticipated Theory*

This case covered a wide range of corrupt activities that occurred in five separate universities that were geographically dispersed in NSW over the relatively long period of approximately ten years. Further, corruption was found to have occurred at University A in four of the six ICAC investigations. This was suggestive that University A may itself have been a bad barrel/orchard within the sector, with organisational factors particular to that University potentially contributing to repeated corrupt behaviour. However, the small number of corrupt individuals from each University suggested that this case may be an example of a bad barrel rather than of the whole sector being a bad orchard. This case also allowed a more detailed analysis of explanations of corrupt behaviour at the institutional UoA through the perspectives of multiple ICAC Commissioners from six investigations.

According to theory, it was therefore anticipated that the explanations for corrupt behaviour in this case would lean towards explanations from the bad barrels/orchards category, most likely bad barrels, for several reasons, including the frequent investigation of University A, the operational independence of each University, and the lack of a shared staffing and supplier pool. The relatively widespread and recurring range of corruption incidents within the university sector raised the possibility that it was something about the university sector itself that led to recurring instances of corruption (bad orchard). However, despite the cluster of individual corruption investigations that formed Case 4, the university sector in NSW had not been investigated by ICAC for procurement corruption before the investigations that

comprised Case 4 (NSW Independent Commission Against Corruption, 2020b), which suggested that the sector was not previously a bad orchard. It was also possible, given the operational independence of each organisation investigated, and the small number of corrupt individuals at each organisation, that this case was an example of corruption related to individual factors (ERCT, bad apples).

### 4.7.2 Results in Case 4

The explanations of corrupt behaviour given by participants for Case 4 were coded and rolled-up to the relevant category from the framework used for this study. The following sections report the results of this process. The results show that the range of explanations for corrupt behaviour mentioned by participants from the three UoA in this case included all six of the categories noted in the framework.

#### *Categories Mentioned by at Least 30% of Participants*

Table 4.6 below presents the categories that were mentioned by at least 30% of participants from any UoA in Case 4, and were thus regarded as an important source of explanations in this case.

Table 4.6

*Categories Mentioned by at Least 30% of Participants in Case 4*

| UoA | **ERCT** | **Bad apples** | **Bad barrels/orchards** | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|
| Individual (corrupt public official) | Yes | Yes | Yes | Yes | Yes | Yes |
| Individual (corrupt supplier) | Yes | Yes | Yes | Yes | Yes | Yes |
| Organisational (non-corrupt public sector manager) | No | No | Yes | Yes | Yes | No |
| Institutional (ICAC Commissioners) | Yes | Yes | Yes | Yes | Yes | Yes |
| **x** | Anticipated theory represented by this case | | | | | |
| | Theory response given by at least 30% of participants from each UoA | | | | | |

The results presented in Table 4.6 above indicate that, taken collectively, the participants in this case mentioned explanations for corrupt behaviour from all six categories. It can be seen that three theory-based categories were mentioned by at least 30% of participants in each of the three UoA. These were the bad barrels/orchards,

CMV and EPA categories. Additionally, it can be seen that at least 30% of participants from the individual and institutional UoA mentioned all six categories, whilst the participants from the organisational UoA mentioned only three categories (bad barrels/orchards, CMV and EPA).

### *Detailed Results - All Categories Mentioned*

More detailed category level analysis for this case revealed complexity in explanations of corruption. Table 4.7 below presents the detailed results showing all category level explanations mentioned in Case 4 displayed for each of the three UoA. An interesting aspect of these results is the variance in the percentage of participants from each UoA that mentioned each category, and thus the ranking of each category.

As noted earlier, a detailed breakdown of the content analysis codes identified in the data for this case and which were rolled-up to provide category level results can be found in Appendix S. Illustrative examples of coding at the content analysis code level for each theory category and examples of explanations given by participants can be found in Appendix T.

Table 4.7

*All Categories Mentioned in Case 4*

| UoA | ERCT | | Bad apples | | Bad barrels/ bad orchards | | Clash of moral values | | Ethos of public admin | | 'Not covered by theory' | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Individual (corrupt public official) n=6 | 1* | 100%# | 4 | 83% | 1 | 100% | 4 | 83% | 4 | 83% | 1 | 100% |
| Individual (corrupt supplier) n=6 | 3 | 67% | 4 | 50% | 1 | 100% | 4 | 50% | 4 | 50% | 1 | 100% |
| Organisational (non-corrupt public sector manager) n=12 | 4 | 25% | 5 | 8% | 1 | 67% | 3 | 33% | 2 | 58% | 5 | 8% |
| Institutional (ICAC Commissioner) n=6 | 1 | 100% | 3 | 83% | 1 | 100% | 3 | 83% | 5 | 67% | 5 | 67% |

\*    The rank order of the frequency of this explanation for the UoA

\#    Percentage of participants from this UoA who gave this explanation

## 4.7.3 Interpretation of Case 4 Results

The following sections provide an interpretation of the comprehensiveness and the consistency of explanations within and across the three UoA in Case 4.

### *Comparison of Findings to Theoretical Sample (Expected Outcome)*

This case was chosen to represent an example of corruption by small numbers of individuals from multiple organisations within a sector, and it was anticipated that the explanations of corruption would therefore tend towards the organisational factor theories, bad barrels/orchards. However, it was also possible, because of the operational independence of the organisations and the small number of people involved, that individual factor theories (ERCT, bad apples) may be relevant. Table 4.6 above shows that whilst the bad barrels/orchards theories were mentioned by participants it was not the only theory mentioned in their explanations. This table also shows that CMV and EPA were extensively mentioned by participants from all UoA. Additionally, the ERCT, bad apples and 'not covered by theory' categories were mentioned by participants from the individual and institutional UoA, but not by those from the organisational UoA.

### *Comprehensiveness of Explanations in Case 4*

### *Individual unit of analysis*

As shown in Table 4.7 above, the corrupt public officials gave explanations for corrupt behaviour that mentioned all six categories used in this study. The three most frequently mentioned categories were ERCT, bad barrels/orchards, and 'not covered by theory', which were each mentioned by 100% of corrupt public officials. An illustrative example of a statement by a corrupt public official that was coded to bad barrels/orchards in this case was, "Yes, it looks like I did bend the rules there, correct" (NSW Independent Commission Against Corruption, 2012d, p. 650). The next most frequently mentioned categories were bad apples, CMV and EPA (each mentioned by 83%). It appears from these results that all five theory-based categories, along with the added inductive category of 'not covered by theory', were important in explanations by corrupt public officials, and, by corollary, that no single theory could comprehensively explain the corruption in this case for these participants.

The corrupt individual suppliers also gave explanations from all six of the categories, although with a different emphasis to that of the corrupt public officials. The two most frequently mentioned categories were bad barrels/orchards and 'not covered by theory' (each mentioned by 100% of participants). An illustrative statement by a corrupt supplier in this case that was coded to bad barrels/orchards category was, "it's a standard business practice [providing hospitality] of what we, what we do and

how we network within our clients and business sectors" (NSW Independent Commission Against Corruption, 2012e, p. 298). The next most frequently mentioned categories were ERCT (67%), followed by bad apples, CMV and EPA (each mentioned by 50%). These results show that all categories of explanation were regarded as important for corrupt suppliers in this case. Again, it appears that no single theory could comprehensively explain the corruption in this case for these participants.

*Organisational unit of analysis*

As shown in Table 4.7, the non-corrupt public sector managers in Case 4 again gave explanations skewed towards organisational and institutional factors, which was a similar pattern to Case 2 and Case 3. The rank order of categories was bad barrels/orchards (mentioned by 67% of non-corrupt public sector managers), EPA (58%), and CMV theories (33%). These three categories were thus regarded as important sources of explanations for non-corrupt public sector managers. An illustrative example of a statement by a non-corrupt manager that was coded to EPA in this case was, "project managers do tend to be focused on the outcome as opposed to the process" (NSW Independent Commission Against Corruption, 2015b, p. 105). Mentions of concepts from the ERCT (25%), bad apples and 'not covered by theory' categories (each mentioned by 8%) were all below the 30% importance threshold. These results again suggested that no single theory could comprehensively explain the corruption in this case for these participants.

*Institutional unit of analysis*

As shown in Table 4.7, the ICAC Commissioners collectively mentioned explanations from all six of the categories. The two most frequently mentioned categories were bad barrels/orchards and ERCT (both mentioned by 100%). An illustrative example of a statement by an ICAC Commissioner coded to bad barrels/orchards in this case was, "there is little point in designing an invoice payment system that becomes so burdensome that staff actively seek workarounds in order to meet operational demands" (NSW Independent Commission Against Corruption, 2015a, p. 28). These were followed by the CMV and bad apples categories (both mentioned by 83%) and the EPA and 'not covered by theory' categories (both mentioned by 67%). Each category of explanation from the framework was therefore regarded as important for participants from the institutional UoA, and suggested that

no single theory could comprehensively explain corruption in this case for these participants.

### Consistency of Explanations in Case 4

*Within the individual unit of analysis*

As shown in Table 4.7, there was again a disparity relating to the number of corrupt public officials and corrupt suppliers who gave explanations that mentioned the bad apples, CMV and EPA categories. These three categories were each mentioned by 83% of corrupt public officials but were each only mentioned by 50% of corrupt suppliers. Additionally, the ERCT category was mentioned by 100% of corrupt public officials, but only by 67% of corrupt suppliers. These differences may be attributable to the relatively low number of participants, with 6 participants being corrupt public officials and 6 participants being corrupt suppliers.

*Across the three units of analysis*

The results for this case again suggested that there was both consistency and difference in the explanation of corruption *across* the three UoA. This manifested as differences in the percentage of participants from different UoA who mentioned each of the categories in their explanations of corrupt behaviour. As shown in Table 4.6, all six categories were mentioned by at least 30% of participants from the individual and institutional UoA. However, only three categories were mentioned by at least 30% of participants from the organisational UoA.

In terms of consistency, as shown in Table 4.7, examination of the percentage of participants mentioning these explanations presented a complex picture. For example, despite the unanimous ranking of '1' for explanations from the bad barrels/orchards category for all UoA, the percentages of participants mentioning concepts from this category were not consistent across all UoA. For example, only 67% of participants from the organisational UoA gave explanations mentioning this category, whilst 100% of participants from both the individual and institutional UoA mentioned it.

Further, in relation to the bad apples category, only 8% of participants from the organisational UoA gave explanations from this category. In contrast, explanations mentioning this category were given by 83% of participants from both the institutional UoA and the individual UoA (corrupt public officials only), along with 50% from the individual UoA (corrupt suppliers). Explanations mentioning the 'not covered by

theory' category were given by 100% of participants from the individual UoA (both corrupt public officials and corrupt suppliers), by 67% of participants from the institutional UoA, but by only 8% of participants from the organisational UoA. Additionally, as can be seen in Table 4.7, explanations mentioning the ERCT category were given by widely varied percentages of participants from the three UoA.

Analysis of the detailed results for this case again suggested little consistency in how corruption was explained by participants from different UoA, other than the clear importance of bad barrels/orchards explanations to participants from all three UoA in this case.

### 4.7.4 Summary of Key Issues in Case 4

#### *Comprehensiveness of Explanations - Theories Reflected*

The explanations of corruption in this case mentioned all five of the theory-based categories, as well as the 'not covered by theory' category.

#### *Comparison of Anticipated Versus Actual - Theories Reflected*

As described in Chapter 3, because of case characteristics, the explanations given were anticipated to relate to the bad barrels/orchards theories, which emphasise organisational factors for corruption. The results reported above show that explanations from this category were very important to participants from all three UoA in this case. Additionally, however, it is notable that many other theories, and the 'not covered by theory' category, were also mentioned by at least 30% of participants from all three UoA in this case. The theory-based assumption for this case was accurate, in that the bad barrels/orchards category was important in explanations by participants from all three UoA but was also incomplete, in that it did not fully identify all the major explanations of corruption that were given by participants.

The results reported above indicate that the corruption in Case 4 was complex and could not be explained comprehensively by any single theoretical perspective. All theories from the framework used for this study, along with the added inductive category of 'not covered by theory', taken together, gave a reasonably comprehensive and rich insight into this case. However, no single theory alone was sufficient to comprehensively explain the corruption in this case.

*Consistency of Explanations*

*Within the individual unit of analysis*

The results reported above show that corrupt behaviour tended to be explained quite consistently by corrupt public officials and corrupt suppliers in Case 4, although the small number of participants from this UoA in this case suggests caution in interpreting these results.

*Across the three units of analysis*

Because different theories were emphasised in explanations by participants from each of the three different UoA, the results reported above suggest that explanations of corruption were not consistent across the three UoA in this case. This in turn suggests that UoA may influence which of the theory-based perspectives are more prevalent in a participant's explanations of corruption.

However, the high degree of consistency with which participants from all three UoA mentioned concepts from the bad barrels/orchards category was a particular feature of the results for this case. This category was mentioned by high but variable percentages of participants (ranging from 67%-100%), and was also the most frequently mentioned category across all three UoA in this case. This suggests that organisational factors were consistently and notably important in explanations of corruption for participants across all three UoA in this case.

## 4.8 CROSS-CASE ANALYSIS

The following sections present cross-case analysis for this study. As described in Chapter 3, each case for this study was selected to allow exploration of any potential differences in explanations of corruption due to case characteristics, including the type of organisation, the segment of the NSW public sector that the organisation represented, the location of the organisation, and the nature of the procurement corruption that had occurred. In the cross-case analysis, the data from each of the individual cases were aggregated and reorganised to present results for each UoA across the four cases.

The next section outlines the results of the aggregated cross-case analysis for each of the three UoA.

### 4.8.1 Cross-Case Results

*Categories Mentioned by at Least 30% of Participants*

Table 4.8 on page 202 shows the categories that were mentioned by at least 30% of participants from each UoA across the four cases that comprised this study. These results show clear patterns of comprehensiveness and consistency in the categories which were important in explanations by participants from the individual UoA (corrupt public officials) and the institutional UoA, and, to a slightly lesser extent, for explanations by participants from the individual UoA (corrupt supplier). The results for the organisational UoA show more variability and less consistency in the categories mentioned by at least 30% of participants across the four cases. The results for the organisational UoA also show that a narrower range of categories was important in explanations by these participants. These results will be discussed in more detail in Section 4.8.2 below.

*Detailed Results – All Categories Mentioned*

More detailed cross-case analysis revealed complexity in participants' explanations of corruption. Table 4.9 on page 203 presents the detailed summary of results showing all category level explanations mentioned in all four cases, displayed by UoA. These results will be discussed in more detail in Section 4.8.2 below.

Table 4.8

*Categories Mentioned by at Least 30% of Participants Across All Cases, by Unit of Analysis*

(Shaded cells (■) indicate a category that was mentioned by at least 30% of participants.)

| UoA | Case # | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|---|
| Individual (corrupt public official) | 1* | ■ | ■ | ■ | ■ |  | ■ |
| | 2 | ■ | ■ | ■ | ■ | ■ | ■ |
| | 3 | ■ | ■ | ■ | ■ | ■ | ■ |
| | 4 | ■ | ■ | ■ | ■ | ■ | ■ |
| Individual (corrupt supplier) | 2# | ■ | ■ | ■ |  |  | ■ |
| | 3 | ■ | ■ | ■ | ■ |  | ■ |
| | 4 | ■ | ■ | ■ | ■ | ■ | ■ |
| Organisational (non-corrupt public sector manager) | 1* |  |  | ■ | ■ |  |  |
| | 2 | ■ | ■ | ■ |  | ■ |  |
| | 3 | ■ | ■ | ■ |  | ■ | ■ |
| | 4 |  |  | ■ | ■ | ■ |  |
| Institutional (ICAC Commissioner) | 1* | ■ | ■ | ■ | ■ |  | ■ |
| | 2* | ■ | ■ | ■ | ■ | ■ | ■ |
| | 3^ | ■ | ■ | ■ | ■ | ■ | ■ |
| | 4 | ■ | ■ | ■ | ■ | ■ | ■ |

**Legend**

| | |
|---|---|
| ■ | Category that was mentioned by at least 30% of participants |
| * | There was only one participant from this UoA |
| # | There were no corrupt suppliers in Case 1 |
| ^ | There were only two participants from this UoA |

Table 4.9

*All Categories Mentioned, for All Cases*

| UoA | | Case | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|---|---|
| Individual (corrupt public official) | n=1 | 1 | Yes | Yes | Yes | Yes | No | Yes |
| Individual (corrupt public official) | n=23 | 2 | 6* 35%# | 1 96% | 4 57% | 5 43% | 3 70% | 2 87% |
| Individual (corrupt public official) | n=15 | 3 | 3 73% | 3 73% | 1 87% | 3 73% | 6 47% | 2 80% |
| Individual (corrupt public official) | n=6 | 4 | 1 100% | 4 83% | 1 100% | 4 83% | 4 83% | 1 100% |
| Total Averaged Across All Cases for Individual (corrupt official) | n=45 | All | 6 58% | 1 87% | 3 73% | 5 60% | 4 62% | 1 87% |
| Individual (corrupt supplier) | n=18 | 2^ | 2 83% | 4 67% | 3 78% | 5 17% | 6 0% | 1 94% |
| Individual (corrupt supplier) | n=15 | 3 | 3 60% | 1 80% | 1 80% | 5 47% | 6 13% | 3 60% |
| Individual (corrupt supplier) | n=6 | 4 | 3 67% | 4 50% | 1 100% | 4 50% | 4 50% | 1 100% |
| Total Averaged Across All Cases for Individual (corrupt supplier) | n=39 | All | 3 72% | 4 69% | 1 82% | 5 33% | 6 13% | 1 82% |
| Organisational (Non-corrupt public sector manager) | n=1 | 1 | No | No | Yes | Yes | No | No |
| Organisational (Non-corrupt public sector manager) | n=4 | 2 | 3 25% | 3 25% | 2 50% | 3 25% | 1 75% | 3 25% |
| Organisational (Non-corrupt public sector manager) | n=9 | 3 | 3 44% | 5 33% | 1 78% | 6 11% | 2 56% | 3 44% |
| Organisational (Non-corrupt public sector manager) | n=12 | 4 | 4 25% | 5 8% | 1 67% | 3 33% | 2 58% | 5 8% |
| Total Averaged Across All Cases for Organisational (Non-corrupt public sector manager) | n=26 | All | 3 31% | 6 19% | 1 69% | 4 27% | 2 62% | 5 23% |

| UoA | | Case | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|---|---|
| Institutional (ICAC Commissioner) | n=1 | 1 | Yes | Yes | Yes | Yes | No | Yes |
| Institutional (ICAC Commissioner) | n=1 | 2 | Yes | Yes | Yes | Yes | Yes | Yes |
| Institutional (ICAC Commissioner) | n=2 | 3 | Yes | Yes | Yes | Yes | Yes | Yes |
| Institutional (ICAC Commissioner) | n=6 | 4 | 1   100% | 3   83% | 1   100% | 3   83% | 5   67% | 5   67% |
| Total Averaged Across all Cases for Institutional (ICAC Commissioner) | n=10 | All | 1   100% | 3   90% | 1   100% | 3   90% | 6   70% | 5   80% |

**Legend**

| | |
|---|---|
| * | The rank order of the frequency of this explanation for the UoA |
| # | Percentage of participants in this UoA who gave this explanation |
| ^ | There were no corrupt suppliers in Case 1 |

### 4.8.2 Interpretation of Cross-Case Results

The following sections provide an analysis of the comprehensiveness and consistency of explanations of corruption across the four cases, considered by each of the three UoA.

#### *Comprehensiveness of Explanations Within Each Unit of Analysis, Across Cases*

*Individual unit of analysis*

This section will first consider patterns of explanations provided by corrupt officials and then those provided by corrupt suppliers. This may provide insight into how corruption is explained from inside and outside the public sector.

*Corrupt public officials*

As shown in Table 4.8 above, there was a very high level of comprehensiveness in explanations given by participants from the individual UoA (corrupt public official) across the four cases. Explanations from all five theory-based categories plus the added inductive category 'not covered by theory' were important in accounts by corrupt public officials in Case 2, Case 3 and Case 4. Case 1 presented a minor deviation from this pattern, with all categories except EPA being important in explanations by the single corrupt public official in this case. These results suggested that for corrupt public officials, across all cases in this study, corruption could not be comprehensively explained by any single theory.

*Corrupt suppliers*

Explanations given by participants from the individual UoA (corrupt supplier) were a little less comprehensive than those given by corrupt public officials. In Case 2 explanations from four categories (ERCT, bad apples, bad barrels/orchards and 'not covered by theory') were important in explanations by corrupt suppliers. In Case 3 all categories (except EPA) were important, and in Case 4 all categories were important. There were no corrupt suppliers in Case 1. These results also suggested that for corrupt suppliers, across all cases in this study, corruption could not be comprehensively explained by any single theory.

*Organisational unit of analysis*

As shown in Table 4.8 above, the results for the organisational UoA were notably less comprehensive than explanations given by participants from the other UoA. Only

two categories were important in their explanations in Case 1 and Case 2. In Case 1 these were the bad barrels/orchards and the CMV categories. In Case 2 the bad barrels/orchards and EPA categories were important. In Case 4 three categories (bad barrels/orchards, CMV and EPA) were important. In Case 3 all categories except CMV were important in explanations by participants from the organisational UoA.

Despite the clearly smaller range of categories (theories) mentioned by participants from the organisational UoA, at least two theory-based categories were mentioned in every case. This suggested that for participants from the organisational UoA, corruption could also not be comprehensively explained by any single theory.

*Institutional unit of analysis*

The results shown in Table 4.8 reveal a very high level of comprehensiveness in explanations given by participants from the institutional UoA across the four cases. Explanations from all six categories were important in explanations by the ICAC Commissioner(s) in Case 2, Case 3 and Case 4. Case 1 presented a minor deviation from this pattern, with all categories except EPA being important in explanations in this case. These results suggested that for participants from the institutional UoA across all cases in this study corruption could not be comprehensively explained by any single theory.

**Consistency of Explanations Within Each Unit of Analysis, Across Cases**

*Individual unit of analysis*

This section will first consider patterns of explanations provided by corrupt officials and then those provided by corrupt suppliers. This may provide insight into how corruption is explained from inside and outside the public sector.

*Corrupt public officials*

The results shown in Table 4.8 above reveal the patterns of consistency in the categories which were important in explanations by participants from the individual UoA (corrupt public officials) and the institutional UoA and to a slightly lesser extent for explanations by participants from the individual UoA (corrupt supplier). As shown in Table 4.8, all six categories were consistently important in explanations of corruption given by corrupt public officials in Case 2, Case 3, and Case 4. Case 1 again presented a minor deviation from this pattern, with all categories except the EPA being important in explanations. These results suggested that there was a high degree of

consistency in the explanations given by corrupt public officials across the four cases, despite the differences in the context and characteristics of each case.

However, the deeper analysis presented in Table 4.9 suggests a more complex and nuanced view of the consistency in explanations by participants from the individual UoA (corrupt public official). As previously mentioned, Case 1 was not included in this analysis because there was only a single participant in this UoA. As shown in Table 4.9, in terms of percentages of participants mentioning a category, only the 'not covered by theory' category was consistently mentioned by a very high percentage of participants in all three cases, being mentioned by at least 80% of corrupt public officials in each case. Table 4.9 shows that the bad barrels/orchards category was consistently mentioned by a very high percentage of corrupt public officials in Case 3 (87%) and Case 4 (100%), but by a notably lower percentage (57%) in Case 2. Similarly, the bad apples category was consistently mentioned by a very high percentage of these participants in Case 2 (96%) and Case 4 (83%), but again by a lower percentage (73%) in Case 3. There was even less consistency for the ERCT category, with the percentage of corrupt public officials who mentioned this category ranging from a low of 35% to a high of 100% across the three cases.

These results suggest that whilst there was broad consistency about which categories were important in explanations given by corrupt public officials, more detailed examination of the pattern of explanations given by these participants revealed differences in the emphasis given to different categories (theories) across the cases. This lack of consistency across cases was even more apparent when considering the lower-level breakdown of explanations within each category, as shown in the content code level analysis contained in Appendix M for Case 1, Appendix O for Case 2, Appendix Q for Case 3, and Appendix S for Case 4. Review of these appendices, for example in Table O1, shows that participants varied considerably in the specific content codes that were identified in their explanations within any of the categories used for the QTCA in this study.

*Corrupt suppliers*

The results presented in Table 4.8 revealed that four categories, namely ERCT, bad apples, bad barrels/orchards, and 'not covered by theory', were consistently important in explanations of corruption given by corrupt suppliers in Case 2, Case 3 and Case 4. The CMV category was mentioned in Case 3 and Case 4 but not in Case

2, and the EPA category was only mentioned in Case 4. There were no corrupt suppliers in Case 1. These results suggest that there was a high degree of consistency in the explanations of corruption given by corrupt suppliers, although this was less than for corrupt public officials, as discussed above.

However, the deeper analysis presented in Table 4.9 again suggested a more complex and nuanced view of the consistency in explanations by corrupt suppliers. As shown in Table 4.9, in terms of percentages of participants mentioning a category, only the bad barrels/orchards category was consistently mentioned by a very high percentage of participants in all three cases, being mentioned by a range of 78 to 100% of corrupt suppliers in these cases. Table 4.9 shows that the 'not covered by theory' category was consistently mentioned by a very high percentage of corrupt public officials in Case 2 (94%) and Case 4 (100%), but by a notably lower percentage (60%) in Case 3. There was even less consistency for the EPA category, with the percentage of corrupt public officials who mentioned this category ranging from a low of 0% to a high of 50% across the three cases. Similarly, the percentage of corrupt suppliers mentioning the CMV category ranged from 17% to 50% across the three cases.

These results suggest that whilst there was broad consistency about which categories are important in explanations given by corrupt suppliers, more detailed examination of the pattern of explanations given by these participants revealed differences in the emphasis given to different categories (theories) across the cases . This lack of consistency was again even more apparent when considering the lower-level breakdown of explanations at content analysis code level within each category. The content analysis code level breakdown can be reviewed in Appendix M for Case 1, Appendix O for Case 2, Appendix Q for Case 3, and Appendix S for Case 4.

*Organisational unit of analysis*

The results presented in Table 4.8 reveal that only the bad barrels/orchards category was consistently important in explanations given by participants from the organisational UoA in all four cases. Additionally, the EPA category was consistently important in explanations by this group of participants in all cases except Case 1. There was no other clear pattern of consistency in categories that were important in explanations by participants from the organisational UoA.

However, the deeper analysis presented in Table 4.9 again suggested a more complex and nuanced view of the consistency in explanations by participants from the

organisational UoA. As shown in Table 4.9, in terms of percentages of participants mentioning a category, no category was consistently mentioned by a very high percentage of these participants in all three cases, or even in two of the cases. However, the bad barrels/orchards category was mentioned by a very high percentage (78%) in Case 3, and a high percentage in both Case 2 (50%) and Case 4 (67%). Similarly, the EPA category was mentioned by a very high percentage (75%) in Case 2, and a high percentage in both Case 3 (56%) and Case 4 (58%). These results suggest a degree of consistency about the importance of the bad barrels/orchards and EPA categories. However, the results did not suggest consistency in relation to any other category in explanations given by participants from this UoA, with the percentages mentioning each category varying widely from case to case.

Overall, these results suggest that there was some level of consistency amongst participants from the organisational UoA across all cases in relation to the bad barrels/orchards, EPA and possibly the ERCT categories. Otherwise, there was a low degree of consistency in the explanations of corruption given by non-corrupt public sector managers.

### Institutional unit of analysis

Noting that there was only a single participant from this UoA in Case 1 and Case 2, and there were only two participants in Case 3, it was not possible to analyse the explanations of ICAC Commissioners for cross-case consistency.

### Consistency of Explanations Across Units of Analysis, Across Cases

As shown in Table 4.8, there were some identifiable patterns of consistency in terms of the categories which were important in explanations by participants across multiple UoA. The bad barrels/orchards and EPA categories were the only categories that were consistently important to participants across all three UoA, in all of the cases that comprised this study.

### Importance of bad barrels/orchards explanations

The most striking level of consistency across UoA related to the bad barrels/orchards category. As shown in Table 4.8 and noted above, this category was important in explanations of corruption by participants from every UoA, in all four cases in this study. This very high degree of consistency across UoA and across cases provides a strong indication of the prominence of bad barrels/orchards explanations of

corruption in this study. It appears from these results that this category, which emphasises organisational factors, is vitally important in understanding corruption in the cases studied, irrespective of either the context and characteristics of the case or the UoA of the person giving the explanation.

*Importance of ethos of public administration explanations to public sector employees*

Another example of consistency across multiple UoA related to the EPA category. As previously noted, this category was not mentioned by any participant from any UoA in Case 1. Therefore, setting aside Case 1, as shown in Table 4.8 and Table 4.9 above, the EPA category was important in explanations by participants from the individual UoA (corrupt public officials only), the organisational UoA, and the institutional UoA in all of the remaining cases. This pattern suggests that the EPA is a consistently important source of explanations of corruption for participants employed in the public sector - corrupt public officials, non-corrupt public sector managers and ICAC Commissioners, irrespective of the case context or characteristics. Some illustrative statements that showed the presence of EPA concepts such as pressure to get results, resourcing issues, and working for the greater good in explanations of corruption by corrupt public officials, non-corrupt public sector managers, and ICAC Commissioners can be found in the Appendices in Table M5 for Case 2, Table O5 for Case 3, and Table Q5 for Case 4.

*Relative unimportance of ethos of public administration explanations for corrupt suppliers*

However, the EPA category was not consistently important in explanations by corrupt suppliers, being important only in Case 4 for this group of participants. As shown in Table 4.8 and Table 4.9 above, the EPA was not mentioned by any corrupt suppliers in Case 2, and was only mentioned by 13% of corrupt suppliers in Case 3. There were no corrupt suppliers in Case 1. Notably, Case 4 was the only case where EPA concepts were mentioned by at least 30% of corrupt suppliers in explanations for their corrupt behaviour. Even so, this amounted to only three participants giving such explanations. These results suggest that EPA was relatively unimportant in explanations by corrupt suppliers when compared with explanations by corrupt public officials.

Indeed, a number of corrupt suppliers appeared quite bewildered that behaviour which they regarded as normal business practice was regarded by ICAC as corrupt in

the context of NSW public sector procurement processes. The illustrative statements made by corrupt suppliers presented in Table 4.10 below clearly show their confusion.

Table 4.10

*Illustrative Statements by Corrupt Suppliers*

| Case 2 | |
|---|---|
| Corrupt supplier: | "I thought well, you know, this sounds all right [giving gift cards] and it wasn't just councils that they were offering it to, it was across the board so, yeah,…" (NSW Independent Commission Against Corruption, 2011, p. 51). |
| Corrupt supplier: | "Look, they, they're a loyalty incentive…and as much as you might want to, some people might want to disagree with it here, all businesses give out premiums or gifts and… if you want to be in business to make a living you've got to do what everyone else is doing to, to be in business." (NSW Independent Commission Against Corruption, 2011, p. 107). |
| Corrupt supplier: | "But we offered to everybody, not just the council, to everybody, so I just thought it was just usual in business, like what we did." (NSW Independent Commission Against Corruption, 2011, p. 60). |
| **Case 3** | |
| Corrupt supplier: | "Now to protect my livelihood working, you've got to do what you've got to do. So I'm not denying that I didn't pay him - I did pay him. The thing is, I did it for a reason." (NSW Independent Commission Against Corruption, 2008i, p. 1574). |
| **Case 4** | |
| Corrupt supplier: | "It's a standard business practice [providing hospitality] of what we…do and how we network within our clients and business sectors. And how we provide invitations to our clients to other clients." (NSW Independent Commission Against Corruption, 2012e, p. 298). |
| CEO - corrupt supplier: | "If in my staff's view that them having a meal or drinks with one of the staff members from University B was going to assist them in doing their job better, that's okay, I feel that's okay." (NSW Independent Commission Against Corruption, 2012e, p. 460). |

*Other Patterns of Consistency*

The results also revealed some other, less strong, patterns of consistency. As shown in Table 4.8, the ERCT, bad apples and 'not covered by theory' categories were consistently important in explanations given by participants from the individual UoA (both corrupt public officials and corrupt suppliers) and the institutional UoA in all four cases. However, the ERCT, bad apples and 'not covered by theory' categories were not consistently important in explanations by participants from the organisational UoA, with these categories mentioned only in Case 3. The CMV category was important in explanations given by participants from the individual UoA (corrupt public officials only) and the institutional UoA in all four cases. However the CMV category was only important in two cases in explanations by participants from the

individual UoA (corrupt suppliers) and the organisational UoA, and it was not the same two cases – being important for corrupt suppliers in Case 3 and Case 4, and for non-corrupt public sector managers in Case 1 and Case 4.

The next section presents the results of the sensitivity analysis.

### 4.8.3 Sensitivity Analysis

As explained in Chapter 3, a sensitivity analysis of categories that were important in participants' explanations was conducted. A category was initially defined as important if it was mentioned by at least 30% of the participants in a UoA. The sensitivity analysis was conducted to ascertain the significance of any changes in the patterns of comprehensiveness or consistency of explanations within and across UoA if the threshold for importance were raised to at least 40% or even 50% of participants from a UoA. The results of the sensitivity analysis, presented by UoA, are shown in Table 4.11 overleaf.

#### *Comprehensiveness of Explanations*

It can be seen from Table 4.11 that raising the threshold for regarding a category as important tended to have the effect of slightly reducing the level of comprehensiveness of explanations when considered by UoA across the four cases. The impact for each UoA is discussed below.

#### *Individual unit of analysis*

The results for this UoA are presented separately below for corrupt public officials and corrupt suppliers.

#### *Corrupt public officials*

For corrupt public officials, the categories that were regarded as important were only mildly affected by the sensitivity analysis. For this group of participants, adjusting the importance threshold to 40+% led to only a single change from the results previously presented for the 30+% threshold in Table 4.8. As can be seen in Table 4.11, in Case 2, the ERCT category was no longer important at the sensitivity analysis threshold of 40+%. This meant that only the remaining 5 categories were important in Case 2 at the 40+% sensitivity threshold. There were no changes for Case 1, Case 3 and Case 4.

Table 4.11

*Sensitivity Analysis of Important Categories Across All Cases, by Unit of Analysis*

| UoA | Case # | ERCT | Bad apples | Bad barrels/ bad orchards | Clash of moral values | Ethos of public admin | 'Not covered by theory' |
|---|---|---|---|---|---|---|---|
| Individual (corrupt public official) | 1* | 50+% | 50+% | 50+% | 50+% | | 50+% |
| | 2 | 30+% | 50+% | 50+% | 40+% | 50+% | 50+% |
| | 3 | 50+% | 50+% | 50+% | 50+% | 40+% | 50+% |
| | 4 | 50+% | 50+% | 50+% | 50+% | 50+% | 50+% |
| Individual (corrupt supplier) | 2 | 50+% | 50+% | 50+% | | | 50+% |
| | 3 | 50+% | 50+% | 50+% | 40+% | | 50+% |
| | 4 | 50+% | 50+% | 50+% | 50+% | 50+% | 50+% |
| Organisational (non-corrupt public sector manager) | 1* | | | 50+% | 50+% | | |
| | 2 | | | 50+% | | 50+% | |
| | 3 | 40+% | 30+% | 50+% | | 50+% | 40+% |
| | 4 | | | 50+% | 30+% | 50+% | |
| Institutional (ICAC Commissioner) | 1* | 50+% | 50+% | 50+% | 50+% | | 50+% |
| | 2* | 50+% | 50+% | 50+% | 50+% | 50+% | 50+% |
| | 3^ | 50+% | 50+% | 50+% | 50+% | 50+% | 50+% |
| | 4 | 50+% | 50+% | 50+% | 50+% | 50+% | 50+% |

\* There was only one participant from this UoA

^ There were only two participants from this UoA

**Legend**

| Importance Threshold | | Descriptor |
|---|---|---|
| | 50+% | Category that was mentioned by at least 50% of participants |
| | 40+% | Category that was mentioned by between 40-49% of participants |
| | 30+% | Category that was mentioned by between 30-39% of participants |
| | Not important | Category that was mentioned by less than 30% of participants |

Adjusting the importance threshold to 50+% led to only three changes compared with the results for 30+% threshold of importance presented earlier in Table 4.8. As can be seen in Table 4.11, there were again no changes for Case 1 and Case 4. In Case 3, the EPA category that was important at both the 30+% and 40+% thresholds was no longer important at the 50+% sensitivity analysis threshold. This resulted in only the remaining five categories being important in Case 3 at this threshold. In Case 2, the CMV category did not meet the 50+% sensitivity analysis threshold, and the ERCT category had not met the 40+% sensitivity analysis threshold, as noted above. This resulted in only the remaining four categories (bad apples, bad barrels/orchards, EPA and 'not covered by theory') being important in Case 2 at the 50+% sensitivity threshold.

*Corrupt suppliers*

For corrupt suppliers, the categories that were regarded as important were virtually unaffected by the sensitivity analysis. For this group of participants, adjusting the importance threshold to 40+% did not lead to any changes from the results previously presented in Table 4.8 for the 30+% importance threshold.

Further, as can be seen in Table 4.11, increasing the importance threshold to 50+% resulted in only a single change. In Case 3, the CMV category that was important at both the 30+% and 40+% thresholds was no longer important at the 50+% sensitivity analysis threshold. This meant that only four categories remained important in Case 3 at the 50+% threshold: these were ERCT, bad apples, bad barrels/orchards and 'not covered by theory'. There were no changes for Case 2 and Case 4, and there were no corrupt suppliers in Case 1.

*Organisational unit of analysis*

For participants from the organisational UoA, the categories that were regarded as important were only mildly affected by the sensitivity analysis. For this group of participants, adjusting the importance threshold to 40+% led to only two changes from the results previously presented for the 30+% threshold in Table 4.8. As can be seen in Table 4.11, in Case 3 the bad apples category was no longer important at the 40+% sensitivity threshold. This meant that four categories (ERCT, bad barrels/orchards, EPA and 'not covered by theory'), were important in Case 3 at the 40+% sensitivity threshold. In Case 4, the CMV category was no longer important at this threshold,

meaning that only the bad barrels/orchards and EPA categories were important at the revised threshold. There were no changes for Case 1 and Case 2.

Further, adjusting the importance threshold to 50+% led to only two further changes, both in Case 3, with both the ERCT and the 'not covered by theory' categories failing to meet this sensitivity threshold. This resulted in only the bad barrels/orchards and EPA theories remaining important in Case 3 at the 50+% sensitivity threshold. There were no changes for Case 1, Case 2 and Case 3.

*Institutional unit of analysis*

Given the small number of participants from the institutional UoA in Case 1, Case 2 and Case 3, the sensitivity analysis could only be conducted on results for Case 4. The sensitivity analysis did not reveal any changes in the categories that were important for participants from this UoA in Case 4.

Overall, the sensitivity analysis revealed that there was very little change in the categories that were important in explanations put forward by the participants from each of the UoA in the four cases. These results supported the earlier analysis in Section 4.8.2 that for all UoA across all cases in this study corruption could not be comprehensively explained by any single theory.

### Consistency of Explanations

It can be seen from Table 4.11 that raising the threshold for regarding a category as important tended to have the effect of slightly reducing the level of consistency of explanations by participants from the individual UoA, whilst slightly increasing the level of consistency of explanations by participants from the organisational UoA across the four cases. The impact for each UoA is discussed below.

*Individual unit of analysis*

*Corrupt public officials*

For corrupt public officials, there was a high level of consistency in explanations across the cases at the 30+% and 40+% thresholds of importance. As shown in Table 4.11, only a single category (ERCT) in a single case (Case 2) was regarded as important at the 30+% threshold but not at the 40+% sensitivity threshold. At the 50+% sensitivity threshold, the EPA category would not have been regarded as important in Case 3. In Case 2, the ERCT and CMV categories would not have been regarded as important. The sensitivity analysis revealed small reductions in consistency of

explanations by corrupt public officials, given that using the 30+% threshold had yielded almost total unanimity amongst this group.

*Corrupt suppliers*

For corrupt suppliers, there was a very high level of consistency in explanations across the cases, with no changes at the 40+% sensitivity threshold and only one change at the 50+% sensitivity threshold.

*Organisational unit of analysis*

Although there were four changes to categories regarded as important as a result of the sensitivity analysis, these changes tended to strengthen the level of consistency across the cases, particularly at the 50+% importance threshold. At this threshold, the same two categories, bad barrels/orchards and EPA, were important in explanations by participants from the organisational UoA in Case 2, Case 3 and Case 4. In Case 1, the bad barrels/orchards category was also important, along with the CMV category. This was a very high level of consistency in explanations across cases, even though the range of explanations was narrower.

*Institutional unit of analysis*

The sensitivity analysis did not reveal any changes in the categories that were important for participants from this UoA, meaning that there was no change in consistency across cases.

*Consistency of explanations across units of analysis*

It was notable that the bad barrels/orchards category remained important to participants from every UoA in every case, even if the threshold for importance was raised to 50+% of participants needing to mention the category. This very high degree of consistency across UoA and across cases provides a further strong indication of the prominence of bad barrels/orchards explanations of corruption. It appears from these results that the bad barrels/orchards category, which emphasises organisational factors, is vitally important in understanding corruption in the cases studied, irrespective of the characteristics of the case or the UoA of the person giving the explanation.

Another example of consistency across multiple UoA related to the EPA category. As previously noted, this category was not mentioned by any participant from any UoA in Case 1. Therefore, setting aside Case 1, the EPA category remained important in explanations by participants from the individual UoA (corrupt public

officials only), the organisational UoA, and the institutional UoA in all of the remaining three cases at the higher threshold of 40+%. However, this category was not consistently important in explanations by corrupt suppliers, being important only in Case 4 for this group of participants. At the 50+% threshold, this category did not remain important for corrupt public officials in Case 3 (given by 47%), but all other results remained the same. This pattern suggests that the EPA is a consistently important source of explanations of corruption across all cases for participants employed in the public sector (corrupt public officials, non-corrupt public sector managers, and ICAC Commissioners), irrespective of the case characteristics. However, it is less consistently important than the bad barrels/orchards category for these participants. It is also not consistently important for those who are employed in the private sector (corrupt suppliers).

The sensitivity analysis caused the most change in relation to consistency of mention of the CMV category. This category dropped from importance at the 40+% threshold for participants from the organisational UoA in Case 4 and at the 50+% threshold for corrupt public officials in Case 2 and corrupt suppliers in Case 3. This resulted in the CMV category only being an important source of explanations at the 50% threshold for a single case for corrupt suppliers (Case 4) and a single case for participants from the organisational UoA (Case 1). It remained important at the 50+% threshold for corrupt public officials in Case 1, Case 3 and Case 4, and for participants from the institutional UoA in all four cases, noting the small number of participants from the institutional UoA in all cases except Case 4.

Overall, the sensitivity analysis revealed that there was very little change in the categories that were important in explanations put forward by the participants from each of the UoA in the four cases. The changes tended to strengthen the consistency of explanations from within the organisational UoA, and particularly highlighted the strong consistency relating to the importance of the bad barrels/orchards category in explanations by participants from all UoA, across all four cases. These results supported the earlier analysis in Section 4.8.2.

The next section presents the key findings that emerged from the results.

## 4.9 KEY FINDINGS

Whilst the results and analysis presented in this chapter have covered all aspects that emerged from the QTCA of the data, the findings section below focuses on the more illuminating issues that emerged from the results of the study.

### 4.9.1 Finding 1

*Value of Theory in Predicting Explanations of Corruption*

The *a priori* theory-based assumptions based on case characteristics about how participants would explain the instances of corruption in each case were largely accurate, but were also in each case insufficient to comprehensively capture the complexity of the phenomenon of corruption and the way it was explained by participants.

This finding suggests that theory may provide a valuable initial starting point when attempting to understand instances of corruption; however it reinforces Finding 2 in stressing the need to consider multiple theories, as well as explanations that are 'not covered by theory', in order to gain a more comprehensive understanding of the phenomenon of corruption.

### 4.9.2 Finding 2

*Comprehensiveness of Explanations*

No single theory, taken alone, was sufficient to comprehensively explain corruption in these four cases. In order to fully explain corruption in this study, participants from the three UoA collectively mentioned the five theory-based categories derived from the revised theory framework, as well the added inductive category of 'not covered by theory', although no participant in Case 1 mentioned the EPA category.

All six categories were reflected in explanations given by at least 30% of participants from the individual UoA (corrupt public officials) and the institutional UoA in each case other than Case 1. For corrupt suppliers (individual UoA), only the EPA category was not reflected in explanations given by at least 30% of participants. However, in relation to explanations by participants from the organisational UoA, only two categories, bad barrels/orchards and EPA, were reflected in explanations given by at least 30% of participants across all cases. Additionally, explanations from the 'not

covered by theory' category were mentioned by at least 30% of participants from the individual and institutional UoA, but not by participants from the organisational UoA.

Sensitivity analysis showed that these results held even when the threshold for importance was increased to 40% or 50% of participants mentioning a category in their explanations, although the CMV category became less prevalent in explanations by participants from the individual UoA at these higher thresholds.

This finding suggests that it is desirable to consider multiple theories, as well as explanations that do not neatly fit any theories, when attempting to understand how corruption is explained in the context of procurement processes within the NSW public sector.

### 4.9.3 Finding 3

#### *Consistency of Explanations Within a Unit of Analysis and Across Units of Analysis*

Participants from the individual and institutional UoA tended to be highly consistent across all four cases in terms of the categories they mentioned in their explanations of corruption. However, there was slightly less consistency in explanations by participants from *within* the individual UoA, with corrupt public officials and corrupt suppliers tending to emphasise different categories in their explanations. Additionally, participants from the organisational UoA advanced explanations from notably fewer categories, with only the bad barrels/orchards categories consistently mentioned across the four cases. Further, the categories mentioned by at least 30% of participants from the organisational UoA were less consistent across the four cases, with two categories mentioned in Case 1, a different two categories mentioned in Case 2, three categories mentioned in Case 4, and five categories mentioned in Case 3. Finally, there was a high level of consistency in the categories mentioned by participants from the institutional UoA. Because of the small number of participants, analysis of these responses was limited.

The finding of this level of consistency in explanations of corruption across four cases that were deliberately selected to cover a range of different case contexts and characteristics suggests that the way corruption is explained in the context of procurement processes within the NSW public sector may be more directly related to

who is doing the explaining (that is, the participant's UoA) than to the case context and characteristics.

### 4.9.4 Finding 4

#### *Consistent Importance of Bad Barrels/Orchards Explanations*

The bad barrels/orchards category, which explains corruption in terms of organisational factors, was the most prevalent explanation of corruption by participants from all three UoA in all four cases. This was the only explanation that was mentioned by at least 30% of participants from every UoA in every case in this study. Further, the sensitivity analysis presented in Table 4.11 showed that even if the threshold for importance were to be raised to 50%, the bad barrels/orchards category would still have been important in explanations by participants from all three UoA in every case in this study. The importance of this category can further be inferred from the fact that it was mentioned by between 50-100% of the participants in every UoA in Case 2, Case 3 and Case 4. Percentages were not calculated for Case 1 because of the small number of participants.

This finding suggests that organisational factors were perceived as very important in explanations of corruption in the context of procurement processes in the NSW public sector, regardless of who was doing the explaining (the participant's UoA), or the case context and characteristics.

### 4.9.5 Finding 5

#### *Consistent Importance of Ethos of Public Administration Explanations for Public Sector Participants*

The EPA category, which explains corruption in terms of institutional factors, was prevalent in explanations of corruption given by public sector participants in this study, who were found in the individual UoA (corrupt public officials), the organisational UoA (non-corrupt public sector managers), and the institutional UoA (ICAC Commissioners). Apart from Case 1, where EPA was not mentioned at all, this category was mentioned by at least 30% of public sector participants, regardless of their UoA, in every case in this study. The sensitivity analysis presented in Table 4.11 showed that even if the threshold for importance were to be raised to 40%, the EPA category would still have been important in explanations by public sector participants from every UoA in every case, apart from Case 1. The importance of this category can

further be inferred from the fact that it was mentioned by between 47-83% of the participants in these UoA in Case 2, Case 3 and Case 4. However, the EPA was not important in explanations by participants from the private sector (corrupt suppliers), being mentioned by 0% in Case 2, and 13% in Case 3, although it was mentioned by 50% in Case 4.

This finding suggests that institutional factors were perceived as very important in explanations of corruption by public sector participants, regardless of who was doing the explaining (the participant's UoA) or the case context and characteristics. It also suggests that these institutional factors were much less important to corrupt suppliers.

## 4.10  CHAPTER SUMMARY

This chapter has presented results and findings from the four cases that comprised this study, which were analysed using the methodology detailed in Chapter 3. The data from each case were analysed using QTCA codes that rolled-up into one of the five *a priori* theory-based categories and the inductively generated category that comprised the theory framework used for this study. Figure 3.2 on page 135 in the previous chapter provided an overview of the relationship between content analysis codes and categories. The QTCA used these content analysis codes to produce a case by case, category level analysis of the explanations advanced by participants from each of the three UoA represented in this study. A cross-case analysis was also conducted, allowing analysis of results across all four cases, presented by UoA.

Section 4.1 introduced the chapter, while Section 4.2 and Section 4.3 described the standard case presentation structure that was used throughout the chapter for within- case and cross-case analysis respectively. Sections 4.4 - 4.7 presented the results of each of the four cases and analysis of those results. Cross-case analysis, including sensitivity analysis of the threshold for regarding an explanation as important, was presented in Section 4.8. Five key findings, which related to the RQ for the study, were presented in Section 4.9, and this final section contains the chapter summary.

RQ 1 sought to identify how corruption was explained in the context of this study, and which theories from the revised theory framework were reflected in these explanations. RQ 1 additionally sought to assess whether any single theory could

comprehensively explain these instances of corruption. Finding 1 identified that the theory-based assumptions about the explanation of corruption developed during the case selection process detailed in Chapter 3 were accurate. However, they were insufficient to completely capture the complexity of participants' explanations. While the anticipated theories were in fact reflected in each case, so were other, unanticipated theories, and explanations that were 'not covered by theory'. This finding addressed RQ 1, in that multiple theories were reflected in participants' explanations.

Finding 2, also addressing RQ 1, indicated that while all five theories from the theory framework were helpful in explaining corruption, no single theory taken alone was sufficient to comprehensively explain corruption in any of the cases studied, for participants from any of the three UoA. Corruption in these cases, which were selected to broadly represent the work of procurement within the NSW public sector, was shown to be complex and not amenable to simple explanations. The most comprehensive understanding of corruption was achieved by considering all six categories – the five theory-based categories and the 'not covered by theory' category.

RQ 2 sought to understand how consistent the explanations of corrupt behaviour were within and across the cases and the three UoA. Finding 3, addressing RQ 2, identified considerable consistency in how corruption was explained by participants from the individual and institutional UoA across all the cases, but also observed a noticeable difference in the nature of explanations put forward by participants from the organisational UoA.

Explanations by participants from the organisational UoA drew on a narrower range of theories than the explanations by participants from other UoA, consistently mentioning only two theories across the four cases. Participants from the other UoA consistently mentioned either five or six categories across the four cases. Finally, at a more detailed analysis level, some differences were observed in the emphasis placed on different theories in explanations advanced by participants from within the individual UoA, according to whether the person was a corrupt public official or a corrupt supplier. This suggested that it may be useful to consider separately explanations of corruption given by participants with these different jobs.

Further in relation to both RQ 1 and RQ 2, Finding 4 revealed the prevalence of the bad barrels/orchards category (organisational factors) which was mentioned by at least 30% of participants from every UoA in every case in this study. Indeed, the

sensitivity analysis conducted for cross-case analysis revealed that this theory was mentioned by at least 50% of participants from every UoA in every case. Organisational factors were thus a major part of the explanation of corruption in all cases in this study. Finding 5 similarly revealed the prevalence of the EPA theory in explanations of corruption by public sector participants from all three UoA – corrupt public officials, non-corrupt public sector managers, and ICAC Commissioners, with at least 40% of these participants in Case 2, Case 3 and Case 4 mentioning this theory. However, this explanation was not consistently important to participants employed in the private sector – the corrupt suppliers, and was not mentioned by any participants in Case 1.

The next chapter presents discussion and analysis of the findings developed in this chapter.

# Chapter 5: Discussion

*"No theory or theoretical framework completely explains a given phenomenon"* (Wu & Volker, 2009).

*"The scholarly literature on corruption has developed in separate disciplines, each of which has produced important insights, but each of which also has some crucial limitations"* (Prasad et al., 2019, p. 96).

*"The corruption phenomenon is complex, complicated and difficult to grasp"* (Huberts, 2010, p. 147).

## 5.1    INTRODUCTION

This chapter synthesises important themes from the key findings of this study and engages in discussion with pertinent literature previously presented in Chapter 2. The literature review in Chapter 2 modified a framework developed initially by de Graaf (2007), as presented in Figure 1.1, into the revised theory framework that was used for this study – as presented in Figure 2.2 on page 101. The key findings of this study suggest that all five of the theories noted in the revised theory framework (Figure 2.2) taken together are helpful in understanding instances of corruption in the context of the study, but that no single theory standing alone was sufficient to provide a comprehensive explanation of the phenomenon of corruption. The key findings also suggest that the consistency of explanations of corruption in this study were influenced by both case context and participants' UoA (job roles). In relation to case context, the findings provide mixed support for two competing perspectives, one of which argues that context matters in how corruption is understood and explained (de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Graycar, 2015; Jancsics, 2019; Kish-Gephart et al., 2010), whilst the other argues that the 'context may not matter' in how corruption is understood and explained (Huberts, 1998, 2010). In relation to participants' UoA, the findings of the study provide support for the salience of *who* is giving the explanation when considering the consistency of a participant's explanation in relation to explanations advanced by others.

This chapter is organised into two main sections to address themes from the findings. Section 5.2 addresses RQ 1 for this study, and discusses how theory was used

to explain corruption in this study. This section considers how individual factor theories (ERCT, bad apples), organisational factor theories (bad barrels/orchards), and institutional factor theories (CMV, EPA) can be applied to the cases from this study. Section 5.3 examines Research Question 2, and considers whether there is consistency in the way that corruption was explained by participants from different units of analysis (job roles) and different organisational contexts both across and within the four cases that comprised the study. Finally, Section 5.4 presents the chapter summary.

## 5.2 USING THEORY TO EXPLAIN CORRUPTION

In response to Research Question 1, the analysis in this study examined five key discipline-based theories which were presented in Figure 2.2. The literature review indicated that these theories held promise in terms of their ability to comprehensively explain corruption in the context of procurement processes in the NSW public sector. The following sections discuss the findings in relation to the explanatory capacity of these five discipline-based theories.

### 5.2.1 No Single Theory is Sufficient to Comprehensively Explain Corruption

As described in Chapter 3, the revised theory framework for this study (see Figure 2.2) was used to make *a priori* theory-based assumptions based on case characteristics about how participants would explain the instances of corruption in each case in this study. Finding 1 in this study (see Section 4.9.1 on page 218) noted that although the *a priori* assumptions were largely accurate in each case, they were also unable to comprehensively capture the complexity of the phenomenon of corruption in any of the four cases. This finding was reinforced by Finding 2 (see Section 4.9.2), which noted that no single theory taken alone was sufficient to comprehensively explain corrupt behaviour in any of the four cases that comprised this study. Primarily this was due to participants simply not confining themselves to explanations of corruption that drew on concepts from any single theory, as assumed based on the *a priori* theoretical assumptions described in Chapter 3. Instead, they gave a wide range of explanations which simultaneously integrated concepts from multiple theories. These included theories that explain corruption using individual factors, such as ERCT and bad apples; those that referring to organisational factors such as bad barrels/orchards; and those based on institutional factors such as CMV and

EPA. Participants also gave explanations that were not obviously covered by any theory from the revised framework.

The findings of this study suggest that in practice people attributed corrupt behaviour to a range of individual, organisational and institutional factors, which did not respect the artificial boundaries drawn by academic theories. Instead, they gave multiple explanations of corruption that drew simultaneously from multiple theoretical perspectives, and which sometimes did not obviously reflect any of the five theories considered by this study. Accordingly, corruption in the context of procurement processes in the NSW public sector could not be comprehensively explained by any single theory from the revised framework.

This is significant, as a researcher seeking to investigate corrupt behaviour could examine corruption from any single theoretical point of view and find support for that single theoretical approach, which could be self-serving. However, this study supports other studies, such as those by Huberts (1998, 2010), de Vries (2002), de Graaf and Huberts (2008) and Jancsics (2014, 2019), which argue that corruption is a complex phenomenon best examined from multiple perspectives. The danger in approaching corruption from a single perspective is that the contributions of other explanatory perspectives may not be considered, thus limiting the opportunity to develop deep and comprehensive understandings. This in turn will influence the type of anti-corruption activities that are thought to be appropriate.

### 5.2.2 Importance of Individual Factor Theories in this Study

The concept of problematization (Sandberg & Alvesson, 2011), of "taking something that is commonly seen as good or natural, and turning it into something problematic. Specifically, problematization…aims to question the assumptions underlying existing theory" (p. 33), may be particularly relevant to individual factor theories such as ERCT and bad apples for understanding and explaining corruption. These theories have been widely regarded over a long period as influential or dominant for understanding and preventing corruption (Prasad et al., 2019), often to the exclusion of other relevant concepts and theories (Ashforth et al., 2008; Palmer et al., 2013), although Persson et al. (2019) mentioned the "hitherto dominant" (p.807) ERCT, implying that this dominance may be waning. Others to note the dominance of the ERCT approach to understanding and preventing corruption include de Vries and

Sobis (2016), Heywood (2017) and Trepte (2019). Villeneuve et al. (2019) observed that the "economic paradigm is still the dominant approach" (p. 22).

Ledeneva (2018) suggested that one reason for historically favouring an individual factor approach such as ERCT might be because it is relatively easy to measure ERCT aspects of corruption, such as bribe offers, wage levels, and conviction rates, whilst noting the comparative difficulty of measuring corruption that takes the form of conflict of interest, clash of moral values, or competing institutional logics. Another possible reason for the prevalence of individual factor theories has been proposed by scholars such as Ashforth et al. (2008) and Gottschalk (2012a), and the practitioner Medcraft (2016), who have all noted that it can be convenient and easy for organisations to blame corruption on badly behaved individuals rather than acknowledge a role of the organisation.

However, several researchers have also identified the insufficiency of relying only on individual factor theories (ERCT, bad apples) for understanding and preventing corruption. de Vries and Sobis (2016) questioned the "universal applicability of understanding corruption in economic terms" (p. 256), and Trepte (2019) observed that ERCT approaches were of limited effectiveness in understanding corruption. Marquette and Peiffer (2018) noted that relying only on individual factors to explain corruption was a flawed approach that did not recognise the contributions of other theory perspectives. Ashforth et al. (2008), Palmer (2013), Brief et al. (2014), and de Vries and Sobis (2016) all similarly suggested that the bad apples perspective alone was insufficient for explaining corruption. Palmer et al. (2013) observed the predominant use of individual factor theories (ERCT, bad apples) and the under-application of group, organisational and institutional theories to understanding and explaining corruption in organisations. Further, Ashforth et al. (2008) were critical that the focus on individual factor explanations of corruption had diverted both research and practical attention away from more systemic approaches to understanding and preventing corruption.

In relation to practical attention to controlling corruption, the dominance of ERCT approaches to understanding corruption has been assessed as limiting the effectiveness of anti-corruption activities, particularly in developed countries (Graycar & Monaghan, 2015; Villeneuve et al., 2019). Gans-Morse et al. (2018) also noted that

"reforms will fail in the long term when they focus only on cases of individual transgressions" (p. 183).

Against the above discussion, the findings of this study showed that high percentages of participants from the individual UoA (corrupt public officials and corrupt suppliers) mentioned individual factor concepts in their explanations of corruption. This study therefore provided support for the traditional position that individual factor theories can explain instances of corruption in the context of procurement processes in the NSW public sector.

However, as shown in Table 4.8 and Table 4.9 in Chapter 4, the findings also revealed that similarly high percentages of corrupt public officials (individual UoA) also gave explanations that mentioned concepts from both organisational (bad barrels/orchards) and institutional factor (CMV, EPA) theories in their explanations of corruption, as did non-corrupt public sector managers (organisational UoA). Moreover, a similarly high percentage of corrupt suppliers (individual UoA) also mentioned organisational factors in their explanations of corruption. Finally, a high percentage of corrupt public officials and corrupt suppliers (individual UoA) also gave explanations of corruption that were not clearly covered by any of the theories used in this study, suggesting a gap in the coverage of the five theories that formed the theory framework for this study.

The findings of this study therefore show that whilst concepts from each of the five theories considered by this study were identified in participants' explanations of corruption, it was insufficient to rely on concepts from any single theory taken alone (including individual factor theories) in order to comprehensively explain corruption. Doing so would risk paying insufficient attention to the contribution of explanations from the other four theory bases and to explanations that appear to be outside any of the theory bases. More comprehensive explanations of corruption would draw on multiple theories to address individual, organisational and institutional factors, and would recognise that there are other potential explanations of corrupt behaviour that do not fit neatly into any of the five theories examined by this study.

The discussion above has noted the dominance in the literature and in practice of theories of corruption that propose explanations relating to individual factors. It has discussed the emerging research which has suggested the insufficiency of relying only on individual factor theories to explain corruption, thus problematizing (Sandberg &

Alvesson, 2011) sole reliance on these theories. This study has acknowledged the continuing relevance of individual factor theories (ERCT, bad apples) in explaining corruption in the context of procurement processes in the NSW public sector; but it has also reflected that other theories which draw on organisational factors (bad barrels/orchards) and institutional factors (CMV, EPA) were likewise important in explaining corruption in this context. Whilst individuals are the perpetrators of corrupt acts, the findings of this study and the extensive body of literature addressing organisational factors (bad barrels/bad orchards), institutional factors (CMV, EPA), and multiple factors reviewed in Chapter 2 suggest that the corrupt actions of individuals arise within an organisational and socio-cultural context that influences the individual's behaviour.

The next section examines the importance of organisational factor theories in explanations of corruption in this study.

### 5.2.3 Importance of Organisational Factor Theories in this Study

Finding 4 (see Section 4.9.4) from this study identified that the only theory consistently mentioned by at least 50% of participants across all UoA and all four cases was that of bad barrels/orchards, which relates to organisational factors. This finding concurs with earlier research by Anand et al. (2004), Ashforth and Anand (2003), Campbell and Göritz (2014), Pinto et al. (2008) and Treviño et al. (2017) in suggesting that organisations should be a crucially important focus for researchers seeking to better understand workplace corruption. As previously identified in Chapter 2, there is a sprawling literature covering organisational influences on corruption. Three organisational factors which emerged as findings in this study are discussed in the following sections. These were the influence of organisational culture on corruption, the influence of ethical climate on corruption, and the normalisation of corruption in an organisation.

#### *Influence of Organisational Culture on Corruption*

Organisational culture, for the purposes of this discussion, can be described as the "common set of assumptions, values and beliefs shared by organisational members" (Treviño, 1986, p. 611) that guide the acceptable behaviour and decision making of organisational members (Treviño, 1986). Multiple diverse organisational subcultures may exist in all organisations (Alvesson, 2002; Martin, 1992; Schein,

1996; Treviño, 1986). These may exert significant influence on individuals to favour norms and values generated by their own subculture (Lofquist et al., 2017; Lok et al., 2005; Schein, 1996); or those generated by important referent others, such as managers (Brown et al., 2005; Loviscky et al., 2007; Sims & Brinkmann, 2003), or their workgroup via groupthink (Janis, 1982; Vaughan, 1996) (Sims, 1992b), in accordance with social learning theory (Bandura, 1986), even if these norms and values are corrupt.

Treviño et al. (2017) noted that if the organisational culture supports unethical behaviour, then employees can feel obligated to adopt unethical behaviour, and may perceive mixed messages from managers and the organisation about what they should and should not do. Such mixed messages were present in all four cases in this study.

Many researchers have identified how an organisation's culture or subcultures may, either inadvertently or deliberately, tolerate or encourage corrupt behaviour in its members (Brief et al., 2014; Brief & Smith-Crowe, 2016; Brown et al., 2005; Campbell & Göritz, 2014; Pinto et al., 2008; Sims & Brinkmann, 2003). Some organisational cultures/subcultures may even require deliberately corrupt behaviour from organisational members (Katz, 1977; Rothwell & Baldwin, 2007; Schwartz, 2013). The corrupting effect of such organisational cultures/subcultures is anticipated to be especially prevalent in an unclear organisational culture (Huberts, 2010; Sims & Brinkmann, 2003; Treviño, 1986), or in "special circumstances" (de Graaf & Huberts, 2008, p. 646), such as periods of organisational growth, leadership turnover, political tension, and pressure to perform (Brief et al., 2014; de Graaf & Huberts, 2008; Huberts, 2010; Sims & Brinkmann, 2002, 2003).

Whilst investigation of organisational culture was not the primary purpose of this study, nevertheless its impact on the corrupt actions of individuals arose in the explanations and understanding of corrupt behaviour offered by participants in this study. For example, Organisation D in Case 3 was experiencing organisational turmoil as a result of it undergoing considerable organisational change via significant reorganisations, including de-mergers and partial privatisations instigated by the NSW State Government (State Records Authority of New South Wales, 2021a, 2021b, 2021c). Consistent with the research of Treviño (1986), Sims and Brinkmann (2002, 2003) and Brown et al. (2005), this organisational turmoil may be perceived as a reason for Organisation D being susceptible to corruption. The ICAC Commissioners for

Case 3 concurred with the propositions of the literature, noting that "mergers and restructures can create opportunities for corruption due to unclear designations of roles, poor integration of different systems, and uneven application of policies and procedures" (NSW Independent Commission Against Corruption, 2008c, p. 23).

Similarly in Case 4, corrupt public officials (NSW Independent Commission Against Corruption, 2012c, p. 623; 2012d, p. 726) and non-corrupt public sector managers (NSW Independent Commission Against Corruption, 2016a, p. 106) from University A explained that corrupt behaviour had occurred in conditions of organisational turmoil, where policies and rules were very unclear and constantly changing. In the case of University B, regional staffing pressures and the unavailability of staff or contractors with sound procurement training and experience (NSW Independent Commission Against Corruption, 2012a, p. 35; 2012e, p. 536) exacerbated staffing gaps, with many key procurement governance positions filled by acting lower-level employees in these positions (NSW Independent Commission Against Corruption, 2012e, p. 20). Both Universities experienced staffing pressures, mainly occasioned by reduced funding for operations, which had resulted in increased reliance on contractors to perform key functions. These pressures in turn resulted in frequent adjustments to policies and procedures, and staff claimed to have been unable to keep up with the changes (NSW Independent Commission Against Corruption, 2012c, pp. 622-623, 690). ICAC Commissioners largely agreed with these claims, noting that at University A "university-wide processes were at best confusing and loosely enforced" (NSW Independent Commission Against Corruption, 2012d, p. 30), and that there were "extended gaps during which University B lacked sufficient procurement expertise… [and] had no formalised procurement policy" (NSW Independent Commission Against Corruption, 2012a, p. 36). These situations may amount to the special circumstances mentioned by de Graaf and Huberts (2008).

There were also numerous examples of groupthink (Janis, 1982; Sims, 1992b; Vaughan, 1996) that led to corrupt behaviour revealed in this study, particularly in Case 3 and Case 4. For example, a number of corrupt public officials and corrupt suppliers, as well as non-corrupt public officials from both cases, reported feeling bullied or pressured into unquestioning corrupt behaviour by their corrupt colleagues or managers. One corrupt public official from Case 3 demonstrated the operation of groupthink in Organisation D, observing " you just…go and do as you're told" (NSW

Independent Commission Against Corruption, 2008i, p. 2358). Coercive practice was also noted by the ICAC Counsel Assisting in Case 3, who observed that the groupthink culture in Organisation D was to "just accept whatever the team leader says or does even if you know it's wrong" (NSW Independent Commission Against Corruption, 2008i, p. 2530). The lack of opportunity for individuals to disagree with groupthink was also evident in University A in Case 4. Groupthink resulted in numerous individuals in this study experiencing strong pressure via organisational culture (norms and values) to either ignore or participate in corrupt behaviour.

Thus this study reinforces and supports previous studies which found that organisational factors contribute to corruption.

The distinction between an organisation of corrupt individuals and a corrupt organisation (Campbell & Göritz, 2014; Pinto et al., 2008; Sims & Brinkmann, 2003; Treviño et al., 1998) is another important concept which is relevant to the explanation of corruption. This is important because it identifies individuals' corrupt behaviour as an organisation level phenomenon, both because the behaviours are sufficiently widespread to be characteristic of the organisation, and because organisational level processes, including the actions or inactions of managers, are implicated in facilitating or failing to control the corrupt behaviour (Pinto et al., 2008). It also provides a clear illustration of the difference between bad apples, which are a few deviant individuals in otherwise ethical organisations, bad barrels, which are many deviant individuals in ethically ambiguous organisations, and bad orchards, where corruption is a customary group behaviour regarded as normal in the organisation (Brief et al., 2014; Palmer et al., 2013; Sims, 1992a, 1992b) and thus becomes a counternorm (Sims, 1992a, 1992b) which supports widespread corruption by organisational members for a corrupt organisation's benefit (Brief et al., 2014; Campbell & Göritz, 2014; Pinto et al., 2008; Sims & Brinkmann, 2003).

Reviewing the four cases in this study, the single state government organisation represented in Case 1 would not meet the definition of an organisation of corrupt individuals (Pinto et al., 2008) because only a single public official behaved corruptly, rather than many individuals or the whole organisation. This case may therefore represent typical bad apples behaviour (Campbell & Göritz, 2014).

Each of the separate local government organisations represented in Case 2 may meet the definition of an organisation of corrupt individuals or bad barrels (Campbell

& Göritz, 2014; Pinto et al., 2008), or may also fall short of this threshold. Case 2 involved corrupt behaviour in 14 local government organisations and one state government organisation. In nine of the local government organisations and the state government organisation only one individual behaved corruptly for personal benefit, which is a similar corruption profile to Case 1, and is thus more typical of bad apples behaviour (Campbell & Göritz, 2014). Therefore, Case 2 would not represent an organisation of corrupt individuals (Pinto et al., 2008) because of the small number of corrupt employees at each organisation. However, in the other five local government organisations, multiple employees behaved corruptly for their own personal benefit, thus demonstrating the characteristics of a bad barrel, an organisation of corrupt individuals (Pinto et al., 2008).

Additionally, in Case 2 corruption findings were made against many individual corrupt suppliers employed by several separate supplier organisations. The organisational support for the loyalty scheme corruption in Case 2 suggests that each of these supplier organisations was a corrupt organisation (Pinto et al., 2008), with the corrupt behaviour carried out for the benefit of the organisation, and was a bad orchard. The false invoicing in this case was for the benefit of corrupt individuals, and thus represents a bad barrel or an organisation of corrupt individuals (Pinto et al., 2008). This analysis suggests that it is possible for an organisation to simultaneously be both a corrupt organisation and an organisation of corrupt individuals.

Case 2 may also provide an opportunity to extend the concepts of Pinto et al. (2008) to include the possibility of an institution of corrupt individuals or an institution of corrupt organisations. Noting that similar corrupt behaviour was identified but not investigated by ICAC in a further 95 local and state government organisations (NSW Independent Commission Against Corruption, 2012b, p. 11) in Case 2, it seems possible that Case 2 might represent an institution (local government) comprised of corrupt individuals or corrupt organisations, with the ICAC Commissioner noting the "sheer scale and pervasiveness of the alleged corrupt conduct" (NSW Independent Commission Against Corruption, 2012b, p. 11) across the entire local government sector.

Both Case 3 and Case 4 may also be examples of bad barrels and organisations of corrupt individuals (Pinto et al., 2008) where multiple employees regarded self-enriching corrupt behaviour as both normal and necessary (Campbell & Göritz, 2014)

over a long period of time. In Case 3, Organisation D was the subject of ICAC corruption findings involving many individuals in relation to its procurement processes on ten separate occasions over a period of 21 years from 1993 to 2014. Organisation D therefore meets the criteria delineated by Pinto et al. (2008) for an organisation of corrupt individuals because the beneficiaries of the corrupt behaviour in Case 3, along with those identified in the other ICAC investigations of Organisation D outside the scope of this study, were the individual corrupt actors rather than the organisation itself, suggesting that it was an organisation of corrupt individuals or a bad barrel. Similarly, from within Case 4, University A was the subject of ICAC corruption findings in relation to its procurement processes on four separate occasions over a period of 11 years from 2005 to 2016, and on one additional occasion outside the time frame of this study in 2021 (NSW Independent Commission Against Corruption, 2021c). University A, despite multiple corruption findings over a period of years, also does not meet the criteria of a corrupt organisation (Pinto et al., 2008) because the public officials behaved corruptly for self-enrichment rather than for the benefit of the organisation, again suggesting that it was an organisation of corrupt individuals or a bad barrel. Case 4 as a whole may, similarly to Case 2 also provide an opportunity to extend the concepts of Pinto et al. (2008) to include the possibility of a sector of corrupt individuals or a sector of corrupt organisations. Finally, the repeated findings of corruption in the procurement processes of Organisation D from Case 3 (and other ICAC investigations outside the scope of this study) and University A from Case 4 (and another ICAC investigation outside the scope of this study) suggest that Case 3 and Case 4 from the present study may also provide a confirming example of the observation that corruption can be difficult to eradicate once it takes hold in an organisation (Trepte, 2019) because it becomes systemic and embedded in the culture and practice of the organisation.

In summary, this section has discussed how findings in this study provide support for the substantial body of literature which identifies the influence of organisational culture on corrupt behaviour. The study supports the literature in relation to the influence of organisational culture on corruption via potential groupthink (Janis, 1982; Sims, 1992b; Vaughan, 1996). It also supports the view that corruption may flourish when there is an unclear organisational culture that may send mixed messages to employees about the boundaries of ethical and unethical behaviour

(Treviño et al., 2017), and that corruption can be difficult to eradicate once it becomes established in an organisation (Trepte, 2019). Finally, Case 2, Case 3 and Case 4 of this study provide exemplars of the widespread presence of bad barrel organisations in the context of procurement processes in the NSW public sector. These represent organisations of corrupt individuals (Campbell & Göritz, 2014; Pinto et al., 2008), where significant numbers of individuals behaved corruptly for their own personal benefit. Bad barrels are an organisational level phenomenon because of the widespread nature of the corrupt individual behaviour, which becomes characteristic of the organisation; and because organisational level processes, including the actions or inactions of managers, contribute to the corrupt behaviour. The importance of referent groups such as managers will be examined in the next section in relation to the influence of ethical climates on corruption.

### *Influence of Ethical Climate on Corruption*

Ethical climate leads to a shared "sense of 'how things are done around here'" (Kuenzi et al., 2020, p. 45). This present study provides insight into the ethical climates of the organisations included in the study via the content analysis code of "that's how we do things here" which was used to analyse participants' explanations of corruption. This explanation for corrupt behaviour was widely prevalent in all four cases, for participants from all three UoA, as shown in Appendix M (Case 1), Appendix O (Case 2), Appendix Q (Case 3), and Appendix S (Case 4). It was widely relied upon by participants to explain that their behaviour was not corrupt, but rather was normal, usual, common behaviour in their part of the organisation. For example, a non-corrupt manager in Case 1 described the long term widely accepted organisational practice of rolling over expiring contracts without approaching the market via tender, contrary to organisational policy. In Case 2, there was systemic and extensive acceptance by numerous corrupt public officials of gifts provided by suppliers for placing orders, again which was contrary to organisational policy. In Case 3, it was regarded as common and acceptable practice in some work groups within Organisation D to falsify staff and contractor timesheets, for suppliers to submit false invoices and to share the proceeds with corrupt public officials, for corrupt suppliers to pay bribes to corrupt public officials for the award of contracts, and for corrupt public officials employed at Organisation D and their relatives to secretly form companies to supply work to Organisation D. These behaviours were contrary to organisational policies; yet despite

the corrupt behaviour being widely known about within the organisation, a culture of 'not dobbing' in Organisation D meant that organisational policies were not enforced (NSW Independent Commission Against Corruption, 2008c, p. 31). In Case 4, a corrupt public official who failed to declare a conflict of interest contrary to University policy said, "I didn't realise I had to. But saying that too, I'm not the only person that would…fall in that predicament within [University A]. I know of other instances where…exactly the same thing has happened" (NSW Independent Commission Against Corruption, 2012d, p. 694).

In all these examples organisational policies which were intended to promote integrity were widely, repeatedly and openly disregarded by significant numbers of organisational members, and these policies were also not enforced by managers. This allowed case participants to form a view of how things were actually done in their organisation, which ultimately resulted in the development and operation of a corrupt ethical climate in those work groups. This study therefore provides supporting evidence for Kuenzi et al. (2020) that organisational members develop shared perceptions about the particular values that are applied in their organisation via which policies and procedures are enforced, and which practices are acceptable, and that this frames the tone of the ethical climates in those work groups.

Researchers such as Wimbush and Shepard (1994), Treviño et al. (1998), Ashforth et al. (2008), Ashkanasy et al. (2006), Brief et al. (2014), and Kuenzi et al. (2020) have focused on the relationship between the ethical climate in an organisation, employees' ethical behaviour, and the role modelling provided by leaders, managers, and supervisors. Wimbush and Shepard (1994) and Kuenzi et al. (2020) identified the influence of supervisors as a critical determinant of both the ethical climate(s) in an organisation and of individual employees' behaviour, because supervisors provide the role model for how organisational policies are implicitly and explicitly perceived, interpreted and enacted in the organisation. Differences in supervisors' actions may explain the mechanism by which different ethical climates arise for different work groups or at different organisational levels. Managers can model corrupt behaviour without being corrupt themselves if they reward, condone, ignore, or otherwise facilitate corrupt behaviour, (Ashforth & Anand, 2003), for example, by emphasising either implicitly or explicitly their expectation of a result by any means (Brief et al.,

2014). Kuenzi et al. (2020) also noted the importance of employees being held accountable by managers for compliance with policies.

This current study emphasises the important role of managers and supervisors in developing and maintaining a strong organisational ethical climate. The actions of some corrupt managers in Case 2, Case 3 and Case 4 may have allowed some employees to legitimately form and hold a belief that it was acceptable workplace practice to ignore organisational rules and policies that were intended to support and promote integrity. In both Case 2 and Case 3, for example, some corrupt public officials said that they had been inducted into corrupt behaviour by their supervisor's example or encouragement. In Case 3, some corrupt public officials were actively coerced into corrupt behaviour by their supervisors.

Additionally, the behaviour of some non-corrupt managers in this current study may also have contributed to the development of an apparently organisationally sanctioned ethical climate that there would be few consequences for employees who did not comply with policies, as proposed by the literature discussed above. In Case 3, for example, a number of non-corrupt senior managers told ICAC that they were aware of the corrupt actions of employees of Organisation D, but did not take action. In Case 4, some corrupt public officials said, and both non-corrupt public officials and non-corrupt managers agreed, that the pressure and volume of work meant that rules were sometimes bent, broken or ignored in order to get the work done.

The direct and indirect involvement of managers in corrupt behaviour may thus have resulted in "an insider norm, a culture of silence and cover up where even honest members show[ed] solidarity with their deviant and corrupt colleagues" (Jancsics, 2014, p. 362). Ashkanasy et al. (2006) stressed the need to avoid sending the message that "unethical behavior is condoned in the organization" (p. 467).These observations by Jancsics (2014) and Ashkanasy et al. (2006) are reflected closely in remarks made by the CEO of Organisation D from Case 3:

> Clearly there are employees, in the organisation at a number of levels, who would seem to have had knowledge of this particular corrupt activity. They chose not to bring it to anyone's attention. Was it because of intimidation, harassment, that is fear, that they didn't do it? Was it simply a culture that you don't dob? (NSW Independent Commission Against Corruption, 2008i, p. 3014).

Similar views were also reflected in observations by the ICAC Commissioners in relation to Case 2, Case 3 and Case 4, again providing support for the propositions from the literature that managers have a critical role in setting the ethical work culture by how they interpret, apply and enforce the various policies of their organisations (Ashkanasy et al., 2006; Jancsics, 2014; Kuenzi et al., 2020; Wimbush & Shepard, 1994). For example, in Case 2 the ICAC Commissioners noted ineffective enforcement of policies in most of the 15 organisations included in this case. In Case 3, the ICAC Commissioners observed that some Organisation D managers knowingly and repeatedly participated in non-reporting and cover up of corrupt behaviour, failed to enforce controls, and failed to ensure staff compliance with policies. This had the result that "staff and contractors realised there were few consequences for misconduct or corrupt conduct" within Organisation D (NSW Independent Commission Against Corruption, 2008c, p. 44). The ICAC Commissioners in Case 4 similarly noted problems with loose or non-existent enforcement of organisational policies. It was therefore apparent from this study that both corrupt and non-corrupt managers in the organisations represented in Case 2, Case 3 and Case 4 contributed to a corporate culture and ethical climate that, at a minimum, tolerated unethical behaviour, as proposed by the literature discussed above.

This current study also found that different ethical climates may arise (Victor & Cullen, 1988; Wimbush & Shepard, 1994), or be perceived to arise (Treviño et al., 2017; Vardi, 2001) within work groups or at different levels of the organisation. In all four cases in this study the explanations of corrupt behaviour given by non-corrupt public sector managers were consistently different to those provided by corrupt public officials. This suggests that people at the organisational level/with the job role of manager may have experienced a different organisational sub culture (Schein, 1996; Treviño, 1986) or ethical climate to those employed at lower levels of the organisation, as identified in the literature (Treviño et al., 2017; Vardi, 2001; Victor & Cullen, 1988).

In summary, this section has discussed how the current study provides support for the substantial body of literature which identifies the influence of ethical climate on corrupt behaviour in organisations and which allows corrupt behaviour to be seen as normal and useful within the organisations represented in Case 2, Case 3 and Case 4.

The next section examines three organisational processes which contribute to corruption becoming normalised in an organisation.

### *Influence of the Normalisation of Corruption*

The concept of normalisation of corrupt behaviour is particularly relevant to explaining the way corrupt behaviour can become entrenched in an organisation (Anand et al., 2004; Ashforth & Anand, 2003). In relation to private sector organisational contexts, Ashforth and Anand (2003) identified three interacting, critical processes that operate formally and informally to normalise corruption. These are rationalisation, institutionalisation, and socialisation. The operation of these three mutually reinforcing processes, and especially the interaction between them, can lead to corrupt behaviour becoming widespread and accepted within an organisation, entrenched in organisational structures and processes, and internalised by organisational members as acceptable, desirable or even required behaviour (Anand et al., 2004; Ashforth & Anand, 2003). As discussed in the preceding two sections, the impact of normalisation of corruption is further amplified in organisations with an organisational culture and/or ethical climate(s) that condones, encourages, rewards or requires corrupt behaviour in organisational members.

In relation to the rationalisation of corrupt behaviour, corrupt individuals and work groups may provide self-serving accounts of their corrupt behaviour to themselves and others to justify or rationalise continuing it (Anand et al., 2004; Ashforth & Anand, 2003; Brief et al., 2014; Frost & Tischer, 2014; Prabowo et al., 2017). In this study, content analysis codes which are described in Appendix E were used to capture such self-serving rationalisations. As shown in Appendices P, R and T, participants in Case 2, Case 3 and Case 4 rationalised their corrupt behaviour by saying that "everyone was doing it", and "that's how we do things here", and so they too were justified in joining in with corrupt activity. Participants in Case 2 and Case 4 also rationalised their corrupt behaviour by explaining that their behaviour was "not wrong", whilst those in Case 3 explained that they were just "balancing the ledger" by taking what they were due. Such rationalisations tend to blur the boundaries between external norms about corruption and insiders' perceptions about justifiable exceptions to complying with those external norms (Ashforth & Anand, 2003; Gottschalk, 2012a; Jancsics, 2014; Rothwell & Baldwin, 2007): the explanations of "it's not wrong" and "balancing the ledger" in this study. Rationalisations typically start as idiosyncratic

explanations by individuals that over time become routinised and institutionalised and thus widely adopted in the organisation (Ashforth & Anand, 2003; Brief et al., 2014; Frost & Tischer, 2014; Punch, 2003; Vaughan, 1996): the explanations of "everyone was doing it" and "that's how we do things" in this study. Rationalisations may also capitalise on the corruption opportunities that arise from lack of clarity or ambiguity in the organisational context (Sims & Brinkmann, 2003; Treviño, 1986), as discussed in the earlier section about organisational culture, with corrupt behaviour explained away as acceptable in the circumstances. The illustrations from Case 3 and Case 4 provided earlier in this discussion in relation to the impact of organisational culture on corruption indicated that both cases experienced significant organisational turmoil in the periods of corruption that were investigated by ICAC, which is also relevant to the rationalisation and normalisation of corruption. Such corrupt behaviour may then become embedded in organisational practices (institutionalised) and thus normalised (Anand et al., 2004).

Participants in this study gave explanations of corruption that reflected the rationalisations typical of private sector organisational contexts (Anand et al., 2004; Ashforth & Anand, 2003; Brief et al., 2014) and also of the context of the Indonesian public sector (Prabowo et al., 2017). It was evident in all four cases of this study, particularly in Case 2, Case 3 and Case 4, that the rationalisations advanced by participants were very similar to those identified in the literature. This study therefore supports the earlier cited literature in relation to the way corruption is rationalised, and extends the operation of the common rationalisations into the context of corruption in procurement processes within the NSW public sector.

Socialisation is another important process in the normalisation of corruption in an organisation in which employees are enculturated to accept corrupt practices (Anand et al., 2004; Brief et al., 2014; Campbell & Göritz, 2014; Treviño et al., 2017), often by means of a social cocoon (Greil & Rudy, 1984). A social cocoon consists of influential members and sets its own group norms and practices, with which cocoon members voluntarily comply in order to fit into the cocoon and be accepted (Anand et al., 2004; Ashforth & Anand, 2003; Balch & Armstrong, 2010; Gioia, 1992). The social cocoon can operate to protect and support employees in terms of corrupt behaviour (Campbell & Göritz, 2014).

Participants in this study gave explanations of corruption that revealed the influence of socialisation processes on corrupt behaviour in their organisations. Influential corrupt individuals and corrupt work groups, which were particularly apparent in Case 2 and Case 3, formed corrupt social cocoons (Balch & Armstrong, 2010; Greil & Rudy, 1984), which utilised the social learning process (Bandura, 1986; Brown et al., 2005) to encourage (Anand et al., 2004; Ashforth & Anand, 2003; Prabowo et al., 2017) or pressure (Anand et al., 2004; Katz, 1977; Prabowo et al., 2017) initially ethical employees into viewing corruption in procurement processes as normal, reasonable and acceptable behaviour in their organisation (Anand et al., 2004; Brief et al., 2014; Campbell & Göritz, 2014; Prabowo et al., 2017).

In this study content analysis codes which are described in Appendix E were used to capture evidence of the socialisation of corruption in the participants' explanations of their corrupt behaviour. As shown in Appendices P, R and T, participants in Case 2, Case 3 and Case 4 provided evidence of being socialised into corruption by noting that "everyone was doing it", "that's how we do things here" and by mentioning the slippery slope concept, whereby individuals were socialised into escalating acts of corruption. Consistent with the social cocoon literature, participants from Case 3 were also particularly concerned about "fitting in". The socialisation of corruption in the cases that comprised this study was also aided by the widespread role modelling of unethical practices by both peers (Anand et al., 2004; Ashforth et al., 2008; Katz, 1977) and managers (Ashforth et al., 2008; Brief et al., 2014; Brown et al., 2005; Kuenzi et al., 2020; Wimbush & Shepard, 1994), as evidenced by the participants' explanations of corruption concerning "that's how we do things here", and "everyone was doing it".

In relation to the institutionalisation of corrupt behaviour, Ashforth and Anand (2003) observed that corrupt behaviour can spread widely to different levels of an organisation, as well as within different work groups. This can arise when employees are so inculcated into a corrupt organisational culture, corrupt ethical climate and/or corrupt insider norms of their work group that they are no longer able to recognise that their behaviour is contrary to external norms. Instead, they perceive their behaviour as routine – actions that are enacted automatically without considering contextual issues (Ashforth & Anand, 2003; Bargh et al., 2012; Bargh & Williams, 2006; Brief et al., 2014; Feldman, 2017; Frost & Tischer, 2014), and which ultimately become normative

behavioural expectations (Frost & Tischer, 2014) in their work group and organisation. This in turn blunts the opportunity for moral decision making processes to be activated, because the moral dimensions of the situation are no longer recognised (Arnaud, 2010; Butterfield et al., 2000; Jones, 1991; Loviscky et al., 2007) when the corrupt actions are routinised (Brief et al., 2014). As more and more routinised corrupt practices occur within an organisation, an institutionalised culture that normalises corruption can arise (Ashforth & Anand, 2003; Brief et al., 2014; Jancsics, 2014; Prabowo et al., 2017). As corrupt behaviour becomes institutionalised, it gains organisational legitimacy, allowing it to become entrenched, widespread, persistent and harder to prevent (Ashforth & Anand, 2003; Trepte, 2019).

As shown in Appendices P, R and T, the corrupt behaviour in Case 2, Case 3 and Case 4 suggested that the corruption in these cases had become institutionalised, with many participants explaining that "the rules don't apply" to their circumstances, "everyone was doing it", and "that's how we do things here". There were numerous examples of an entrenched corrupt practice of splitting orders into several smaller ones to corruptly avoid an organisation's procurement delegation thresholds, which are intended to provide a level of management scrutiny of the transaction that is appropriate to the value of the transaction – an example of "the rules don't apply". In Case 2, Case 3 and Case 4, routine order splitting that resulted in corruption in the procurement process undermined the oversight of an appropriate organisational delegate governed by dollar thresholds for order value. The findings of this study note that the widespread nature of order splitting, which occurred in many different organisations within this study, suggests that this corrupt practice had become automatic and routine in these organisations (Ashforth & Anand, 2003; Bargh et al., 2012; Bargh & Williams, 2006; Brief et al., 2014; Feldman, 2017; Frost & Tischer, 2014), and thus had become institutionalised and normalised (Anand et al., 2004; Ashforth & Anand, 2003; Brief et al., 2014; Frost & Tischer, 2014; Jancsics, 2014; Prabowo et al., 2017) as an example of "that's how we do things here".

Another process related to the institutionalisation of corruption is wilful blindness, which refers to organisationally sanctioned, deliberate, collective ignorance in relation to signs of corrupt behaviour (Ashforth & Anand, 2003; Frost & Tischer, 2014; Janis, 1982; Katz, 1977, 1979). Such wilful blindness and strategic/concerted collective ignorance were widely noted in all four cases in this study. Of particular

interest is Case 3, which provides a strong illustration of the operation of wilful blindness towards corrupt behaviour by non-corrupt public sector managers, who, by virtue of their position in the organisation, might have borne an expectation of enforcing the ethical rules and norms of the organisation (NSW Public Service Commission, 2014, 2021a, 2021b). The widespread practice of falsifying staff and contractor timesheets required cooperation between multiple corrupt public officials (Frost & Tischer, 2014) and between corrupt public officials (insiders) and corrupt suppliers (outsiders) (Frost & Tischer, 2014; Katz, 1979). In relation to the need for collective ignorance to operate at multiple levels of the organisation as identified by Katz (1979), the corrupt public officials in Case 3 were from the operational and team leader level. However, other organisational members also indicated their awareness of the timesheet falsification. These included the Chief Executive Officer, several non-corrupt public officials from operational and team leader levels, as well as several non-corrupt suppliers (outsiders). Case 3 thus provides support for the proposition advanced by Katz (1979) that collective ignorance operates simultaneously at multiple levels of an organisation and across the insider/outsider boundary.

The very widespread and routine acceptance of the corrupt practice of timesheet falsification in Case 3 was also consistent with a corrupt organisational culture (Balch & Armstrong, 2010; Campbell & Göritz, 2014; Sims & Brinkmann, 2003; Treviño, 1986; Treviño et al., 2017) and a corrupt ethical climate (Kolthoff et al., 2010; Kuenzi et al., 2020; Wimbush & Shepard, 1994), as discussed in earlier sections. These factors worked together in Organisation D, along with processes of rationalisation, socialisation and institutionalisation, to normalise corruption (Anand et al., 2004; Ashforth & Anand, 2003; Frost & Tischer, 2014; Jancsics, 2014; Prabowo et al., 2017).

The discussion above has illustrated that organisational culture, ethical climate and the normalisation of corrupt behaviour are inter-related and mutually reinforcing (Ashforth & Anand, 2003; Campbell & Göritz, 2014; Pinto et al., 2008; Treviño et al., 2017). In this present study, these three concepts interacted to develop a complex cycle of transmission of corruption from corrupt individuals (bad apples) to initially non-corrupt individuals, via processes of institutionalisation, socialisation and rationalisation, which together rendered the corrupt behaviours normal in the organisation (bad barrels). These normalised but corrupt behaviours then spread more broadly to the organisation's culture and ethical climate(s) and from there back on to

more individuals and work groups, again via processes of institutionalisation, socialisation and rationalisation, in a repeating cycle of infection (Pinto et al., 2008).

This section has provided a further illustration of the theoretical complexity of corruption, by demonstrating the importance of organisational factor theories in explanations of corruption given by participants in this study. However, just as corruption in the context for this study could not be comprehensively explained by considering only concepts from individual factor theories, it also cannot be comprehensively explained by considering only concepts from organisational factor theories, despite the prevalence of organisational factor explanations of corruption in the study. The next section examines the influence of EPA explanations for participants employed in the public sector, and considers the comparative lack of importance of EPA concepts in explanations given by corrupt suppliers in this study.

### 5.2.4 Importance of Institutional Factor Theories in this Study

Finding 5 from this study identified the consistent importance of EPA concepts in explanations of corruption by participants employed in the public sector, regardless of whether they were corrupt public officials, non-corrupt public sector managers, or ICAC Commissioners. As discussed in Chapter 2, the public sector has its own distinctive set of institutional logics, public sector values and related obligations, which collectively form an ethos of public administration (EPA) (de Graaf, 2007; Lawton & Rayner, 2015; Maesschalck et al., 2008) which is maintained by traditions, education and the socialisation of public officials into the institution of public service (Chapman & O'Toole, 1995; Horton, 2008). EPA approaches recognise that organisational and individual influences interact with institutional logics and institutional public sector values that relate specifically to the profession of public service. Activities which may be widely accepted in the general community may be defined as corrupt for public officials (NSW Independent Commission Against Corruption, 2019; NSW Public Service Commission, 2014, 2021b) because of the ethos associated with public service (de Graaf et al., 2016; de Graaf & van der Wal, 2008; van der Wal et al., 2008).

In this current study, apart from the bad barrels/orchards explanations discussed in the preceding section, EPA was the only other theory mentioned consistently by a high percentage of participants employed in the public sector from all three UoA, in each of Cases 2, 3 and 4. EPA concepts were mentioned in explanations of corruption

by at least 40% of all public sector participants (corrupt officials, non-corrupt managers and ICAC Commissioners) in each of these cases. However, EPA was not mentioned by any participants at all in Case 1. Overall, this suggested that the EPA was an important theoretical explanation of corruption for those participants in this study employed in the public sector.

By comparison, EPA concepts were mentioned by only a total of five corrupt suppliers across the four cases that comprised this study, representing just 13% of the corrupt suppliers. This in turn suggested that EPA explanations of corruption were notably less important to corrupt suppliers who were employed in the private sector than they were to study participants employed in the public sector.

The explanations of corruption by public sector participants from the individual, organisational and institutional UoA illuminated the importance of key concepts from the EPA theory, including public sector values and obligations, and the impact of the application of NPM principles in their work. These are discussed in the following sections.

### *Influence of Public Sector Values on Corruption*

As identified in Chapter 2, there is comprehensive literature relating to the public values that form the basis of a professional ethos specific to the field of public administration. Corruption can arise when public officials do not adhere to public sector processes or public sector values and the related obligations (Beck Jørgensen & Bozeman, 2007; de Graaf, 2011; de Graaf & van der Wal, 2008; van der Wal et al., 2008), often as the result of competing institutional logics such as those associated with the introduction of New Public Management (NPM) into the public sector (Berggren & Karabag, 2019; Bode, 2013; Currie, 2007; Diefenbach, 2009; Kolthoff et al., 2007) as discussed in Chapter 2.

Case 2 in this study provides an illustration of corruption that may arise from the conflict of values between the private sector and the public sector, which aligns with the literature recognising differences in values between the two sectors (de Graaf & van der Wal, 2008; van der Wal, 2011; van der Wal et al., 2008; van der Wal et al., 2006). As noted in the Case 2 analysis in Chapter 4, the corrupt private sector suppliers offered public officials a loyalty program whereby they could personally receive attractive incentives in exchange for placing government orders. The bigger the order,

the bigger the loyalty reward. From the perspective of corrupt suppliers, the loyalty schemes were a normal tool of business intended to encourage public officials with procurement responsibilities to favour their business over that of other potential suppliers, which is consistent with recognised private sector values and practices such as marketing and making a profit and attracting repeat business (de Graaf & van der Wal, 2008; van der Wal et al., 2008; van der Wal et al., 2006).

However, whilst loyalty schemes are common in everyday life, participation in such schemes has been institutionally defined as a conflict of interest for public officials, who stand to make a personal gain from their position (NSW Independent Commission Against Corruption, 2019; NSW Public Service Commission, 2014, 2020, 2021a). Conflict of interest is also organisationally defined as unacceptable behaviour for public officials in departments and agencies of the NSW public sector (NSW Public Service Commission, 2021b). Public officials with procurement responsibilities in the NSW public sector are obligated to choose their suppliers using open, fair, impartial and transparent decision-making processes (NSW Public Service Commission, 2021a), to provide value for money for the taxpayer, which is consistent with the important public sector values identified in the literature (Beck Jørgensen & Sørensen, 2012; van der Wal, 2011; van der Wal et al., 2008; van der Wal et al., 2006), and to avoid self-interest in their decision making (NSW Independent Commission Against Corruption, 2019; NSW Public Service Commission, 2014, 2021a). The ICAC Commissioner in Case 2 noted that the loyalty schemes were problematic and contributed to corrupt behaviour, remarking that "this whole process was inappropriate…because a loyalty programme of that type was a clear and obvious attempt to influence…behaviour" (NSW Independent Commission Against Corruption, 2011, p. 551). The loyalty schemes that featured in Case 2 highlighted an institutional and organisational clash between the important public sector values and obligations of public officials to behave with transparency, fairness, impartiality, accountability and adherence to policies (Beck Jørgensen & Bozeman, 2007; de Graaf et al., 2016; de Graaf & van der Wal, 2008; van der Wal et al., 2008; van der Wal et al., 2006) and the equally important but incommensurable private sector values and obligations for employees of private sector organisations to contribute to profit making and attracting repeat business (de Graaf & van der Wal, 2008; van der Wal et al., 2008; van der Wal et al., 2006).

In summary, this section has discussed how the current study provides support for the literature relating to values differences between the public and private sectors at organisational (van der Wal, 2011; van der Wal et al., 2008; van der Wal et al., 2006) or institutional (Beck Jørgensen & Rutgers, 2014) levels, and also between individuals employed in each of these sectors (de Graaf & van der Wal, 2008; Gorsira, Denkers, et al., 2018). The next section examines the impact of NPM principles on corrupt behaviour in public sector procurement processes.

### *Influence of New Public Management on Corruption*

When explaining corrupt behaviour in their organisation, many participants in this study mentioned concepts relating to the impact of NPM, which was discussed at length in Chapter 2. The findings concur with the literature in suggesting that the introduction of NPM principles into the NSW public sector may have resulted in corrupt behaviour because of confusion and decreased accountability (Adams & Balfour, 2010; de Vries, 2002; Frederickson, 2005; Kolthoff et al., 2007) created by NPM. For example, as discussed in the previous section, Organisation D in Case 3 underwent a number of significant reorganisations and partial privatisations intended to make it more business-like and to yield cost efficiencies for the government (State Records Authority of New South Wales, 2021a, 2021b, 2021c). However, the resultant organisational and policy turmoil appears to have contributed to corrupt behaviour, as proposed by the literature (de Graaf & Huberts, 2008; Huberts, 2010; Sims & Brinkmann, 2002, 2003) and as reinforced by the ICAC Commissioners, who noted that "mergers and restructures can create opportunities for corruption due to unclear designations of roles, poor integration of different systems, and uneven application of policies and procedures" (NSW Independent Commission Against Corruption, 2008c, p. 23). Similarly, organisational and policy turmoil were also present in Case 4, allowing those who failed to comply with procurement policies aimed at preventing corruption to blame their behaviour on confusion resulting from organisation and policy turmoil which resulted from the pressures of NPM on the university sector.

Based on their own explanations of corrupt behaviour, participants in this study were seen to experience competition between the traditional institutional logic of an ethos of public administration based on traditional public sector values and obligations and the newer NPM institutional logic, with its attendant pressures as described in the literature (Berggren & Karabag, 2019; Bode, 2013; Currie, 2007; Misangyi et al.,

2008; Reay & Hinings, 2009). Some public officials in this study exploited the opportunities presented by actual or perceived competition between old and new institutional logics to participate in and justify corrupt behaviour (Adams & Balfour, 2010; de Vries, 2002; Frederickson, 2005; Kolthoff et al., 2007). For example, some public officials sought to get results by whatever means necessary, and this sometimes took the form of expediently bending or ignoring their organisation's rules or policies, including those intended to support integrity, in order to achieve those results. As previously discussed in Section 5.2.3 above, order splitting to avoid procurement delegation thresholds was a widespread and normalised corrupt practice in all four cases in this study that prioritised getting a result (perceived new NPM institutional logic) over following proper procurement process (traditional ethos of public administration) (Diefenbach, 2009; Hays & Kearney, 1997; Kolthoff et al., 2007). Other examples of conflict between new NPM institutional logics and following proper procurement processes (old traditional ethos of public administration) involved a corrupt public official who observed that it was easier to ask a supplier to provide false invoices (getting a result) rather than arranging changes to the contract (proper process), and a corrupt public official who shared one tenderer's pricing information with another more favoured tenderer, apparently motivated by a perceived new institutional NPM logic of cost-cutting pressures (Adams & Balfour, 2010; Diefenbach, 2009; Frederickson, 1996; Kolthoff et al., 2010). This corrupt public official asked, "Is it wrong to…secure the lowest price for the University? It's the lowest price for the University" (NSW Independent Commission Against Corruption, 2012f, p. 379). He was seemingly unaware that it *was* wrong to get the lowest price by improper process.

It was apparent that many participants felt competing pressures in their day-to-day work as a result of NPM influences in their organisations, and that these may have led some of them towards corrupt behaviour as a result of either genuine or confected confusion about how they were expected to behave in situations where the rules and policies were unclear (de Vries, 2002) - which allowed the development of competing institutional logics (Berggren & Karabag, 2019; Bode, 2013; Currie, 2007; Misangyi et al., 2008; Reay & Hinings, 2009). Over time, ignoring the rules became regarded as normal or acceptable behaviour by both corrupt and non-corrupt participants within the organisations in this study. This created a counternorm (Brief et al., 2014;

Campbell & Göritz, 2014; Palmer et al., 2013; Sims, 1992a, 1992b), generated by perceptions of the NPM institutional logic within the organisational culture and ethical climates of the organisations, as discussed in Section 5.2.3 above.

In summary, this section has discussed how the current study provides support for the literature concerning the impact of NPM on the public sector (Diefenbach, 2009; Frederickson, 2005; Hays & Kearney, 1997; Kolthoff et al., 2007), and the resultant emergence of competing institutional logics (Berggren & Karabag, 2019; Bode, 2013; Currie, 2007; Misangyi et al., 2008; Reay & Hinings, 2009) that may contribute to corruption in the public sector as a result of these pressures (Adams & Balfour, 2010; de Vries, 2002; Frederickson, 2005; Kolthoff et al., 2007). The next section examines the relative unimportance of EPA concepts in explanations of corruption given by corrupt suppliers in this study.

### *Relative Unimportance of Ethos of Public Administration for Corrupt Suppliers*

Consistent with the literature reviewed in Chapter 2, Finding 5 from this study offers support for the literature suggesting that there are values differences between the public and private sectors (de Graaf & van der Wal, 2008; Kolthoff et al., 2007; van der Wal et al., 2008; van der Wal et al., 2006). The finding noted that EPA explanations of corruption, which draw heavily on values and obligations central to the public sector, were neither prominent nor consistently mentioned in explanations given by private sector corrupt suppliers. The finding also illustrated the point made by Kolthoff et al. (2007) that behaviour which is acceptable or even laudable in the private sector may be regarded as unacceptable or corrupt in the public sector. Masters and Graycar (2016) similarly noted that "what one person perceives as corrupt behavior, another may interpret as ordinary politics or business" (p. 48); and Ledeneva (2018) stated that "corruption means different things to different people" (p 419).

In all four cases of this study, the corrupt suppliers expressed genuine bewilderment that behaviour they regarded as quite normal business practice was found to be corrupt in the context of public sector procurement. For example, a corrupt supplier in Case 2 remarked "but we offered [gift cards] to everybody, not just the council, to everybody, so I just thought it was just usual in business, like what we did" (NSW Independent Commission Against Corruption, 2011, p. 60). Furthermore, the ICAC Commissioners in Case 2 reinforced this difference in values and practices by

pointing out that "this investigation showed that suppliers either genuinely did not know that gifts were prohibited for public officials or claimed that they did not know" (NSW Independent Commission Against Corruption, 2012b, p. 113).

Corrupt suppliers may have felt that the values and obligations of the ethos of public administration (Beck Jørgensen & Bozeman, 2007; Beck Jørgensen & Sørensen, 2012; de Graaf, 2011; van der Wal et al., 2008) were neither relevant nor applicable to them as employees of the private sector. Therefore their explanations of corruption in this present study tended not to reflect EPA concepts. For example, EPA was not mentioned at all by corrupt suppliers in Case 2, and was only mentioned by 13% of corrupt suppliers in Case 3. It was, however, mentioned by 50% of corrupt suppliers in Case 4. There were no corrupt suppliers in Case 1.

It is likely that private sector suppliers to the public sector may have felt more strongly connected to the private sector and only tangentially connected to the public sector. Thus it is understandable that they may have identified more strongly with the values and norms of the private sector, such as making a profit, securing repeat business, entrepreneurialism, innovation and targeting their services to specific customers rather than acting in the public interest (Lawton & Rayner, 2015; van der Wal, 2011; van der Wal et al., 2008; van der Wal et al., 2006). For example, many corrupt suppliers in this study explained that it was a common and necessary practice for businesses to provide gifts, hospitality and travel to customers in order to secure profitable repeat business through customer loyalty, and to incentivise new business. In each of these scenarios, the public official was prohibited by organisational and institutional values and policies that articulated the ethos of public administration from accepting these private benefits from their private sector counterparts, despite these behaviours clearly being regarded by the corrupt suppliers as normal and necessary ways of securing profitable business by maintaining customer loyalty. Such situations highlight a clash of institutional logics between the market-driven private sector and the public sector, which is supposed to act in the public interest (Lawton & Rayner, 2015; van der Wal, 2011; van der Wal et al., 2008; van der Wal et al., 2006).

More recently, Beck Jørgensen and Rutgers (2014) suggested that "private organizations and individuals [should] also be expected to ensure public values" (p. 7). This is a position with great relevance to the findings of this study. At least in connection with corruption in the context of this study, the NSW public sector, it is

clear that private sector organisations and their staff *are* expected to uphold public values when dealing with the NSW public sector. Section 8 of the ICAC Act specifically includes the conduct of "any person (whether or not a public official)" in its definition of corrupt conduct, and ICAC has regularly made findings of corrupt conduct against people who are not public officials, as shown in this study. van der Wal et al. (2006) and van der Wal and Huberts (2008) had likewise observed that the simultaneous growth of NPM in the public sector (suggesting the public sector should act in more business-like ways) and Corporate Social Responsibility in the private sector (suggesting that the private sector should consider more than just profits) was likely to lead to a blurring of boundaries between traditionally public sector and traditionally private sector values, with the result that it may no longer be relevant to distinguish between them as they intermix or converge.

Although Finding 5 of this study noted that EPA explanations of corruption by corrupt suppliers were not common in Case 2 or Case 3, they were given by 50% of the corrupt suppliers in Case 4, which contained the most recent ICAC investigations (investigations up to 2016). Therefore the specific results of Case 4 may be somewhat concealed within Finding 5 by the very low mention of EPA in the other cases. The results in Case 4 suggest that more recently there may indeed have been an intermixing of values of public sector and private sector employees in relation to the way corrupt suppliers in this case understood and explained their corrupt behaviour, as proposed by van der Wal et al. (2006), van der Wal and Huberts (2008), and Beck Jørgensen and Rutgers (2014). It may also be that private sector suppliers have taken notice of the number of occasions when ICAC has made findings against corrupt private sector individuals and organisations, and are developing their awareness of the need to behave in ways that are consistent with the legal, institutional, and organisational obligations of the public sector when they are suppliers to the public sector.

In summary, this section has highlighted the fact that EPA concepts were not commonly mentioned in explanations of corruption given by the corrupt suppliers in this study. This is consistent with the literature which identified differences in values between people employed in the public sector and those employed in the private sector (de Graaf & van der Wal, 2008; Kolthoff et al., 2007; van der Wal et al., 2008). The genuine bewilderment expressed by many suppliers in this study that behaviour they regarded as just normal business practice was found by ICAC to be corrupt provides

support for the position advanced by Kolthoff et al. (2007) that practices regarded as acceptable in business may be regarded as unacceptable or corrupt in the public sector. Finally, the interesting situation in Case 4, where a higher proportion of corrupt suppliers gave EPA explanations for their corrupt behaviour, perhaps supports the idea that there may be convergence between the values that are traditionally regarded as public sector values and those that are traditionally regarded as private sector values (Beck Jørgensen & Rutgers, 2014; van der Wal et al., 2006).

Overall, Section 5.2 has discussed the use of five key theories from the revised theory framework adopted for this study (presented in Figure 2.2) to explain corruption in the four cases examined. As previously described, each of these cases was purposively selected in anticipation that it may provide empirical support for a specific single theory from the revised theory framework. The benefit of adopting a single discipline-based theory focus when attempting to understand and explain corruption is that a single theory is specific and focused in its understanding, although the explanations generated are often basic and limited (Huberts, 2010).

The findings discussed above have revealed that a researcher seeking to explain the corruption in these cases with their preferred single theory would certainly have found that theory relevant and represented in all the cases that comprised this study. However, explanations drawing on concepts from all the other theories in the theory framework adopted for this study were also relevant and represented in all cases in this study, along with a number of explanations that did not fit neatly into any of the theories. This study therefore has demonstrated that no single theory from the revised theory framework taken alone was sufficient to comprehensively explain corrupt behaviour in the four cases that comprised this study. The most comprehensive explanations of corruption in this study included concepts from all of the theories from the revised theory framework. Some reflections on how these theories may interact with each other are presented in Chapter 6.

These findings have important implications for the choice of anti-corruption activities. As described in Section 2.9.2 of the literature review, the theory base used to explain corruption has been closely linked to the type of anti-corruption activities that are employed by an organisation to prevent corruption (de Graaf, 2007; Marquette & Peiffer, 2018; Villeneuve et al., 2019). Further, the literature identified the need for anti-corruption activities to be relevant at theory level to the specific instances of

corruption that they seek to control, if they are to be effective (de Graaf, 2007; Jancsics, 2019; Marquette & Peiffer, 2018; Villeneuve et al., 2019). Accordingly, the findings of this study suggest that anti-corruption activities in the NSW public sector might be more effective if they were designed to draw on theory perspectives from all five of the theories addressed by this study.

The next section discusses the findings of this study in relation to the consistency of explanations of corruption both across and within cases.

## 5.3 CONSISTENCY OF EXPLANATIONS OF CORRUPTION

In seeking to address Research Question 2 about whether there was consistency in the way corruption was explained by participants, the findings of this study have suggested that the answer to this question is more complicated than a simple yes or no response. The findings of this study have raised questions about the importance of case context and characteristics and the participant's UoA (job role) in the way that instances of corruption in procurement processes in the NSW public sector were explained. There is evidence of both consistency and inconsistency of explanations of corruption based on case context and characteristics and participants' units of analysis (job role), which complicates certainty in understanding explanations of corruption. Each of these aspects of the findings is discussed against the extant literature in the following sections.

### 5.3.1 Cross-Case Consistency of Explanations of Corruption

The literature reviewed for this study revealed two different views about the importance and relevance of case context and characteristics. The first of these suggested that similar explanations of corruption may be given in different contexts, which has been summarised for this discussion as 'context may not matter'. The second view, in contrast, suggested that different contexts should result in different explanations of corruption, which has been summarised for this discussion as 'context matters'.

Huberts (1998, 2010) is the most significant proponent of the 'context may not matter' perspective. In 1998, he conducted a global study of public sector corruption in 49 high-income and low-income countries, in which the context for corruption was taken to include political, social/cultural, economic, educational, judicial, governance, organisational and individual aspects. Huberts (1998) observed that different contexts

did not always lead to different explanations of corruption, with explanations about the causes of corruption almost identical (p. 214) in both higher and lower income countries despite clear differences in the institutional, organisational, and individual contexts for corruption in those countries. When reconsidering the results of his earlier study, Huberts (2010) commented that "there was much more agreement on the importance of causes [of corruption] in differing contexts than expected" (p.153), and Huberts and de Graaf (2014) again noted the "identical" (p. 148) explanations of corruption in the different contexts in the Huberts (1998) study. However, Huberts (2010) also noted that his 1998 study was "poor on theory" (p. 154), and has consequently broadened his view to include the possibility that context may matter (de Graaf & Huberts, 2008; Huberts, 2014; Huberts & de Graaf, 2014).

In direct contrast to the 'context may not matter' perspective advanced by Huberts (1998, 2010), several researchers have argued that context is relevant to the way that corruption is explained, in that different contexts are expected to result in different explanations of corruption. However, it is also clear that the various researchers who identified the importance of context in understanding and explaining corruption may not share the same meaning of context. These differences may relate to the theoretical level at which they prefer to analyse the context (de Vries & Sobis, 2016).

As illustrations of the 'context matters' perspective, Darley (1992) noted the "complex and compelling nature of the forces of contextual pressures on people" (p. 217) in relation to corruption, identifying these contextual pressures as being related to a societal (institutional), organisational and/or work group culture that normalises corruption. In a departure from the earlier thinking of Huberts (1998), de Graaf and Huberts (2008) observed the necessity of understanding the unique "characteristics and details of the context of each corruption case" (p. 640), by which they meant the individual, organisational, institutional and relationship factors relevant to the specific instance of corruption. Kish-Gephart et al. (2010) similarly described cases of corruption as "context-sensitive" (p. 2), by which they meant the organisational environment, along with the specific circumstances of an ethical dilemma or situation, at a particular time. Huberts (2014) observed that the context for corruption was related to time, situation, and geographical location, whilst Graycar and Monaghan (2015) similarly stated that corruption "needs to be understood as context and location

specific" (p. 587), although without explaining what they meant by context. Responding to the complexity of trying to understand and explain corruption, de Vries and Sobis (2016) observed that "in different situations, different explanations for (corrupt) behaviour are needed" (p. 268); and Jancsics (2019) suggested that the different forms/types of corruption needed to be understood as different if they are to be prevented.

One of the intentions in the design of this study was to purposively select cases with different organisational and institutional characteristics such as the industry sector the organisation operated in (local government, state government, public university), the form or type of corruption, the number of people participating in the corrupt behaviour, the nature of the corrupt relationships, and the corruption history of the organisation. This was intended to allow for both the validation of the applicability of the five key theories (RQ 1, discussed in Section 5.2 above) and the examination of the effect of different contexts on the consistency of explanations of corruption (RQ 2). The focus on context implied by this design was therefore more closely related to the institutional (organisational field, institutional logics), organisational, and situational aspects of context suggested by Darley (1992), de Graaf and Huberts (2008), Kish-Gephart et al. (2010), and de Vries and Sobis (2016).

If 'context matters' in the way that corruption is explained in the sense intended by Darley (1992), de Graaf and Huberts (2008), Kish-Gephart et al. (2010), and de Vries and Sobis (2016), then the cross-case analysis from this study would be expected to show differences (less consistency) in how corruption was explained by the study's participants. This is because participants from each of the four cases that comprised the study have, by the intentional design of the study, experienced different case contexts and characteristics and should therefore be expected to give different explanations of the "context-sensitive" (Kish-Gephart et al., 2010, p. 2) corruption that they had experienced.

However, the cross-case findings of this study did not provide unequivocal evidence that corruption was explained differently in different case contexts, and thus cannot be said to unequivocally support the view that 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) in the way that corruption is explained. Instead, the cross-case findings provide qualified support for both the perspective that 'context matters', and the view that 'context may

not matter', as advanced by Huberts (1998, 2010), according to the unit of analysis (job role) of the participant. The cross-case findings of this study therefore suggest that *who* was doing the explaining was an important aspect of consistency in explanations of corruption.

To situate the following discussion, the consistency of the cross-case findings is summarised in relation to UoA (job role) in Table 5.1 below. This figure is based on Table 4.8 in Chapter 4, which identified the category level explanations that were mentioned by at least 30% of participants from a unit of analysis. Key issues arising from the study's findings are discussed in the following sections.

Table 5.1

*Cross-case Consistency of Category Level Explanations of Corruption*

| Cross-case Consistency of Category Level Explanations of Corruption | | |
|---|---|---|
| **Unit of Analysis (Job Role)** | **Explanations** | **Suggests Support for:** |
| Individual (corrupt public official) | Consistent | Context may not matter |
| Individual (corrupt supplier) | Consistent | Context may not matter |
| Organisational (non-corrupt public sector manager) | Different | Context matters |
| Institutional (ICAC Commissioner) | Consistent | Context may not matter |

### *Individual Unit of Analysis – Corrupt Public Officials*

Corrupt public officials experienced different case context and characteristics across the four purposively selected cases in this study. However, as shown in Table 5.1 above, when analysed at category level, the explanations of corruption given by corrupt public officials in each case were highly consistent with the explanations given by corrupt public officials in every other case in this study. In fact, at the category level of analysis, the explanations advanced by corrupt public officials in Case 2, Case 3 and Case 4 were identical. In these cases, the corrupt public officials mentioned all categories in their explanations. Case 1 was also highly consistent, with the only minor variation being that no participant from any UoA, including the individual UoA, mentioned the EPA category.

There was therefore a very high level of consistency in the way that corrupt public officials understood and explained corruption, irrespective of the case context

and characteristics of their particular case. This outcome suggests that 'context may not matter' in the way that corruption is understood and explained by participants who were corrupt public officials, supporting the 'context may not matter' perspective presented by Huberts (1998, 2010).

### *Individual Unit of Analysis – Corrupt Suppliers*

Corrupt suppliers also experienced different case characteristics across the four cases in this study, by virtue of case selection, and also because they were employed by a range of different supplier organisations, supplied a number of different public sector organisations, and interacted with different corrupt public officials. As shown in Table 5.1 above, despite these differences in context, corrupt suppliers were also consistent in the way that they explained corruption at category level across the three cases with corrupt suppliers (Case 2, Case 3 and Case 4), although there was a little less consistency than was the case for corrupt public officials. Across these three cases, corrupt suppliers consistently mentioned four categories (ERCT, bad apples, bad barrels/orchards, and not covered by theory) in their explanations. A lesser degree of consistency was observed in relation to the CMV and EPA categories. Suppliers from two out of the three cases that contained corrupt suppliers also mentioned the CMV category - Case 3 and Case 4, but not Case 2. Similarly, suppliers from two out of the three cases that contained corrupt suppliers did not mention the EPA category – Case 2 and Case 3, although this category was mentioned in Case 4.

Again, these findings demonstrate consistency in the way that corrupt suppliers understood and explained corruption, irrespective of the case context and characteristics of their particular case. This outcome suggests that 'context may not matter' in the way that corruption is understood and explained by participants who were corrupt suppliers. These findings therefore also tend to support the 'context may not matter' perspective presented by Huberts (1998, 2010).

### *Institutional Unit of Analysis – ICAC Commissioners*

ICAC Commissioners are employed by the NSW ICAC, a government organisation that is independent of any of the organisations that were included in the four cases for this study. Their role was to provide an institutional review of the instances of corruption that occurred in the disparate public and private sector organisations that were grouped by the researcher into the cases for this study.

Despite the different contexts and characteristics of the corruption in the four cases that comprised this study, as shown in Table 5.1 above, the ICAC Commissioners demonstrated a very consistent understanding and explanation of the corruption across the four cases. In fact, at the category level of analysis, the explanations advanced by ICAC Commissioners in Case 2, Case 3 and Case 4 were identical, and mentioned all categories. Case 1 was also highly consistent, with the only minor variation being that no participant in this case, including the ICAC Commissioner, mentioned the EPA category.

There was therefore a very high level of consistency in the way that ICAC Commissioners understood and explained corruption, irrespective of the different contexts in the four cases. This outcome suggests that 'context may not matter' in the way that corruption is understood and explained by participants from the institutional unit of analysis. These findings also therefore tend to support the 'context may not matter' perspective presented by Huberts (1998, 2010).

### *Organisational Unit of Analysis – Non-corrupt Public Sector Managers*

Non-corrupt public sector managers also experienced different case contexts and characteristics across the four cases in this study as explained above. In contrast to explanations given by other participants, when analysed at category level, the explanations of corruption given by non-corrupt public sector managers appeared to be more different than consistent across the four cases. For example, only one category (bad barrels/orchards) was mentioned by non-corrupt public sector managers in all four cases. This contrasts strongly with the five categories consistently mentioned by corrupt public officials and ICAC Commissioners across all four cases, and the four categories consistently mentioned by corrupt suppliers across all three cases which contained corrupt suppliers. With the exception of the EPA category, which will be discussed immediately below, all other categories were only mentioned by at least 30% of non-corrupt managers in one (ERCT, bad apples, not covered by theory) or two cases (CMV) in this study. This suggests that there were substantial differences in the way that non-corrupt public sector managers understood and explained corruption, compared to the other participants, and these differences may perhaps relate to the different case context and characteristics the managers experienced in the four different cases. These findings tend to support the 'context matters' perspective

advanced by authors including Darley (1992), de Graaf and Huberts (2008), Kish-Gephart et al. (2010) and de Vries and Sobis (2016).

However, there was one interesting area of consistency in the way that corruption was understood and explained across the cases by non-corrupt public sector managers that disrupted the pattern of difference in explanations just noted. This was related to explanations that mentioned the EPA category. Noting that no participant from any UoA mentioned EPA explanations in Case 1, EPA explanations were mentioned by non-corrupt public sector managers in Case 2, Case 3 and Case 4. This was identical with the pattern of corrupt public officials and ICAC Commissioners in these three cases. Although the case context and characteristics were different in these three cases, the fact of being employed by the public sector was common to all participants from these UoA. Despite different case contexts, the findings showed that there was cross-case consistency in relation to the EPA category for explanations of corruption by participants who were employed in the public sector, regardless of their UoA (job role).

This is a confounding outcome because it suggests that context may not have mattered in terms of case characteristics after all for non-corrupt public sector managers, as was advanced by Huberts (1998, 2010), but only in relation to the EPA category. The differences in the pattern of all other explanations given across cases by non-corrupt public sector managers, as discussed above, seemed to suggest that context did in fact matter. At second glance, however, it seems that this anomaly may be a further example of the implication from the findings of this study mentioned earlier in this discussion, that consistency of explanation of corruption may be affected by *who* is giving the explanation. Cross-case consistency of explanations that mentioned the EPA category was only found for participants who were employed in the public sector.

This section has discussed the findings of this study in relation to the consistency with which corruption was understood and explained by participants across the four cases that comprised the study. As each case was purposively selected to demonstrate different case context and characteristics, if 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010), then participants would be expected to give explanations of corruption that differed across the cases. Equally, if 'context may not matter' (Huberts, 1998, 2010) in how corruption is

understood and explained, then participants across the cases would not be expected to give different explanations of corruption that arose in the different case contexts.

As discussed above, the findings of this study showed that participants from the individual UoA (both corrupt public officials and corrupt suppliers) and institutional UoA (ICAC Commissioners) across the four cases that comprised the study gave explanations of corruption that were highly consistent, despite the differences in case contexts. This provides support for the position that 'context may not matter' that was advanced by Huberts (1998, 2010). However, the findings in relation to participants from the organisational unit of analysis (non-corrupt public sector managers) revealed explanations that differed across the four cases, thus providing support for the position that context does matter in the way that corruption is understood and explained.

The pattern of cross case explanations, when considered by participant's job role, seems to suggest that *who* is doing the explaining may be just as important, or possibly even more important, for understanding corruption than case context and characteristics. As proposed by Vaughan (1999), explanations of corruption, "will vary by level of analysis" (p. 283). Level of analysis, as used by Vaughan (1999), is analogous to the term UoA as used in this study. A further confounding result related to the very high level of consistency of mention of the EPA category (across the three cases where this explanation was mentioned) by participants who were employed by the public sector – corrupt public officials, non-corrupt public sector managers, and ICAC Commissioners. This again suggests the relevance of considering *who* is doing the explaining when seeking to understand explanations of corruption.

### 5.3.2 Within-Case Consistency of Explanations of Corruption

To situate the following discussion, the consistency of category level explanations of corruption made by participants from each unit of analysis, compared with those made by participants from the other units of analysis, within each case, has been summarised in Table 5.2 below. The table shows that within every case corrupt public officials, corrupt suppliers and ICAC Commissioners gave explanations that were consistent with each other in terms of the categories that were mentioned by at least 30% of participants, which supports the argument of Huberts (1998, 2010) that similar explanations may be given in different contexts. However, non-corrupt public sector managers gave explanations of corruption that were different to those given by the other participants in every case except Case 3, which supports the position of

Vaughan (1999) that level of analysis may matter in how corruption is explained, and of the various researchers who identified that context may matter (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) in the way that corruption is explained. Table 5.2 also contains the different pattern of within-case consistency of explanations that was observed in relation to the EPA category.

Table 5.2

*Within-Case Consistency of Category Level Explanations of Corruption – All Cases*

| Within-Case Consistency of Category Level Explanations of Corruption Excluding EPA Category | | | | |
|---|---|---|---|---|
| Unit of Analysis (Job Role) | Case 1 | Case 2 | Case 3 | Case 4 |
| Individual (corrupt public official) | Consistent | Consistent | Consistent | Consistent |
| Individual (corrupt supplier) | None | Consistent | Consistent | Consistent |
| Organisational (non-corrupt public sector manager) | Different | Different | Consistent | Different |
| Institutional (ICAC Commissioner) | Consistent | Consistent | Consistent | Consistent |
| Within-Case Consistency of Category Level Explanations of Corruption EPA Category Only | | | | |
| Unit of Analysis (Job Role) | Case 1 | Case 2 | Case 3 | Case 4 |
| Individual (corrupt public official) | Not mentioned | Consistent | Consistent | Consistent |
| Individual (corrupt supplier) | None | Different | Different | Consistent |
| Organisational (non-corrupt public sector manager) | Not mentioned | Consistent | Consistent | Consistent |
| Institutional (ICAC Commissioner) | Not mentioned | Consistent | Consistent | Consistent |

Key issues arising from these findings are discussed case by case in the following sections.

### *Consistency Within Case 1*

Case 1 was structurally the simplest case in this study. As Case 1 was confined to a single organisation which employed both the corrupt public official and the non-corrupt public sector manager who supervised the corrupt public official, it could be expected that both were exposed to the same case context and characteristics. Yet, as shown in Table 5.2 above, they gave different explanations of the corruption in this case. The non-corrupt public sector manager and the ICAC Commissioner, who were employed by different organisations, also gave explanations that were different to each

other. However, the corrupt public official and the ICAC Commissioner, who were similarly employed by different organisations, gave explanations that were identical with each other.

Explaining this interesting outcome requires consideration of the inverse propositions for both the 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) and the 'context may not matter' (Huberts, 1998, 2010) perspectives. From the 'context matters' perspective, it is argued that different contexts will lead to different explanations of corruption. The logical inverse of this is that similar contexts should result in similar explanations. From the 'context may not matter' perspective, different contexts may result in similar explanations. The logical inverse of this perspective is that similar contexts may result in different explanations. This reasoning has been summarised in Table 5.3 below.

Table 5.3

*Possible Consistency Outcomes – Does Context Matter?*

| Perspective | Consistency Outcome | | |
| --- | --- | --- | --- |
| | Context | Explanation | Implied support: |
| **'Context matters'**<br>(Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) | Different | Different | Context matters |
| Inverse of context matters | Same | Same | Context matters (inverse) |
| **'Context may not matter'**<br>(Huberts, 1998, 2010) | Different | Same | Context may not matter |
| Inverse of context may not matter | Same | Different | Context may not matter (inverse) |

The consistency outcomes for explanations of corruption provided in Case 1 are presented in Table 5.4 overleaf. These show that explanations in Case 1 align with both the 'context matters' perspective and the 'context may not matter' perspective in relation to explanations of corruption in this case, depending on which participants' explanations were being considered. Again, as for the cross-case consistency outcomes of this study that were discussed above, it seems that *who* is doing the explaining is a relevant consideration in understanding explanations of corruption in this case.

Table 5.4

*Within-Case Consistency Outcomes for Case 1 – Does Context Matter?*

| Case 1 Finding | Consistency Outcome | | |
| :--- | :---: | :---: | :---: |
| | **Context** | **Explanation** | **Implied support:** |
| | | | |
| Corrupt public official compared with non-corrupt public sector manager | Same | Different | Context may not matter (inverse) |
| Corrupt public official compared with ICAC Commissioner | Different | Same | Context may not matter |
| Non-corrupt public sector manager compared with ICAC Commissioner | Different | Different | Context matters |

The next section discusses within-case consistency outcomes for Case 2.

### *Consistency Within Case 2*

The complexity of Case 2 was described in Section 4.5.1 in Chapter 4, and the complicated web of organisational and individual corrupt relationships in this case was depicted in Figure 4.2 on page 164. In order to consider the applicability of either the 'context matters' perspective (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) or the 'context may not matter' perspective (Huberts, 1998, 2010) in Case 2, it is necessary to first identify whether participants in this case faced the same or different contexts. As this case involved 15 separate government organisations, it could be argued as per de Graaf and Huberts (2008) and de Vries and Sobis (2016) that the corrupt public officials and non-corrupt public sector managers in this case accordingly faced different contexts because they were employed by different organisations. Similarly, the corrupt suppliers, who were employed by a range of private sector organisations, could be assumed to have faced a different context to each other, and to that faced by participants who were employed by the public sector. Finally, the ICAC Commissioner was also employed by a different organisation to either the public sector participants or the corrupt suppliers, and thus could also be considered to have faced a different context. Consistency outcomes under the assumption of differences in organisational contexts are presented in Table 5.5 below on page 265.

However, it is also possible that in Case 2, the separate local government organisations, the suppliers, and ICAC may be regarded as representing a similar context because of organisational isomorphism within an organisational field

(DiMaggio & Powell, 1983). As described in the literature reviewed in Chapter 2, an organisational field includes all interdependent organisations (Scott, 2008) that interact in a sector (Greenwood & Suddaby, 2006; Scott, 2008; Wooten & Hoffman, 2017), including regulators and suppliers (DiMaggio & Powell, 1983; Wooten & Hoffman, 2017). It could therefore be argued that the local government organisations, the supplier organisations, and ICAC (as regulator) represented an organisational field. Organisational isomorphism suggests that organisations within a mature organisational field experience similar operating environments and will become similar to each other as a result of coercive, normative and/or mimetic pressures (Cardona Mejía et al., 2020; Cooper, 2014; Currie, 2012; DiMaggio & Powell, 1983; Teodoro, 2014; Thornton et al., 2005). As the local government sector is likely a mature organisational field, it could therefore be argued that in Case 2 there would be organisational isomorphism, resulting in similarities between the local government organisations, their suppliers and the regulator (ICAC). Consistency outcomes under the assumption of organisational field isomorphism are also presented in Table 5.5 overleaf.

As shown in Table 5.5 overleaf, the assumption that participants faced different contexts in Case 2 resulted in consistency outcomes that were equally split between the 'context may not matter' perspective and the 'context matters'. The assumption of organisational field isomorphism also resulted in evenly split consistency outcomes, but which were the inverse of those under the assumption of different contexts. The uniting factor in these consistency outcomes was that non-corrupt public sector managers consistently gave explanations of corruption that differed from those advanced by participants from all other UoA. This again suggested that *who* was doing the explaining was a relevant consideration in relation to the consistency of explanations of corruption in this study.

Table 5.5

*Within-Case Consistency Outcomes for Case 2 – Does Context Matter?*

| Consistency Outcomes – Case 2 Findings | | | |
|---|---|---|---|
| **Assuming Each Organisation Represents a Different Context** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Different | Different | Context matters |
| Corrupt suppliers compared with non-corrupt public sector managers | Different | Different | Context matters |
| ICAC Commissioner compared with non-corrupt public sector managers | Different | Different | Context matters |
| Corrupt public officials compared with corrupt suppliers | Different | Same except for EPA | Context may not matter |
| Corrupt public officials compared with ICAC Commissioner | Different | Same | Context may not matter |
| Corrupt suppliers compared with ICAC Commissioner | Different | Same except for EPA | Context may not matter |
| **Assuming Organisational Field Isomorphism** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| Corrupt suppliers compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| ICAC Commissioner compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| Corrupt public officials compared with corrupt suppliers | Same | Same except for EPA | Context matters (inverse) |
| Corrupt public officials compared with ICAC Commissioner | Same | Same | Context matters (inverse) |
| Corrupt suppliers compared with ICAC Commissioner | Same | Same except for EPA | Context matters (inverse) |

One other interesting aspect relating to consistency of explanations of corruption concerned the observation that corrupt suppliers, who were employees of the private sector and thus may have held different values to those of the public sector employees (de Graaf & van der Wal, 2008; Kolthoff et al., 2007; van der Wal et al., 2008; van der Wal et al., 2006), consistently did not mention the EPA category in their explanations of corruption. This was discussed previously in Section 5.2.4. By comparison, those participants employed in the public sector did consistently mention the EPA category, regardless of their job role. The level of consistency in the way corruption was understood and explained across those people employed in the public sector suggests that there may be a shared public sector view about the relevance of EPA explanations

of corruption, regardless of the participants' job role, that is not held by employees of the private sector (Kolthoff et al., 2007).

The next section discusses within-case consistency outcomes for Case 3.

*Consistency Within Case 3*

The complexity of Case 3 was described in Section 4.6.1 in Chapter 4. The organisational relationships in this case were depicted in Figure 4.3 on page 177 and the corrupt relationships in Figure 4.4 on page 178. In order to examine the consistency of explanations within Case 3 against the relevant literature for the 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) or 'context may not matter' (Huberts, 1998, 2010) perspectives, it was again necessary to identify whether participants in this case faced the same or different organisational contexts. As this case involved a single public sector organisation, it could be argued that the corrupt public officials and non-corrupt public sector managers in this case accordingly faced the same context because they were employed by the same organisation. Similarly, the corrupt suppliers, who were employed by a range of private sector organisations, could be assumed to have faced a different context to each other, and to that faced by participants who were employed by the public sector. Finally, the ICAC Commissioners were also employed by a different organisation to either the public sector participants or the corrupt suppliers, and thus could also be considered to have faced a different context. Consistency outcomes under the assumption of differences in organisational contexts, for those from different organisations, are presented in Table 5.6 on page 268.

However, it is also possible that the single large government organisation represented in Case 3, along with its suppliers and ICAC, may be regarded as representing a similar context because of organisational isomorphism within a mature organisational field (DiMaggio & Powell, 1983). Consistency outcomes under the assumption of organisational field isomorphism are also presented in Table 5.6.

Finally, it was also necessary to consider the possibility that participants from within the same organisation, such as corrupt public officials and non-corrupt public sector managers, may have experienced different contexts as a result of being exposed to different organisational sub-cultures (Alvesson, 2002; Martin, 1992; Schein, 1984, 1996; Treviño, 1986) or multiple ethical work climates (Balch & Armstrong, 2010;

Campbell & Göritz, 2014; Vardi, 2001; Victor & Cullen, 1988; Wimbush & Shepard, 1994), as identified in the literature reviewed in Chapter 2 and discussed in Section 5.2.3 above. This literature suggests that work groups with a different functional or professional focus (Alvesson, 2002; Lofquist et al., 2017; Lok et al., 2005; Ogbonna & Harris, 2015; Schein, 1996); from a different location (Lok et al., 2005; Victor & Cullen, 1988); and people at different organisational levels, such as operators and managers (Alvesson, 2002; Lofquist et al., 2017; Martin, 1992; Schein, 1996; Victor & Cullen, 1988), may experience differences in their work context, despite being employed in a single organisation. Consistency outcomes under the assumption of differences in organisational contexts, even within an organisation, are also presented in Table 5.6 overleaf.

As shown in Table 5.6, the assumption that different organisations represented a different context resulted in a mixed consistency outcome. Support for the 'context matters' (inverse) perspective (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) was implied by the similar context, and similar explanations advanced by both corrupt public officials and non-corrupt public sector managers in Case 3. However, all other participants in this case also gave similar explanations of corruption despite experiencing different contexts, suggesting substantial support for the 'context may not matter' perspective (Huberts, 1998, 2010).

Under the assumption of organisational field isomorphism, the consistency outcome for Case 3 shown in Table 5.6 overleaf implied support for the 'context matters' (inverse) perspective suggested by Darley (1992), de Graaf and Huberts (2008), Kish-Gephart et al. (2010) and de Vries and Sobis (2016), in that the same context consistently resulted in the same explanations, regardless of *who* was doing the explaining.

Table 5.6

*Within-Case Consistency Outcomes for Case 3 – Does Context Matter?*

| Consistency Outcome – Case 3 Findings | | | |
|---|---|---|---|
| **Assuming Different Organisations Represent a Different Context** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Same | Same | Context matters (inverse) |
| Corrupt suppliers compared with non-corrupt public sector managers | Different | Same except for EPA | Context may not matter |
| ICAC Commissioner compared with non-corrupt public sector managers | Different | Same | Context may not matter |
| Corrupt public officials compared with corrupt suppliers | Different | Same except for EPA | Context may not matter |
| Corrupt public officials compared with ICAC Commissioner | Different | Same | Context may not matter |
| Corrupt suppliers compared with ICAC Commissioner | Different | Same except for EPA | Context may not matter |
| **Assuming Organisational Field Isomorphism** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Same | Same | Context matters (inverse) |
| Corrupt suppliers compared with non-corrupt public sector managers | Same | Same except for EPA | Context matters (inverse) |
| ICAC Commissioner compared with non-corrupt public sector managers | Same | Same | Context matters (inverse) |
| Corrupt public officials compared with corrupt suppliers | Same | Same except for EPA | Context matters (inverse) |
| Corrupt public officials compared with ICAC Commissioner | Same | Same | Context matters (inverse) |
| Corrupt suppliers compared with ICAC Commissioner | Same | Same except for EPA | Context matters (inverse) |
| **Assuming Different Organisational Subcultures/Ethical Climates Within the Organisation** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Different | Same | Context may not matter |
| Corrupt suppliers compared with non-corrupt public sector managers | Different | Same except for EPA | Context may not matter |
| ICAC Commissioner compared with non-corrupt public sector managers | Different | Same | Context may not matter |
| Corrupt public officials compared with corrupt suppliers | Different | Same except for EPA | Context may not matter |
| Corrupt public officials compared with ICAC Commissioner | Different | Same | Context may not matter |
| Corrupt suppliers compared with ICAC Commissioner | Different | Same except for EPA | Context may not matter |

By comparison, the assumption that organisational members may have experienced different organisational sub-cultures implied support for the 'context may not matter' perspective advanced by Huberts (1998, 2010), because all participants consistently gave essentially the same explanations of corruption, despite working for seven different work areas of an organisation, 12 different supplier organisations, and the NSW ICAC, again regardless of *who* was doing the explaining.

As identified in the literature reviewed in Chapter 2, and discussed above in Section 5.2.3, there is a significant body of literature suggesting that employees, particularly in large or professionally diverse organisations such as Organisation D, may be expected to experience multiple diverse organisational sub-cultures (Alvesson, 2002; Martin, 1992; Treviño, 1986) or ethical sub-climates within their organisation (Balch & Armstrong, 2010; Campbell & Göritz, 2014; Schein, 1984, 1996; Vardi, 2001; Wimbush & Shepard, 1994). Accordingly, based on this literature and the characteristics of Organisation D, the corrupt public officials and non-corrupt public sector managers in Case 3 were highly likely to have experienced different organisational contexts resulting from different organisational subcultures and ethical sub-climates within Organisation D. Therefore if 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010), these two groups of participants, having experienced different contexts, should have given different explanations of corruption. However, they instead gave consistent explanations, implying support for the 'context may not matter' perspective (Huberts, 1998, 2010).

Notably in Case 3, as shown in Table 4.8 in Chapter 4, and unlike in the other cases, the non-corrupt public sector managers gave explanations of corruption that were largely consistent with the explanations given by participants from the other job roles (UoA). This consistency outcome for non-corrupt public sector managers in Case 3 stands in contrast to Case 1, Case 2 and Case 4 (which is discussed in the following section). The consistency of explanations of corruption given by the corrupt public officials and the non-corrupt public sector managers employed by Organisation D in Case 3 is therefore an unusual outcome in this study. In Case 3, UoA (job role) did not seem to be relevant to the way corruption was explained in the same manner that it was in Case 1, Case 2 and Case 4.

Finally, and similarly to Case 2, there was again consistency relating to corrupt suppliers from Case 3 not mentioning the EPA category, although this category was consistently mentioned by at least 30% of public sector participants (corrupt public officials, non-corrupt public sector managers, ICAC Commissioners) in Case 3. This level of consistency - with public sector participants mentioning EPA explanations and private sector participants not mentioning EPA explanations - again suggests that there may be a shared public sector view about the relevance of EPA explanations of corruption that is not held by employees of the private sector. This possibility was discussed previously in Section 5.2.4. It also points to the likelihood of different institutional logics operating between the public and private sectors.

The next section discusses within-case consistency outcomes for Case 4.

### *Consistency Within Case 4*

The complexity of Case 4 was described in Section 4.7.1 in Chapter 4, and the organisational and corrupt relationships in this case were depicted in Figure 4.5 on page 192. In order to examine the consistency of explanations within Case 4 against the relevant literature, it was again necessary to identify whether participants in this case faced the same or different organisational contexts. As this case involved five separate public universities, it could be argued as per de Graaf and Huberts (2008) and de Vries and Sobis (2016), that the corrupt public officials and non-corrupt public sector managers in this case accordingly faced different organisational contexts because they were employed by different universities. Similarly, the corrupt suppliers, who were employed by a range of private sector organisations, could be assumed to have faced a different context to that faced by other suppliers and also the participants employed by the public universities. Finally, the ICAC Commissioners were also employed by a different organisation to either the public sector participants or the corrupt suppliers, and thus could also be considered to have faced a different context. Consistency outcomes under the assumption of differences in organisational contexts for those from different organisations are presented in Table 5.7 overleaf.

However, similarly to Case 2, it is also possible that the five separate universities in Case 4, in conjunction with the suppliers and ICAC, may have experienced a similar context because of organisational isomorphism within a mature organisational field (DiMaggio & Powell, 1983), that being the university sector. Consistency outcomes

under the assumption of organisational field isomorphism are also presented in Table 5.7 below.

Table 5.7

*Within-Case Consistency Outcomes for Case 4 – Does Context Matter?*

| Consistency Outcome – Case 4 Findings | | | |
|---|---|---|---|
| **Assuming Different Organisations Represent a Different Context** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Different | Different | Context matters |
| Corrupt suppliers compared with non-corrupt public sector managers | Different | Different | Context matters |
| ICAC Commissioner compared with non-corrupt public sector managers | Different | Different | Context matters |
| Corrupt public officials compared with corrupt suppliers | Different | Same | Context may not matter |
| Corrupt public officials compared with ICAC Commissioner | Different | Same | Context may not matter |
| Corrupt suppliers compared with ICAC Commissioner | Different | Same | Context may not matter |
| **Assuming Organisational Field Isomorphism** | | | |
| | **Context** | **Explanation** | **Implied support:** |
| Corrupt public officials compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| Corrupt suppliers compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| ICAC Commissioner compared with non-corrupt public sector managers | Same | Different | Context may not matter (inverse) |
| Corrupt public officials compared with corrupt suppliers | Same | Same | Context matters (inverse) |
| Corrupt public officials compared with ICAC Commissioner | Same | Same | Context matters (inverse) |
| Corrupt suppliers compared with ICAC Commissioner | Same | Same | Context matters (inverse) |

As shown, the various assumptions about the contexts faced by participants described above again resulted in consistency outcomes that were evenly divided between the 'context matters' and the 'context may not matter' perspectives. Once again, and similarly to Case 1 and Case 2, the uniting factor in these consistency outcomes was that non-corrupt public sector managers consistently gave explanations of corruption that differed from those advanced by participants from all other job roles. This again suggested that *who* was doing the explaining was a relevant consideration in relation to the consistency of explanations of corruption in this study.

The next section summarises the observations about case context and UoA (job role) in relation to the consistency with which corruption was explained in this study.

### 5.3.3 Observations About Consistency of Explanations of Corruption

This study has used a purposive approach, drawing from five key theories in order to select cases which presented different case contexts, and which contained participants from different job roles (UoA). The intention of this design was to examine how each of these aspects might impact on the way that corruption was explained. As discussed in the immediately preceding sections, identifying the influence of job role (UoA) and case context on how consistently corruption was explained across and within the cases in this study was challenging. The following sections summarise the study's findings in relation to these influences.

#### *Unclear Whether Context Matters in How Corruption is Explained*

As discussed in Section 5.3.1 above in relation to cross-case consistency, and in Section 5.3.2 in relation to within-case consistency, it remains unclear as to whether context matters in the way that corruption was explained by participants in this study. The findings seem to concur with the literature, which is split on the question of whether 'context matters' (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) or not (Huberts, 1998, 2010; Huberts & de Graaf, 2014), which further illustrates the complexity of the phenomenon of corruption.

In fact, it was more difficult than originally anticipated to ascertain whether participants in Case 2, Case 3 and Case 4 had experienced similar or different case contexts. Taking the simplest view, that working for a different organisation equated to experiencing a different context, did not yield a uniform answer as to whether context mattered in the way that corruption was explained. Conversely, taking an organisational field isomorphism (DiMaggio & Powell, 1983) view and thus assuming all participants in a field shared a similar context also did not yield a uniform answer about the relevance of context to explanations of corruption. Further, considering the possibility that participants within an organisation may have experienced different sub-cultures because of their work group (Treviño, 1986), or different ethical climates because of their work group, location or job role (Victor & Cullen, 1988), also failed to yield a uniform answer about the impact of context on explanations of corruption. It may be a productive area for future research to carefully deconstruct the

organisational and institutional (organisational field) elements of context in order to better understand how these might affect the way that corruption is understood and explained.

### *Unit of Analysis (Job Role) Seems to Matter in How Corruption is Explained*

As discussed in Section 5.3.1 above, the cross-case analysis of consistency of explanations of corruption in this study revealed the salience of a participant's job role (UoA) to the way that corruption is explained. The discussion argues that corrupt public officials (individual UoA) gave identical explanations of corruption across Case 2, Case 3 and Case 4, and the explanations in Case 1 differed only in that EPA explanations were not mentioned by any participant from any UoA in this case. ICAC Commissioners (institutional UoA) similarly gave identical explanations of corruption across Case 2, Case 3 and Case 4, and similarly did not mention EPA explanations in Case 1. Explanations given by corrupt suppliers (individual UoA), whilst not identical across all cases, were highly consistent. Additionally, explanations within cases, as described in Section 5.3.2 above, were also highly consistent when comparing explanations given by corrupt public officials, corrupt suppliers, and ICAC Commissioners. This consistency was evident in every case in this study.

By comparison, as discussed in Section 5.3.1 above, the explanations given by non-corrupt public sector managers (organisational UoA) varied substantially across the cases, meaning that there was little cross-case consistency in the way that these participants explained corruption. Additionally, as discussed in Section 5.3.2 above, other than in Case 3, the explanations of non-corrupt managers differed noticeably from the explanations of the other participants within each case. However, in Case 3, the explanations of non-corrupt public sector managers were highly consistent with the explanations of participants with other job roles.

The findings of this study suggest that it is salient to consider *who* is doing the explaining when considering consistency in the way corruption is explained. Two specific examples will be discussed below. The first relates to the fact that non-corrupt public sector managers so consistently expressed different understandings and explanations of corruption when compared with corrupt public officials, corrupt suppliers, and ICAC Commissioners. The second relates to the consistency with which corrupt suppliers expressed understandings and explanations of corruption that were similar to those of corrupt public officials, despite being employed by different

organisations from different sectors (public v private). Some possible reasons for these consistency outcomes are presented in the following section.

### *Explanations by Non-Corrupt Public Sector Managers Not Consistent Across or Within Cases*

Non-corrupt public sector managers in this study consistently gave explanations that did not accord with those of other non-corrupt public sector managers from other cases, nor with those of participants with different job roles from within their own case (other than in Case 3, as discussed above). Specifically, within Case 1, Case 2 and Case 4, explanations given by non-corrupt public sector managers did not accord with the explanations of the corrupt public officials, who were all employed by the same organisation or in the same government sector.

It was initially questioned whether this inconsistency could be explained on a within-case basis because non-corrupt public sector managers may have given different explanations to those advanced by participants who were corrupt (corrupt public officials, corrupt suppliers), simply because they themselves were not corrupt. Perhaps being corrupt gives a person a different understanding of corruption that results in a different explanation to that of a non-corrupt person. However, this possibility was discounted after also considering that the ICAC Commissioners in each case, who were non-corrupt, gave explanations in every case that were highly consistent with those given by the corrupt participants.

It was also considered whether this inconsistency could be explained on a cross-case basis because the non-corrupt public sector managers, by virtue of being in different cases, experienced different organisational contexts in each of the cases and therefore gave different explanations in each case (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010) – the 'context matters' perspective. Again, this explanation was discounted because all participants, regardless of job role, experienced different organisational contexts across the cases, and yet participants from other job roles gave highly consistent explanations of corruption on a cross-case basis.

The differences in explanations given by non-corrupt public sector managers when compared with those of other participants in this study may relate to differences in the ways operational employees and managers perceive organisational culture (Campbell & Göritz, 2014; Treviño et al., 2017), differences which were previously

discussed in more detail in Section 5.2.3 above. For example, Campbell and Göritz (2014) noted that "managers and employees differ in both their perception of and influence on organizational culture" (p. 293), and this may have contributed to differences in how managers and employees explained corruption. Similarly, as previously discussed in relation to Case 3, managers may have experienced a different organisational subculture (Alvesson, 2002; Lofquist et al., 2017; Martin, 1992; Schein, 1996) or ethical climate (Vardi, 2001; Victor & Cullen, 1988; Wimbush & Shepard, 1994) to that experienced by employees, and this may also contribute to differences in the way managers explain corruption compared with other participants. Additionally, managers may perceive the ethical work climate as more positive than their subordinates (Vardi, 2001). Treviño et al. (2017) agreed with this proposition, stating:

> …it's a safe bet that lower level employees are the ones who know what is really happening in an organization…Executives in upper management must also recognize that their own perceptions of the organization's ethical culture are almost certainly rosier than are the perceptions of rank-and-file employees. Research indicates that top managers are often the last to know about an unethical or misaligned culture. (Treviño et al., 2017, pp. 61-62).

### *Explanations by Corrupt Suppliers Consistent with Those by Corrupt Public Officials*

The findings of this study revealed that corrupt suppliers from each case gave explanations that were very similar to those of the corrupt public officials from the same case. This is interesting because within each case the corrupt suppliers were not employed by the public sector organisations that employed the corrupt public officials. Additionally, within each case the corrupt suppliers were not employed by a single private sector organisation, but rather were employees of a number of separate private sector organisations. Each of these private sector organisations would have had its own unique organisational context (Treviño et al., 1998), organisational culture (Schein, 1984, 1985), and ethical climates (Victor & Cullen, 1988), as discussed in Section 5.2.3 above. Accordingly, as a result of being employed by different organisations, the corrupt suppliers from within each case were likely to have experienced different organisational characteristics from each other and also from the corrupt public officials who were employed by the public sector organisation(s) from that case. However, the explanations given by corrupt suppliers in each case closely cohered to explanations given by corrupt public officials in that same case, with the

previously noted and discussed exception of explanations referring to the ethos of public administration that was discussed above in Section 5.2.4.

This suggests that similar explanations of corruption may be given in different contexts, and thus supports the 'context may not matter' perspective presented by Huberts (1998, 2010). Alternatively, this outcome might suggest that more work is needed in understanding the inter-organisational factors which might lead to corrupt behaviour; for example, the need for cooperation in corrupt behaviour between organisational insiders (corrupt public officials) and outsiders (corrupt suppliers), as proposed by Katz (1979) and Frost and Tischer (2014), which was discussed in Section 5.2.3 above.

Overall, this section has considered the findings in relation to RQ 2 – focusing on the consistency of explanations on both a cross-case and within-case basis, and considering the relevance of case context and characteristics, and participants' UoA (job role), to explanations of corruption. In relation to context, the findings of this study have revealed partial support for both the position that 'context matters' and that therefore different contexts should result in different explanations, as advanced by Darley (1992), de Graaf and Huberts (2008), Kish-Gephart et al. (2010), and de Vries and Sobis (2016), as well as for the recently somewhat unpopular 'context may not matter' position advanced by Huberts (1998, 2010), which suggests that similar explanations of corruption may be given in different contexts. In relation to job role (UoA), the findings of this study suggest that it was salient to consider *who* was giving the explanation of corruption, supporting Vaughan (1999). This was particularly the case for participants who were non-corrupt public sector managers (organisational unit of analysis). These managers gave explanations that were not consistent with those given by other non-corrupt public sector managers on a cross-case basis, and that were also not consistent with explanations given by other participants within their own case, except for Case 3.

The next section contains the chapter summary.

## 5.4 CHAPTER SUMMARY

This chapter has discussed the findings of this study within the framework of five key theories seeking to understand and explain corruption, and also with reference to a range of relevant literature. As this study undertook theoretical triangulation, and

conducted both within- and cross-case analysis at multiple levels of analysis, it was possible to conduct a detailed examination of the findings.

Examination of the study's findings in relation to RQ 1 demonstrated that all five theories applied in this study were valid and relevant in the study's context, but that no single theory was sufficient, taken alone, to comprehensively explain the instances of corruption examined in this study. The discussion noted and aligned with the many authors identifying a need to move beyond explaining all corruption using the historically favoured individual factor theories, such as ERCT (de Vries & Sobis, 2016; Heywood, 2017; Ledeneva, 2018; Persson et al., 2019; Prasad et al., 2019; Trepte, 2019; Villeneuve et al., 2019), and bad apples (Ashforth et al., 2008; Brief et al., 2014; de Vries & Sobis, 2016). In this study, explanations drawing on concepts from organisational factor theories (bad barrels/orchards) and institutional factor theories, particularly relating to the ethos of public administration, were also found to be very important.

The findings suggest that more comprehensive explanations of corruption should include concepts from all of the theories included in the theory framework, which was consistent with the findings reported in the growing body of literature presented in Section 2.8 in Chapter 2. The findings suggest that corruption is a complex phenomenon that needs to be examined from multiple perspectives if it is to be comprehensively understood. However, despite growing interest in considering factors from two or more levels (individual, organisational, institutional) to explain corruption, the literature also exposed a lack of shared meaning between researchers in relation to *how* elements from multiple theories should be combined. This is typical of a field of research such as that investigating corruption that is by nature subject to theoretical progression. It is beyond the scope of this thesis to address how factors from different levels of theory might be best combined, and how theory may progress for the study of corruption. However, some preliminary reflections on this topic, which may be examined in future work, are included in Chapter 6.

Additionally, given that the theory base used to understand corruption is closely linked to the type of anti-corruption activities that will be most effective (de Graaf, 2007; Marquette & Peiffer, 2018; Villeneuve et al., 2019), the findings of this study also have important implications for the development of anti-corruption activities that

are pertinent at the theoretical level (de Graaf, 2007; Jancsics, 2019; Marquette & Peiffer, 2018; Villeneuve et al., 2019), which will also be addressed in Chapter 6.

In addressing RQ 2, the findings of this study have revealed that there were both differences and similarities in the consistency with which corruption was explained by participants based on their unit of analysis (job role) and organisational context. The findings provided mixed support for the perspective that 'context matters', and that therefore different contexts should lead to different understandings and explanations of corruption (Darley, 1992; de Graaf & Huberts, 2008; de Vries & Sobis, 2016; Kish-Gephart et al., 2010), and also for the counter perspective - that content may not matter in how corruption is understood (Huberts, 1998, 2010), whereby different contexts may result in similar explanations of corruption. Future research may better illuminate the importance of the context in which corruption arises to the way it is explained.

In relation to the influence of job role on explanations of corruption in this study, the findings suggest that it may be salient to consider *who* is providing the explanation. In particular, the findings have shown that non-corrupt public sector managers explained corruption differently and more narrowly than did other participants from other units of analysis, on both cross- and within-case analysis (except for Case 3). The findings in relation to non-corrupt public sector managers raised questions about the operation and impact of multiple organisational sub-cultures (Alvesson, 2002; Martin, 1992; Schein, 1984, 1996; Treviño, 1986) or ethical climates (Balch & Armstrong, 2010; Campbell & Göritz, 2014; Vardi, 2001; Wimbush & Shepard, 1994) within the organisations that formed the cases for this study. Again, these aspects were not the direct focus of the study, and future research into this area could assist in better understanding the nuanced contributions of organisational subcultures, ethical climates, and job roles in connection with explanations of corruption.

The next chapter contains the implications and recommendations that have arisen from the research, and presents the conclusion. It also outlines the study's contributions to advancing theory progression and knowledge formation in the study of corruption.

# Chapter 6: Conclusions

*"Governments at all levels can promote the public interest, and recognize ethical issues, only if they require of themselves and their private sector partners a broader scope of ethical standards and vigilance that addresses not just individual behaviour but also, and even primarily, the organizational and cultural context of values and ethics"* (Adams & Balfour, 2010, p. 630).

## 6.1 INTRODUCTION

This study was undertaken to examine whether concepts and insights from any of five key discipline-based theories presented by de Graaf (2007) relating to the phenomenon of corruption were reflected in the explanations given by people participating in ICAC investigations of corruption in procurement processes in the NSW public sector. Chapter 2 provided a literature review that identified literature related to each of these foundational single-discipline theories, as well as literature considering collective action theories, which were not included in this study because the concepts are mainly applicable in developing countries. The literature review also identified an emerging body of multi-factor and inter-disciplinary literature relating to corruption which has been summarised in Appendix B. In Chapter 3, the methodology for this qualitative case study, which employed theoretical triangulation using qualitative thematic content analysis, was explained. Chapter 4 presented the results of the analysis, along with the key findings of the study. Chapter 5 discussed the study's findings in the context of the literature relating to the five key theories, to present some positions about the use of theory to explain corruption in the context of procurement processes in the NSW public sector. It also discussed literature relating to the salience of context and job role in the way that corruption is explained.

This chapter highlights the implications of this study for theory progression, methodology, practice, and policy. It also addresses the limitations of the study and makes suggestions for future research. It includes a personal reflection about the researcher's motivation for the study, and a final reflection about the contribution to knowledge made by this study.

The chapter is organised as follows. Section 6.2 discusses the professional and research motivation behind this study. Section 6.3 considers its implications for theory, with Section 6.3.1 addressing the study's contribution to theory validation and theory progression, and Section 6.3.2 outlining the study's contribution of an exemplar of corruption in the context of procurement processes within the NSW public sector. Taken together, these contributions aid theory progression as it relates to understanding corruption.

The implications for methodology, including the use of theoretical triangulation for theory validation and for multiple case study, are presented in Section 6.4. Implications for practice are considered in Section 6.5. The practical implications for public sector organisations are addressed in Section 6.5.1, which makes recommendations in relation to potential changes to anti-corruption activities to include approaches drawing from multiple theoretical bases in order to more comprehensively address the problem of corruption. Section 6.5.2 considers the practical implications for managers, particularly in their function as role models of integrity in an organisation, and also concerning their obligation to interpret, implement, and enforce organisational policies intended to contribute to integrity.

Implications for policy are presented in Section 6.6, which notes the importance of external scrutiny of public sector organisations by anti-corruption bodies in maintaining high standards of organisational and institutional integrity, and of dealing effectively with instances of corruption, particularly in situations where the corruption has become so normalised that it may not even be recognised internally. Section 6.7 discusses the study's limitations, and Section 6.8 outlines some suggested areas for future research. Finally, Section 6.9 contains a final reflection on the contribution to knowledge made by this study.

## 6.2   MOTIVATION FOR THIS STUDY

A motivation for this study was the researcher's first-hand professional observation over 35 years of practice that corruption persists in public sector procurement in Australia, despite considerable efforts by public sector organisations to prevent it. The researcher had also noticed that many of the anti-corruption activities undertaken by public sector organisations implied an underlying organisational belief that corruption was largely caused by individual factors, such as greed (ERCT) or

personal weaknesses (bad apples), and that these anti-corruption activities did not seem particularly effective in preventing instances of corruption. Professional curiosity driven by these observations generated an interest in understanding more about corruption in the context of public sector procurement processes in Australia.

The initial review of scholarly literature for this study divulged a revelatory article by de Graaf (2007), in which he differentiated and described five key theoretical bases for understanding public sector corruption. He also noted the connection between the theory used to explain corruption and the choice and effectiveness of anti-corruption activities. This researcher now had a scholarly basis for understanding her professional observations!

The article by de Graaf (2007) called for more contextual research into corruption to contribute to theory development, and particularly called for more case studies of corruption, including in developed countries, noting that "there are not many studies on actual, individual corruption cases" (p. 76). Shortly after this, de Graaf and Huberts (2008) responded to this call with an exploratory case study of 10 Dutch public sector corruption cases, which also called for further qualitative case studies of corruption in high-income countries. Taken together with the paradigm literature that identifies the critical role of exemplars in theory progression (Eckberg & Hill, 1979; Kuhn, 1970b; Musgrave, 1971; Wray, 2011), the research of de Graaf (2007) and de Graaf and Huberts (2008) was very influential in guiding the direction of this study.

The next section addresses the implications of this study for theory.

## 6.3 IMPLICATIONS FOR THEORY

Whetten (2002) identified the fact that researchers could make contributions *of* theory by creating theories, or contributions *to* theory by improving theories. According to Shepherd and Suddaby (2017), these contributions should reveal something that was previously unknown or something that was surprising, or should cause re-consideration of things that were previously known, and should be innovative or counter intuitive.

This study was explicitly theory-driven (Bradbury-Jones et al., 2014; Mertz & Anfara, 2015; Meyer & Ward, 2014) and aimed to make a contribution to theory development by undertaking validation of the five foundational discipline-based theories about corruption identified by de Graaf (2007) for their value in understanding

and comprehensively explaining the phenomenon of corruption in the context of procurement processes in the NSW public sector. Another aim was to develop an exemplar of corruption in this specific context, thus addressing the calls for further research (de Graaf, 2007; de Graaf & Huberts, 2008). The following sections outline two contributions to theory resulting from this study.

### 6.3.1 Contribution to Theory Validation and Theory Progression for the Study of Corruption

The findings of this study have provided confirmatory empirical validation that each of the five foundational discipline-based theories contained in the revised theory framework used for this study (see Figure 2.2 on page 101) was relevant and applicable to analysis of corruption in the context of procurement processes within the NSW public sector – a new context for these theories that had not previously been researched. This aspect of the study therefore contributes to theory by being a novel application of the five key theories (Shepherd & Suddaby, 2017).

Valuable concepts and insights from each of the five theories were clearly evidenced in the explanations of corruption offered by the participants in this study. However, the study simultaneously illustrated that no single theory was in itself sufficient to comprehensively explain instances of corruption in the context of procurement processes in the NSW public sector. As identified in the literature reviewed in Chapter 2, scholarly attempts to understand corruption over many years have generated theoretical progression which has moved understanding of corruption away from reliance on single, foundational, discipline-based theories and on to multi-factor approaches that acknowledge the relevance of other theories, and to inter-disciplinary and integrative approaches that seek to incorporate, integrate, synthesise or transform concepts and theories from many disciplines to generate broader understanding of this complex phenomenon. The current study has articulated this theory progression for the study of corruption, and has identified that an integrated, multi-factor, inter-disciplinary theoretical approach would generate a more comprehensive understanding of the phenomenon in the context of procurement processes in the NSW public sector. Using the dimensions identified by Shepherd and Suddaby (2017), this study has made a contribution to theory by illuminating something that was previously not widely empirically validated: that a more

comprehensive understanding of corruption could be attained by drawing simultaneously on concepts from all five of the key theories.

The study has also contributed to theory by providing empirical insights that verified the problematization (Sandberg & Alvesson, 2011) of placing too much emphasis on theories that draw only on individual factors to explain corruption, such as ERCT (de Vries & Sobis, 2016; Heywood, 2017; Ledeneva, 2018; Persson et al., 2019; Prasad et al., 2019; Trepte, 2019; Villeneuve et al., 2019), or bad apples (Ashforth et al., 2008; Brief et al., 2014; de Vries & Sobis, 2016; Palmer, 2013). The theorists and researchers referenced above all identified, in a range of non-empirical research activities, that reliance on these two theories alone was insufficient to adequately explain the complex phenomenon of corruption. This study has provided empirical support for the position that broader theoretical bases are needed for comprehensive understanding of corruption, thus contributing to theory in the sense identified by Shepherd and Suddaby (2017) of causing reconsideration of something that was thought to be known.

Given that all understanding of corruption necessarily involves understanding the actions of individuals who choose to engage in corrupt behaviour, the previous dominance of the individual factors theories such as ERCT and bad apples is understandable. Work groups, organisations, and institutions can only take action through the agency of individual human actors. This reality has most likely contributed to the strong focus of attention on the actions of individuals, via the dominance of the individual factor theories identified in the literature and discussed in Section 5.2.2 in Chapter 5. However, over-emphasis on individual factor theories to explain instances of corruption is too simplistic because of the impact of organisational and institutional factors on the choices made by some - but not all - individuals to behave corruptly (Caiden, 1991, 2011; Gorsira, Steg, et al., 2018; Heath, 2008). For example, as noted by Caiden (1991), corruption cannot be corrected simply by addressing the individuals responsible for the behaviour, as the practices will continue irrespective of the individuals because it is "as if the organisation has a mind of its own" (p. 491).

Noting the central role of individuals in corrupt behaviour and the simultaneous insufficiency of relying only on approaches driven by individual factor theories, Brass et al. (1998) and Zey-Ferrell et al. (1979) suggested using elements of professional practice (institutional factor) and organisational culture (organisational factor) to apply

pressure to moderate individual factors that could predispose an individual towards corrupt behaviour. This approach recognises that individuals must still take responsibility for their actions, even within a corrupt system (Ashforth & Anand, 2003; Felson & Clarke, 1998; Treviño, 1986; Warburton, 2001). de Graaf and Huberts (2008) pointed to the need to pay attention to corrupt "individuals within their culture [institution] and organization" (p. 641), which observation explicitly drove the methodological design of this study. Corrupt behaviour therefore can only be prevented (somewhat paradoxically) by a culture of individual accountability for actions despite organisational or institutional pressures (Warburton, 2001). In this understanding of corruption, and consistently with the findings of this present study, integrative explanations will be the "most useful" (de Graaf & Huberts, 2008, p. 650).

An important implication of this study, therefore, taken in conjunction with this literature, is that if one considers only a single discipline-based theoretical perspective when trying to understand corruption, a large number of explanations that come from other perspectives will necessarily be excluded. As noted by Ashforth et al. (2008):

> Part of the reason for our limited understanding has been that various scholars working from their particular disciplines or perspectives have explored various aspects of corruption, accounting relatively little for the related efforts of other scholars working from other disciplines or perspectives. The result has been a profusion of partially overlapping—and at times conflicting— concepts, models, and findings, few of which approach a deep-structure understanding of the phenomenon. (p.677).

Additionally, given the relationship between the theoretical basis used to understand corruption and the selection of effective anti-corruption activities (de Graaf, 2007; Jancsics, 2019; Marquette & Peiffer, 2018; Villeneuve et al., 2019), taking a narrow theoretical perspective is also likely to lead to important practical implications about the types of corruption that are identified and treated by organisational or institutional integrity systems. This implication for practice is expanded in Section 6.5.1 below.

### Reflection on Theory Progression

This study sought to contribute to theory progression by examining which extant theories might be relevant to understanding corruption in the context of public sector procurement processes, and whether participants from deliberately selected cases

involving different organisational contexts, different types of corruption, and different patterns of corrupt behaviour explained corruption differently. Noting that all of the theories from the revised theory framework were reflected in explanations given by participants in this study provoked questions about how these theories might interact with each other. The literature reviewed for this study, and particularly the literature that proposed the use of more than a single theory approach to explain corruption (see Appendix B), suggested that over time corruption scholars have sought theoretical progression that considered ways in which the different theories might work together when seeking to understand and explain the phenomenon of corruption.

The following paragraphs provide more details about theory progression for the study of corruption, and Figure 6.1 overleaf represents the researcher's reflection on theory progression and how corruption theories may interact.

*Single Discipline-Based Approaches*

Single discipline-based approaches have provided foundational theories for the study of corruption by allowing researchers to examine the phenomenon using theories, concepts, methods and/or paradigms with which they are familiar. A disciplinary approach typically involves a researcher's personal preference for a particular perspective and approach to an issue, based on their training and experience (Molloy & Ployhart, 2012).

A disadvantage of discipline-based theories is that each discipline "uses its own paradigm to argue in that paradigm's defence" (Kuhn, 1970a, p. 10), and researchers sometimes work without seriously considering the efforts of scholars from other disciplines or with alternative interpretations (Collier, 2002; Huberts, 2010; Jancsics, 2014, 2019; Rhoten, 2004). They may fail to recognise that their discipline's approach is not universal (Molloy & Ployhart, 2012). Some issues are too complex to be addressed by a single disciplinary focus (Porter et al., 2006; Rhoten & Parker, 2004), and the current state of theory progression suggests that corruption is probably one such issue (de Graaf, 2007; de Graaf & Huberts, 2008; Heywood, 2017; Jancsics, 2014, 2019; Ledeneva, 2018; Ledeneva et al., 2017; Trepte, 2019).
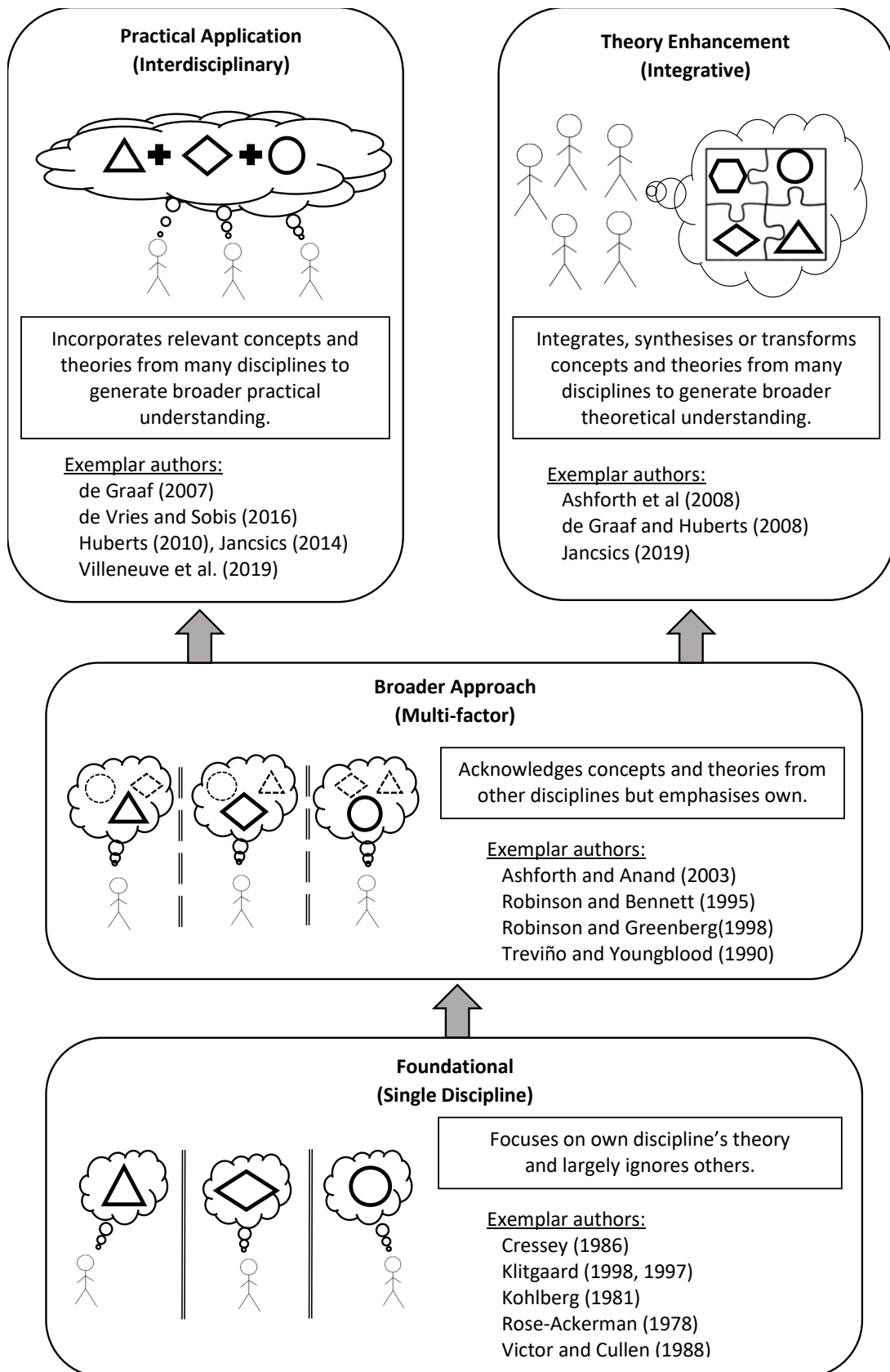
*Figure 6.1.* Reflection - interaction of theories for the study of corruption

*Multi-Factor Approaches*

Multi-factor approaches have contributed to understanding of corruption by allowing scholars to recognise the existence and explanatory potential of factors at different levels of analysis from different theories, and attempts to combine, sequence or organise these (Klein, 2017). However, this can be challenging, and therefore many researchers continue to prioritise perspectives from their own disciplinary background (Campbell, 2005; Klein, 2017), and may simply map the different factors (Huberts, 2010), or consider theories sequentially (Klein, 2017).

*Interdisciplinary Approaches*

The term interdisciplinary is commonly used to cover "more-than-disciplinary approaches to knowledge" (Frodeman, 2017, p. 4). Researchers operating from an interdisciplinary perspective seek to actively combine theories, concepts, methods and/or paradigms from two or more disciplines to obtain greater insight (Huberts, 2010; Porter et al., 2006; van Rijnsoever & Hessels, 2011), allowing the concepts of one discipline to complement or contribute towards the theories of another (Klein, 2017). To do this requires a clear understanding of how any theory fits with other pre-existing and/or related theories (Bacharach, 1989).

This may be achieved by reconceptualising and reorganising (Rhoten, 2004) information about a phenomenon, by blending or linking theories (Klein, 2017), or by working in multi-disciplinary research teams (Campbell, 2005; Porter et al., 2006; Rhoten, 2004; Rhoten & Pfirman, 2007) or with non-academic practitioners (Cornelissen et al., 2021; Frodeman, 2017; Klein, 2017; Rynes, 2007) to select the best aspects of different theories for practical application to the problem being studied. Interdisciplinary research may be constrained by a researcher's lack of familiarity or agreement with the theories, concepts, methods and/or paradigms of other disciplines (Bacharach, 1989; Campbell, 2005; Rhoten, 2004).

*Integrative Approaches*

Integrative approaches seek to integrate and synthesise (Rhoten & Pfirman, 2007) or transform (Klein, 2017) theories, concepts, tools, methods and paradigms from multiple disciplines to develop a new understanding that is "more extensive and powerful than its constituent parts" (Rhoten & Pfirman, 2007, p. 58). This may be achieved by transformation, which causes extant theories to be examined in a new light (Bacharach, 1989; Jaakkola, 2020; Sadeghiani et al., 2021; Shepherd & Suddaby,

2017); by synthesis, which seeks the integration of previously unconnected concepts from extant theories in a new way (Jaakkola, 2020); or by resolving or explaining conflicting aspects of theories (Jaakkola, 2020).

Many authors have noted the challenges involved in achieving integrative approaches including disciplinary biases related to academic credibility; unfamiliarity with concepts, methods, theories and paradigms of other disciplines; lack of funding; and lack of publication opportunities (Campbell, 2005; Frodeman, 2017; Huberts, 2010). However, the strong current calls for more integrative approaches to understanding corruption (Ashforth et al., 2008; de Graaf, 2007; de Graaf & Huberts, 2008; Jancsics, 2019; Ledeneva et al., 2017) suggest that there is increasing interest in propelling the study of corruption in this direction.

This study has attempted to operate at the interdisciplinary level by incorporating concepts from multiple theory bases to analyse instances of corruption, particularly bad apples theories (situational/interactionist approaches), organisational theories (organisational context for corruption), and institutional theories (organisational fields, organisational isomorphism and institutional logics), with the intention of providing rigorous theoretical foundations for practical actions to prevent corruption in public sector procurement processes.

The next section describes the contribution of this study as an exemplar illustrating key concepts and theories relating to corruption.

### 6.3.2 Contribution of an Exemplar Illustrating Key Concepts and Theories Relating to Corruption

Numerous researchers have identified the desirability of exemplars (de Graaf, 2007; de Graaf & Huberts, 2008; Dyer & Wilkins, 1991; Jancsics, 2014; Trepte, 2019) to illustrate, validate, interpret, apply, or reject complex concepts and theories in relation to corruption, whilst also noting that there are very few exemplars in the literature because of the paucity of contextual empirical research. For example, Huberts (2010) identified the desirability of exemplars which specifically seek to explain "all types of corruption" (p. 160), whilst others have also identified the need for exemplars in the public sectors of developed countries (de Graaf, 2007; de Graaf & Huberts, 2008; Graycar & Masters, 2018) and in public sector procurement particularly (Graycar, 2019; Trepte, 2019). The scholarly literature also notes a lack of systematic research with a "primary focus on corruption" (Jancsics, 2014, p. 366),

particularly in developed countries (de Graaf, 2007; de Graaf & Huberts, 2008; Graycar & Monaghan, 2015; Villeneuve et al., 2019).

The development of exemplars for a broader range of contexts will allow paradigm progression, including theoretical progression, (Dyer & Wilkins, 1991; Eisenhardt & Ott, 2017; Eisenhardt, 1989, 1991; Eisenhardt & Graebner, 2007), and will also allow corruption controls to be based on a rigorous theoretical and empirical foundation (de Graaf & Huberts, 2008; Jancsics, 2019; Marquette & Peiffer, 2018; Villeneuve et al., 2019).

The contribution of this study as an empirical exemplar illustrating key concepts and theories about corruption has addressed calls for contextual empirical research, and has also addressed several types of research gaps. By providing an empirical exemplar of public sector corruption in a developed country, it has addressed a research neglect gap (Sandberg & Alvesson, 2011); and by providing an empirical exemplar in the specific context of *public sector procurement in Australia*, it has addressed an application gap (Sandberg & Alvesson, 2011). Finally, by identifying the validity of each of the five theories, while simultaneously identifying the insufficiency of any theory alone to comprehensively explain corruption in this context, this study and its findings have provided an exemplar that addresses a confusion gap (Sandberg & Alvesson, 2011) in relation to the theory basis for understanding and explaining corruption. Using the Shepherd and Suddaby (2017) criteria, this study has thus addressed something that was previously insufficiently known, and has provided opportunity for things that were previously known to be re-examined in the light of the findings of this study.

The next section addresses implications for methodology.

## 6.4 IMPLICATIONS FOR METHODOLOGY

This section addresses two implications for methodology arising from this study. These relate to the use of theoretical triangulation for theory validation and the use of multiple case study.

### 6.4.1 Theoretical Triangulation for Theory Validation

This study has contributed to the literature on theoretical triangulation by providing an exemplar of this approach. Theory validation was achieved in this study

via theoretical triangulation (Blaikie, 1991; Burau & Andersen, 2014; Hoque et al., 2013; Ma & Norwich, 2007; van Drie & Dekker, 2013), where the same data were analysed and interpreted using concepts derived from each of the five foundational theories relating to corruption (from the revised theory framework presented in Figure *2.2* in across multiple, purposively selected cases.

This study was explicitly theory-driven (Bradbury-Jones et al., 2014; Mertz & Anfara, 2015; Meyer & Ward, 2014; Wu & Volker, 2009). The theoretical triangulation approach allowed theory comparison (Burau & Andersen, 2014; Flick, 2007a; Jick, 1979) and theory validation (testing) (Meyer & Ward, 2014) to confirm or disconfirm the usefulness (Hillebrand et al., 2001; Johnston et al., 1999; Ma & Norwich, 2007) of each of the five foundational theories in providing a comprehensive explanation of the instances of corruption that were examined in the study.

### 6.4.2 Multiple Case Study

de Graaf and Huberts (2008) noted the value of a multiple case study design for the study of a complex phenomenon like corruption in providing "richer details of actual cases and their contextuality" (p. 641). Jancsics (2014) suggested that corruption research should analyse real-life cases, and provide a rich description of these real world examples of corruption in order to assist the researcher to "integrate the pieces of the complex puzzle of corruption" (p.367). These methodological suggestions were explicitly adopted in this study. The study provides rich detail about the four cases that were included, and considerable time was spent analysing the impact of organisational and institutional context(s) on the way that corruption was understood and explained by participants.

The multiple case study design adopted for this study allowed validation of the usefulness of the five foundational theories about corruption in cases with different contexts and characteristics (de Graaf & Huberts, 2008; Huberts, 2010). This in turn allowed for theoretical prediction (Hillebrand et al., 2001) and theoretical generalisation (Hillebrand et al., 2001; Iacono et al., 2011; Johnston et al., 1999). It also allowed for the generalisation of results within the study via cross-case analysis (Eisenhardt & Graebner, 2007). The ability to draw cross-case conclusions is a major advantage of multiple case methodology (de Graaf et al., 2016; Eisenhardt & Ott, 2017; Eisenhardt, 1989; Johnston et al., 1999), and the cross-case observations of this study have further implications for practice, which are discussed in Section 6.5 below.

## 6.5  IMPLICATIONS FOR PRACTICE

The literature has noted that many organisations display a tendency to adopt in practice a one-size-fits-all approach to understanding and preventing corruption. As noted by Trepte (2019), "the traditional approach has been to apply more of the same, in the belief that there is a single solution to a single problem" (p. 168). Further, as discussed in Chapter 5 and mentioned in Section 6.3.1 above, these single approaches have also tended to draw mainly on concepts from individual factor theories of corruption, such as ERCT and bad apples, an approach identified by numerous scholars as insufficient to comprehensively address the complexity of corruption (Ashforth et al., 2008; de Vries & Sobis, 2016; Heywood, 2017; Marquette & Peiffer, 2018; Persson et al., 2019; Prasad et al., 2019; Villeneuve et al., 2019). Trepte (2019) observed that "the current approach, applying the same remedy to all situations, is demonstrably not working" (p. 170).

The scholarly recognition that a better understanding of the factors that lead to corruption can provide more comprehensive insight into how to explain and prevent it more effectively via targeted anti-corruption activities that draw from a wider theoretical basis (de Graaf, 2007; Jancsics, 2019; Marquette & Peiffer, 2018; Trepte, 2019; Villeneuve et al., 2019) accords closely with the findings from this current study.

The next section discusses the implications of this study for practice in public sector organisations, and Section 6.5.2 addresses the implications for public sector managers.

### 6.5.1 Implications for Public Sector Organisations

A key implication of this study for practice is that public sector organisations could consider whether corruption occurring in their procurement processes is driven by factors conceptualised from the full range of theoretical perspectives, as it was in the organisations included in this study, and as the growing body of literature presented in Chapter 2 and summarised in Appendix B suggests is likely. If so, this implies that organisations might consider adopting a wider array of anti-corruption approaches suggested by and aligned with the key theoretical perspectives, in order to more effectively address complex corrupt behaviour arising in procurement processes. The findings of this study have shown that focusing on the prevention prescriptions of a

single theory has the potential to leave a substantial proportion of corrupt behaviour insufficiently addressed.

Whilst retaining existing anti-corruption activities, public sector organisations could adopt broader anti-corruption measures addressing a wider range of theoretical understandings rather than merely focusing on individual factor theories. These might include developing values-based rather than rules-based codes of conduct (Ashforth & Anand, 2003; Cunningham, 2003; Larmour & Wolanin, 2001; Petrick, 2003; van Blijswijk et al., 2004); greater involvement from supervisors, managers and leaders in creating and maintaining an ethical organisational culture (Balch & Armstrong, 2010; Sims & Brinkmann, 2002, 2003; Treviño et al., 1998; Treviño et al., 2017; Treviño et al., 2000); improvement of organisational support systems, such as confidential probity and ethics advisers (Anand et al., 2004; Ashforth & Anand, 2003; de Graaf & Huberts, 2008; van Blijswijk et al., 2004); whistle-blower programs (Miceli et al., 1991; Roberts et al., 2011; Smith & Brown, 2008; Wortley et al., 2008); and broadening the nature and focus of anti-corruption training provided to employees - beyond merely addressing the procurement and probity rules (Ashforth & Anand, 2003; Ashforth et al., 2008; Boardman & Klum, 2001; de Graaf & Huberts, 2008; van Blijswijk et al., 2004). Additionally, public sector organisations could emphasise that all individuals in the organisation will have their performance evaluated and will be held accountable for the means by which they achieve results, as well as evaluating the results *per se* (Anand et al., 2004; Balch & Armstrong, 2010; Campbell & Göritz, 2014; Sims & Brinkmann, 2002, 2003).

Improvements to anti-corruption training could see training address the necessary legislative and policy compliance requirements for procurement (bad apples, ERCT), provide opportunities to identify and explore real-life ethical dilemmas encountered in procurement, and specifically address how the organisation wants employees to respond to these (bad barrels/orchards, CMV, EPA). Training of this type could be provided to officials at induction into the organisation, periodically as refresher training, whenever there are major policy changes, and whenever an official assumes work functions involving procurement or is promoted.

Broader anti-corruption activities of these types would assist public sector organisations to better address corruption driven by organisational and institutional factors, which were shown by this study to be the two most frequent sources of

explanations of corruption in procurement processes in the NSW public sector. Additionally, public sector organisations should also maintain their traditional anti-corruption activities of auditing, fact and rule-based training, punishment of wrongdoers, and providing integrity policies. These anti-corruption activities address corruption motivated by individual factors (ERCT, bad apples), and are also necessary for a comprehensive anti-corruption program, as this study has shown that ERCT and bad apples factors were also important and widespread in corrupt behaviour in the context of this study.

Finally, the findings of this study suggest that it may be beneficial for corruption prevention if public sector organisations were to consider how to help their private sector suppliers identify more closely with the values, obligations, and ethos of public service. For example, some researchers have identified that corruption requires cooperation between insiders, such as corrupt public officials, and outsiders, such as corrupt suppliers (Frost & Tischer, 2014; Gottschalk, 2012b; Katz, 1979). It may help to reduce corruption opportunities if public sector organisations communicate their ethical principles to external parties, including clients, contractors and suppliers (Boardman & Klum, 2001), and indicate the requirement to comply with these.

Researchers such as van der Wal et al. (2006) and Beck Jørgensen and Rutgers (2014) have questioned the utility of continuing to distinguish the values of the public and private sectors, finding considerable and growing overlap between them. Certainly, in the case of the NSW public sector, the relevant provisions of the ICAC Act expressly obligate people who are not public officials (such as suppliers) but who deal with the public sector to avoid corrupt behaviour. Given the genuine surprise expressed by many corrupt suppliers in this study when behaviour they regarded as normal commercial activity was found to be corrupt by ICAC, it might be a useful anti-corruption activity for public sector organisations to communicate with suppliers regularly, at least about this aspect of the legislation. For all the reasons outlined above, it would seem sensible for public sector organisations to design and implement a supplier engagement framework that expressly addresses the integrity expectations associated with supplying goods and services to the public sector.

### 6.5.2 Implications for Public Sector Managers

This study provides support for the considerable body of literature suggesting that managers play a crucial role in creating organisations with an ethical work climate

and a culture of integrity (Balch & Armstrong, 2010; Brown et al., 2005; Loviscky et al., 2007; Sims & Brinkmann, 2002, 2003; Treviño et al., 2017; Wimbush & Shepard, 1994). Managers are a vital source of role modelling for employees about how they are expected to behave (Ashforth & Anand, 2003; Ashkanasy et al., 2006; Kuenzi et al., 2020; Treviño et al., 1998; Wimbush & Shepard, 1994). Managers do not themselves have to be corrupt to provide poor role models, if they implicitly or explicitly condone, ignore or reward corrupt behaviour (Ashforth & Anand, 2003; Ashkanasy et al., 2006; Brief et al., 2014; Campbell & Göritz, 2014; Sims & Brinkmann, 2002, 2003); particularly if they do not enforce organisational policies in ways that are consistent with the organisation's expectations and the behaviour of other managers (Kuenzi et al., 2020; Wimbush & Shepard, 1994).

In this study, it seemed that most organisations did not lack policies or procedures intended to assist with organisational integrity. Rather, the ICAC Commissioners in all four cases from this study noted that corruption had arisen specifically because organisational anti-corruption and integrity policies were not adequately enforced by managers. This suggests a lived ethical climate (Victor & Cullen, 1988) for employees and managers that did not match the organisationally intended and espoused ethical climate. For example, in Case 2 the ICAC Commissioner noted that "gifts policies and procedures existed at every council and public agency investigated, but the evidence clearly indicates that they alone were not effective controls on staff behaviour" (NSW Independent Commission Against Corruption, 2012b, p. 113). There were numerous examples in Case 2, Case 3 and Case 4 of both managers and employees either not being aware of, not receiving, or receiving but not reading key policies. There were also numerous examples in all four cases of inadequate training to assist managers and staff to understand and interpret the contents of these policies, which were variously described by participants from all job roles as burdensome, complex, changeable, confusing, overwhelming and/or conflicting.

These are fundamental and vitally important issues for the prevention of corruption. If public sector managers and employees do not read, cannot understand and/or do not implement the various organisational anti-corruption and integrity policies, such as codes of conduct, financial delegations, gifts and hospitality policies, and conflict of interest declarations, and if managers do not adequately enforce these

policies, then the policies cannot provide any effective level of corruption control. Given the findings of this study, the significant body of relevant literature, and the direct remarks of the ICAC Commissioners in relation to the instances of corruption, it is clear that public sector managers need to take a consistent and prominent role in explaining, implementing, and enforcing organisational anti-corruption and integrity policies in order to effectively control corruption. Public sector managers should therefore consistently reward, encourage and support ethical behaviour, and should actively discourage, address, and report unethical behaviour. Managers should be alert to their own influence as role models for other employees. The aphorism that the standard you walk past is the standard you accept seems very apt advice for managers wishing to support their employees in ethical behaviour.

The next section addresses the implications of this study for policy.

## 6.6 IMPLICATIONS FOR POLICY

Given the prevalence of normalised corrupt behaviour in the organisations in this study, external scrutiny of public sector organisations takes on significance as a means of detecting and preventing corruption (Adams & Balfour, 2010; Ashforth & Anand, 2003; Gao et al., 2015; Prabowo et al., 2017). External scrutiny is needed when the organisation's management and leadership have become part of normalised organisational corruption, and are therefore not able to effectively or credibly deal with it (Anand et al., 2004; Balch & Armstrong, 2010; Sims & Brinkmann, 2003). As noted by Adams and Balfour (2010), "even with good intentions, organizations (both public and private) are rarely in the best position to be able to perceive their own ethical failures, which suggests the need for external accountability and oversight, not just self-policing" (p. 632). It is also important that the results of corruption investigations are published and publicised (Prabowo et al., 2017). These observations, along with evidence provided by anti-corruption literature (Bautista-Beauchesne & Garzon, 2019; Mungiu-Pippidi, 2015; Mungiu-Pippidi & Dadasov, 2017; Villeneuve et al., 2019), suggest a significant anti-corruption policy role for the use of external probity experts and for the establishment and effective operation of formal independent anti-corruption bodies.

At the time of writing, external scrutiny in the context of public sector procurement processes in the state/territory and local levels of Australian government

is predominantly provided by ICAC-like bodies, which serve the important and necessary role of providing external review, transparency and accountability. A national level integrity body is conspicuously absent in Australia, and Australia continues to fall in the Transparency International Corruption Perception Index rankings, falling to a ranking of 18 in the most recent index (Transparency International, 2022). The popular political arguments that there is no corruption in Commonwealth government procurement, or that existing internal audit processes, codes of conduct and other forms of self-regulation are sufficient, do not seem plausible in the context of the scholarly literature on public sector corruption and the regular investigation of instances of procurement corruption by Australian state and territory anti-corruption bodies.

The next section addresses the limitations of this study.

## 6.7 LIMITATIONS

Qualitative case studies are subject to some limitations which must be recognised. One of these relates to the inability to transfer the findings from the context of this study, procurement processes in the NSW public sector, to other contexts, such as procurement processes in other Australian public sectors or procurement processes in the bureaucracies of other countries.

This common limitation for qualitative case studies has been at least partially addressed by detailed reporting of the methodology, particularly the approach to case selection, detailed description of the case context and characteristics, and the use of existing foundational theories for qualitative thematic content analysis, along with detailed reporting of the results and findings of this study. This approach is intended to provide readers with sufficient detail to allow them to determine for themselves whether the findings of this study might apply in other settings they are familiar with (Iacono et al., 2011; Lincoln & Guba, 1985; Merriam & Tisdell, 2015). This limitation has also been addressed by using a multiple case design to allow for cross-case analysis to better support the potential for generalisation (de Graaf & Huberts, 2008; Eisenhardt & Ott, 2017; Eisenhardt, 1989; Johnston et al., 1999).

In relation to the study of corruption more generally, a further well-recognised limitation is that because corruption is typically carried out in secret,

it is not possible to know how much corruption actually occurs (de Graaf & Huberts, 2008; Graycar, 2019; Huberts, 2010; Jancsics, 2014; Rose-Ackerman, 1999; Treviño et al., 2017), or to determine whether information from detected corruption cases is representative (Gorsira, Denkers, et al., 2018). This limitation was acknowledged by providing sufficient details about the cases included in this present study in order to allow readers to form their own views about the representativeness of the study's findings.

Another methodological limitation of this study relates to the reliance on publicly available transcripts of ICAC hearings and ICAC reports as the data source. This meant that the researcher was not able to directly ask questions of the participants, and instead had to rely on the questions that were asked of them by the ICAC Counsel Assisting. However, as the aim of an ICAC investigation is to understand how and why individuals behaved corruptly, there was a high degree of relevance for this study in the questions asked by ICAC Counsel Assisting, which ameliorated this limitation.

A further limitation associated with using public documents concerns the quality, accuracy and reliability of the public documents used. However, the ICAC transcripts were regarded as high quality documents with a strong level of accuracy, which made them a reliable and valuable source of data. This is because the transcripts were prepared contemporaneously with the hearings, to the standards required of the Supreme Court of NSW by professional court reporters. Further, the ICAC Reports are prepared on behalf of the ICAC Commissioners, and are tabled in the State Parliament of NSW, again implying a high level of quality, accuracy and reliability in their preparation.

Finally, this study did not assign ICAC Counsel Assisting to a unit of analysis or subject their remarks about corruption to the QTCA. The main role of ICAC Counsel Assisting was to provide a framework, through their questioning, that drew explanations of corruption from case participants. Accordingly, ICAC Counsel Assisting only made occasional remarks or explanations of their own in relation to corruption, and were therefore not a rich source of detail in this study. However, it may be desirable to include ICAC Counsel Assisting as a separate unit of analysis in future research.

The next section makes suggestions for future research.

## 6.8    DIRECTIONS FOR FUTURE RESEARCH

This study has shown a clear need to continue to review, validate and expand theory-based frameworks to support more comprehensive interdisciplinary and integrative approaches towards understanding the complex phenomenon of corruption in different contexts. Accordingly, the first suggested direction for future research is for conceptual and empirical work that will contribute to theory validation, theory elaboration and theory progress in relation to the study of corruption.

Second, it would be helpful to develop more exemplars of corruption in a wide range of contexts, including in the context of public sector procurement processes in developed economies. As noted in Chapter 1, there is currently quite a small body of literature addressing this context. There is plenty of scope for other researchers to develop case study exemplars of corruption in the procurement processes of the different states/territories and local government sectors of Australia, as well as in the Australian federal public sector, and also in the public sector procurement processes of other developed nations.

Third, as noted by Prasad et al. (2019), some organisations remain relatively free of corruption for long periods. As part of the development of more exemplars from more contexts, it may be helpful to identify whether any such good examples exist in relation to demonstrable integrity in public sector procurement processes. Such examples may further assist the understanding of corruption by examining which values, principles, practices, contexts or other characteristics of high integrity organisations could be identified, and whether these could be transferred to other organisational contexts.

Fourth, this study has identified a range of explanations of corruption that did not fit neatly into any of the existing discipline-based theories from the modified framework adopted for this study – the explanations that were allocated to the "not covered by theory" category. It would be potentially useful to examine these explanations in more detail to see whether they could be incorporated into any existing theory or theories, or whether new theories need to be developed to accord with these explanations.

Fifth, this study was not able to definitively answer the question of whether context matters in the way that corruption is explained. This would be a most interesting area for further research.

Finally, this study focused on content analysis at the thematic level (category level codes) in order to address the research questions relating to the usefulness of the five key theories for comprehensively explaining corruption. It may be interesting to conduct further analysis at the textual level (content analysis codes) in order to gain a more granular understanding of how corruption was understood and explained by participants in the different cases and from the different units of analysis.

The next section provides a final reflection about the contribution to knowledge made by this study.

## 6.9   FINAL REFLECTION: CONTRIBUTION TO KNOWLEDGE

This thesis has contributed to advancing knowledge about corruption in the context of procurement processes in the NSW public sector in several ways.

First, it has supplemented the identified paucity of empirical literature relating to corruption in the procurement processes of developed nations by contributing an exemplar in this context.

Second, the findings of this study have validated the relevance and applicability of five foundational theories for understanding and explaining corruption in the context of procurement processes in the NSW public sector. The findings have also demonstrated that whilst all theories were useful and relevant in this context, no single theory could comprehensively explain corruption in the cases studied here. This has provided empirical support for the observations of de Graaf and Huberts (2008) that integrative explanations including theories and factors from the three levels - individual, organisational and institutional - are more comprehensive for explaining instances of corruption, and Trepte (2019), that "there has never been an easy answer to combatting corruption in public procurement" (p.170).

Third, the thesis has reflected on the state of theory progression for the study of corruption.

Fourth, the findings of this study have perhaps raised more questions than answers in relation to the importance of context in explanations of corruption, suggesting further complexity of the phenomenon.

Perhaps the last words of this thesis should be a response to the question posed by the recently retired eminent corruption scholar, Professor Leo Huberts, who said "when so many factors at different levels seem to contribute to corruption, an obvious question is what really matters (most)" (p. 152). From the findings of this study, 'an integrated combination of individual, organisational and institutional factors' might be a sound response to this question.

# Appendices

**Appendix A**
**List of ICAC Investigations - Corruption in Procurement Processes - 2006-2016**

The table below lists all the ICAC investigations into procurement corruption in the period selected for this study. ICAC investigations that were selected to form cases for this study have been highlighted in the table below.

| | Operation | Date | Service | Allegation | Sector | Findings of corruption against |
|---|---|---|---|---|---|---|
| 1. | Elgar | 2016 | ICT services | Improper exercise of functions to favour a contractor | University | 1 public official |
| 2. | Tunic | 2016 | Building services | Improper receipt of money to show favour and avoid showing disfavour to contractor, false quotations, false invoicing for work not performed | State government | 4 people<br>1 public official and 3 suppliers |
| 3. | Sonet | 2016 | ICT services | Directing contracts to own company | State government | 1 public official |
| 4. | Yancey | 2015 | Refurbishment of NSW Courthouses | False invoicing for work not performed | State government | 4 people<br>1 public official and 3 suppliers |
| 5. | Vika | 2015 | Catering services | Improper receipt of cash and benefits in exchange for award contract award, false | State government | 3 people<br>1 public official and 2 suppliers |

| | Operation | Date | Service | Allegation | Sector | Findings of corruption against |
|---|---|---|---|---|---|---|
| | | | | invoicing (undersupplying), theft and sale of public equipment | | |
| 6. | Misto | 2015 | IT services | False invoicing | University | 2 people<br>1 public official and 1 supplier |
| 7. | Jarrah | 2015 | Cable laying and construction | Improper receipt of cash, gifts and benefits including vehicles and travel exchange for contract award, private work on his renovations, refraining from issuing non-conformance notices, disclosing commercial information | State government | 7 people<br>1 public official and 6 suppliers |
| 8. | Spector | 2014 | Maintenance and engineering | Improper receipt of cash in exchange for award of contracts | State government | 6 people<br>3 public official and 3 suppliers |
| 9. | Tilga | 2013 | Security services | Improper receipt of gifts and benefits including travel, cash and vehicles in exchange for contract award<br><br>Conflict of interest | University | 7 people<br>1 public official and 6 suppliers |
| 10. | Stark | 2013 | Building services | Improper receipt of cash, gifts and benefits including travel, in exchange for contract award, conflict of interest, inappropriate secondary employment | University | 2 people<br>1 public official and 1 supplier |
| 11. | Crusader | 2012 | Security services | Improper receipt of gifts, benefits and hospitality, in exchange for award of contracts, false invoicing for work not | University | 4 people<br>1 public official and 3 suppliers |

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| | Operation | Date | Service | Allegation | Sector | Findings of corruption against |
|---|---|---|---|---|---|---|
| | | | | performed and work performed for other entities | | |
| 12. | Jarek | 2012 | Wide range of goods and services | Improper receipt of cash, gifts, benefits and hospitality in exchange for award of contracts, over-ordering, false invoicing, conflict of interest | Local government State government | 41 people 23 public officials and 18 suppliers |
| 13. | Barcoo | 2012 | IT services | Conflict of interest in award of contracts, false invoicing | State government | 1 public official |
| 14. | Citrus | 2012 | Temporary IT staff recruitment | Conflict of interest | University | 1 public official |
| 15. | Charity | 2011 | Consulting services | Conflict of interest, false invoicing | State government | 2 suppliers |
| 16. | Corsair | 2010 | Handyman | False invoicing | State government | 5 people 2 public official and 3 suppliers |
| 17. | Kanda | 2010 | Cleaning | Conflict of interest in award of contract | University | 1 person 1 public official |
| 18. | Coral | 2010 | Horticulture and plant hire | Conflict of interest in award of contract, improper secondary employment | State government | 1 person 1 public official |
| 19. | Challenger | 2010 | Excavation and civil engineering services | Improper receipt of cash, gifts of vehicles in exchange for award of contracts, accepting free work on own home | Local government | 2 people 1 public official and 1 supplier |

| | Operation | Date | Service | Allegation | Sector | Findings of corruption against |
|---|---|---|---|---|---|---|
| 20. | Argyle | 2009 | Wide variety of goods and services | Misuse of credit card | State government | 2 public officials |
| 21. | Chaucer | 2009 | Security guard auditing services | False tendering, providing confidential information and assisting a tenderer, false invoicing | State government | 1 public official |
| 22. | Tambo | 2009 | Civil engineering works | Improper receipt of cash, gifts in exchange for award of contracts, providing confidential information and assisting a tenderer | State government | 3 people<br>1 public official and 2 suppliers |
| 23. | Monto | 2008 | Wide range of goods and services | Fraud, bribery, improper secondary employment, conflict of interest, false invoicing, improper receipt of cash, gifts and benefits in exchange for contract award | State government | 31 people<br>15 public officials and 16 suppliers |
| 24. | Mirna | 2008 | Capital works and maintenance | Conflict of interest, improper receipt of cash, gifts in exchange for award of contracts, | State government | 5 people<br>3 public officials and 2 suppliers |
| 25. | Torrens | 2007 | Construction | Forged documents, false tender bids to influence award of contracts | Local government | 2 people<br>1 public official and 1 supplier |
| 26. | Persis | 2007 | Air conditioning | Conflict of interest, improper receipt of cash in exchange for award of contracts | State government | 3 people<br>public officials and 2 suppliers |

| | Operation | Date | Service | Allegation | Sector | Findings of corruption against |
|---|---|---|---|---|---|---|
| 27. | Quilla | 2006 | Traffic management services | False invoicing | State government | 2 people<br>1 public official and 1 supplier |

**Appendix B**
**Literature Recognising Factors from Two or More Levels for Explaining Corruption**

Table Q1 below presents an analysis of literature reviewed for this study that identified factors from two or more levels (individual, organisational, institutional) as helpful for explaining corruption.

Table B1

*Literature Recognising Factors from Two or More Levels for Explaining Corruption*

| Author | Individual Factors | Organisational Factors | Institutional Factors |
|---|---|---|---|
| **Both Individual and Organisational Factors** | | | |
| Appelbaum and Shapiro (2006) | ● | ● | |
| Brief et al. (2014) | ● | ● | |
| Campbell and Göritz (2014) | ● | ● | |
| Feldman (2017) | ● | ● | |
| Felson and Clarke (1998) | ● | ● | |
| Ferrell and Gresham (1985) | ● | ● | |
| Gorsira, Denkers, et al. (2018) | ● | ● | |
| Gottschalk (2012a) | ● | ● | |
| Greenberg (2002) | ● | ● | |
| Henle (2005) | ● | ● | |
| Higgins et al. (1984) | ● | ● | |
| Hunt and Vitell (1986, 2006) | ● | ● | |
| Janis (1982) | ● | ● | |
| Jones (1991) | ● | ● | |
| Kish-Gephart et al. (2010) | ● | ● | |
| Palmer (2013) | ● | ● | |
| Robinson and Greenberg (1998) | ● | ● | |
| Robinson and O'Leary-Kelly (1998) | ● | ● | |
| Sims (1992a, 1992b) | ● | ● | |
| Sims and Brinkmann (2002, 2003) | ● | ● | |
| Skarlicki et al. (1999) | ● | ● | |
| Trepte (2019) | ● | ● | |
| Treviño et al. (1998) | ● | ● | |
| Treviño et al. (2017) | ● | ● | |
| Treviño and Youngblood (1990) | ● | ● | |
| Vaughan (1996) | ● | ● | |
| **Both Organisational and Institutional Factors** | | | |
| Adams and Balfour (2013) | | ● | ● |
| Berthod (2018) | | ● | ● |
| Besharov and Smith (2014) | | ● | ● |

| Author | Individual Factors | Organisational Factors | Institutional Factors |
|---|:---:|:---:|:---:|
| Brass et al. (1998) | | ● | ● |
| Collier (2002) | | ● | ● |
| Gioia (2003) | | ● | ● |
| Petrick (2003) | | ● | ● |
| van der Wal et al. (2008) | | ● | ● |
| Zey-Ferrell et al. (1979) | | ● | ● |
| **Both Individual and Institutional Factors** | | | |
| Bandura (1986, 2006) | ● | | ● |
| Bauhr (2017) | ● | | ● |
| Bozeman (2002) | ● | | ● |
| Cohen and Felson (1979) | ● | | ● |
| Cressey (1986) | ● | | ● |
| Granovetter (2007) | ● | | ● |
| Graycar and Jancsics (2017) | ● | | ● |
| Heath (2008) | ● | | ● |
| Johnston (2005) | ● | | ● |
| Ledeneva (2018) | ● | | ● |
| Marquette and Peiffer (2018) | ● | | ● |
| Morales et al. (2014) | ● | | ● |
| Persson et al. (2013, 2019) | ● | | ● |
| Prasad et al. (2019) | ● | | ● |
| Sampson et al. (2010) | ● | | ● |
| Sommersguter-Reichmann et al. (2018) | ● | | ● |
| Sutherland and Cressey (1978) | ● | | ● |
| Sutherland (1983) | ● | | ● |
| Tiffen (2004) | ● | | ● |
| **All of Individual, Organisational and Institutional Factors** | | | |
| Ashforth et al. (2008) | ● | ● | ● |
| Baron et al. (2013) | ● | ● | ● |
| Bayley (2022) – this study | ● | ● | ● |
| Bayley and Egle (2021) | ● | ● | ● |
| Berggren and Karabag (2019) | ● | ● | ● |
| Brass et al. (1998) | ● | ● | ● |
| de Graaf (2007) | ● | ● | ● |
| de Graaf and Huberts (2008) | ● | ● | ● |
| de Vries (2002) | ● | ● | ● |
| de Vries and Sobis (2016) | ● | ● | ● |
| Dobel (2018) | ● | ● | ● |
| Frank (1988) | ● | ● | ● |
| Gans-Morse et al. (2018) | ● | ● | ● |
| Gottschalk et al. (2012) | ● | ● | ● |
| Huberts (1998) | ● | ● | ● |
| Huberts (2010) | ● | ● | ● |
| Huberts and de Graaf (2014) | ● | ● | ● |

| Author | Individual Factors | Organisational Factors | Institutional Factors |
|---|---|---|---|
| Jancsics (2014, 2019) | ● | ● | ● |
| Misangyi et al. (2008) | ● | ● | ● |
| Muzio et al. (2013) | ● | ● | ● |
| Palmer et al. (2013) | ● | ● | ● |
| Prasad et al. (2019) | ● | ● | ● |
| Punch (2003) | ● | ● | ● |
| Treviño (1986) | ● | ● | ● |
| Vaughan (1999) | ● | ● | ● |
| Villeneuve et al. (2019) | ● | ● | ● |

**Appendix C**
**Initial Qualitative Thematic Content Analysis Coding Schema**

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Examples of Possible Statements (Codes) Made by Participants Suggesting this Category |
|---|---|---|---|---|
| **Economic rational choice theory (ERCT)**<br><br>(Key concept: self-interest) | Corrupt individuals carry out cost/benefit analysis when considering corrupt action and corrupt behaviour occurs when the perceived benefits are greater than the perceived costs. | Accounts of corrupt actions that refer to cost benefit analysis, other economic concepts, greed, financial self-interest, importance of penalties and detection as deterrents. | Yes, but does not care. | 1. "The benefits were worth the risk"<br>2. "I was motivated by the money"<br>3. "I was having financial problems and this seemed like a way to solve them"<br>4. "I did not think I would get caught" |
| **Bad apples**<br><br>(Key concept: personal weakness) | Corrupt individuals have personal weaknesses or moral failings that lead to them behave corruptly. | Accounts of corrupt actions that refer to a personal weakness or moral failing as an antecedent to corruption. | Maybe, but does not take responsibility. | 1. "I had a gambling problem/drug addiction etc"<br>2. "I wanted nicer things than I could afford"<br>3. "I wanted people to notice me/respect me/like me"<br>4. "I wanted to show how clever I was"<br>5. "I was stupid"<br>6. "The devil (some personal characteristic) made me do it" |
| **Bad barrels/orchards**<br><br>(Key concept: that's how we do things)<br><br>**Bad barrels/orchards** | Individuals are infected with corruption because the corporate culture and ethical climate of their workplace make them behave corruptly in order to fit in, or because the corrupt behaviour is so normalised or widespread that | Accounts of corrupt actions that refer to the importance or prevalence of organisational pressures and organisational culture as antecedents of the corruption. | No, that's how things are around here. | 1. "Everyone else was doing it"<br>2. "That's how we do things around here"<br>3. "The rules don't apply to me/us"<br>4. "I had to break the rules to fit in/ I did not want to stand out" |

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Examples of Possible Statements (Codes) Made by Participants Suggesting this Category |
|---|---|---|---|---|
| | individuals no longer recognise it as corrupt.<br><br>Includes slippery slope explanations where individuals take small steps towards corruption in order to fit in and are then surprised to find how far they have moved towards corruption or that they cannot stop the corrupt behaviour. | | | 1. "I was afraid of (some punishment) if I didn't do what I was told/what everyone else was doing"<br>2. "No one was really hurt by what I did"<br>3. "They deserved it"<br>4. "You have no right to judge me - others do worse things"<br>5. "I've earned the right to do that"<br>6. "What I did was not wrong"<br>7. "The law/rule is wrong, so I should not have to follow it"<br>8. "You don't understand"<br>9. "In these circumstances, I had to …"<br>10. "Slippery slope" metaphors |
| **Clash of moral values**<br><br>(Key concept: conflicting loyalties) | Individuals have both public (work) roles and obligations, and private roles and obligations and sometimes these are in conflict. In satisfying one important set of values or obligations, the individual violates other important values or obligations.<br><br>Classic conflict of interest situations. | Accounts of corrupt actions that refer to incompatible roles or values and an inability to simultaneously satisfy both, or a decision to prioritise private roles and obligations over public roles and obligations. | Yes, and cares, but was overwhelmed by another, competing obligation. | 1. "I did it for my family"<br>2. "I did it for my friend/or some other higher obligation"<br>3. "They needed my help"<br>4. "I felt torn"<br>5. "I agonised over this decision"<br>6. "It was hard to know what was the right thing to do"<br>7. "There was no easy choice"<br>8. "I was damned if I did and damned if I didn't" |

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Examples of Possible Statements (Codes) Made by Participants Suggesting this Category |
|---|---|---|---|---|
| **Ethos of public administration**<br><br>(Key concept: obligations specific to public service) | There is a special organisational culture that applies to the public sector and clearly defines acceptable and unacceptable behaviour in a public role. Corrupt behaviour arises when a public official decides to achieve a result by whatever means are necessary, and does not pay proper attention to public sector processes. | Accounts of corrupt actions that refer to specific public sector concerns such as the pressures of modern public service (doing more with less, being business-like, getting a result, cutting red tape) or political pressures. | Maybe, but dismisses it as less important than getting the job done. | 1. "I was too overworked/overwhelmed by reforms to properly fulfil all my obligations at work"<br>2. "I thought we were supposed to operate more like businesses and less like the public sector now"<br>3. "I had to do this to get the result"<br>4. "I did not get any personal gain"<br>5. "I was not influenced in my decision making by this gift/entertainment" |

# Appendix D
## Revised Qualitative Thematic Content Analysis Coding Schema

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Codes Retained from Original Coding Schema | New Codes | Merged or Deleted Codes |
|---|---|---|---|---|---|---|
| **Economic rational choice theory (ERCT)**<br><br>Key concept: self-interest | Corrupt individuals carry out cost/benefit analysis when considering corrupt action and corrupt behaviour occurs when the perceived benefits outweigh the perceived costs. | Accounts of corrupt actions that refer to cost benefit analysis, other economic concepts, greed, financial self-interest, importance of penalties and detection as deterrents. | Yes, but does not care. | 1. "The benefits were worth the risk"<br>2. "I was motivated by the money"<br>3. "I was having financial problems and this seemed like a way to solve them"<br>4. "I did not think I would get caught" | 1. "I had my own business", "I kept the money for myself" (added) | |
| **Bad apples**<br><br>Key concept: personal weakness | Corrupt individuals have personal weaknesses or moral failings that lead them to behave corruptly. | Accounts of corrupt actions that refer to a personal weakness or moral failing as an antecedent to corruption. | Maybe, but does not take responsibility. | 1. "I had a gambling problem/drug addiction etc"<br>2. "I wanted to show how clever I was"<br>3. "I was stupid"<br>4. "The devil (some personal characteristic) made me do it" | 1. "I did it because I could"<br>2. "I knew it was wrong, but I did it anyway"<br>3. "I wanted to move up" | 1. "I wanted nicer things than I could afford" (deleted)<br>2. "I wanted people to notice me/respect me/like me |
| **Bad barrels/orchards**<br><br>Key concept: that's how we do things | Individuals are infected with corruption because the corporate culture and ethical climate of their workplace make them behave corruptly in order to fit in, or because the | Accounts of corrupt actions that refer to the importance or prevalence of organisational pressures and organisational culture as | No, that's how things are around here. | 1. "Everyone else was doing it"<br>2. "That's how we do things around here"<br>3. "The rules don't apply to me/us" | 1. "It's none of your business"<br>2. "It's not my job - it's not my place to question things" | 1. "The law/rule is wrong, so I should not have to follow it" (deleted) |

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Codes Retained from Original Coding Schema | New Codes | Merged or Deleted Codes |
|---|---|---|---|---|---|---|
| | corrupt behaviour is so normalised or widespread that individuals no longer recognise it as corrupt.<br><br>Includes slippery slope explanations where individuals take small steps towards corruption, in order to fit in, and are then surprised to find how far they have moved towards corruption or that they cannot stop the corrupt behaviour. | antecedents of the corruption. | | 4. "I had to break the rules to fit in", "I did not want to stand out"<br>5. "I was afraid of (some punishment) if I didn't do what I was told/what everyone else was doing"<br>6. "No one was really hurt by what I did"<br>7. "They deserved it"<br>8. "You have no right to judge me - others do worse things"<br>9. "I've earned the right to do that"<br>10. "What I did was not wrong"<br>11. "You don't understand"<br>12. "In these circumstances I had to …"<br>13. "Slippery slope" metaphors | | |
| **Clash of moral values**<br><br>Key concept: conflicting loyalties | Individuals have both public (work) roles and obligations, and private roles and obligations and sometimes these are in conflict. In satisfying one | Accounts of corrupt actions that refer to incompatible roles or values and an inability to simultaneously satisfy both, or a decision to | Yes, and cares, but was overwhelmed by another, competing obligation. | 1. "I did it for my family"<br>2. "I did it for my friend or some other higher obligation"<br>3. "They needed my help" | 1. "I owed some loyalty to this business/ contractor"<br>2. "I used to work with him/her" | 1. "I felt torn" (merged with "It was a hard choice")<br>2. "I agonised over this decision" (merged with "It was a hard choice") |

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Codes Retained from Original Coding Schema | New Codes | Merged or Deleted Codes |
|---|---|---|---|---|---|---|
| | important set of values or obligations, the individual violates other important values or obligations.<br><br>Classic conflict of interest situations. | prioritise private roles and obligations over public roles and obligations. | | 4. "It was a hard choice" | 3. "My cultural background led to me doing this" | 3. "It was hard to know what was the right thing to do" (merged with "It was a hard choice")<br>4. "I was damned if I did and damned if I didn't" (deleted) |
| **Ethos of public administration**<br><br>Key concept: obligations specific to public service | There is a special organisational culture that applies to the public sector and clearly defines acceptable and unacceptable behaviour in a public role. Corrupt behaviour arises when a public official decides to achieve a result by whatever means are necessary, and does not pay proper attention to public sector processes. | Accounts of corrupt actions that refer to specific public sector concerns such as the pressures of modern public service (doing more with less, being business-like, getting a result, cutting red tape) or political pressures. | Maybe, but dismisses it as less important than getting the job done. | 1. "I was too overworked/ overwhelmed by reforms to properly fulfil all my obligations at work"<br>2. "I thought we were supposed to operate more like businesses and less like the public sector now"<br>3. "I had to do this to get the result"<br>4. "I did not get any personal gain"<br>5. "I was not influenced in my decision making by this gift/entertainment" | | |
| **'not covered by theory'** | Explanations that were not clearly applicable to an existing theme/theory. | These codes were generated inductively from the data because they represented | Variable. | | 1. "I deny it"<br>2. "I didn't know it was wrong"<br>3. "I don't know why I did it" | |

| Category Name | Category Definition | Code Description | Recognises Own Behaviour Was Wrong? | Codes Retained from Original Coding Schema | New Codes | Merged or Deleted Codes |
|---|---|---|---|---|---|---|
| | | recurring explanations offered by participants that did not fit neatly within one of the existing *a priori* codes/categories. | | | 4. "I don't recall"<br>5. "I tried to make it right"<br>6. "I was unaware it was happening"<br>7. "Let me explain"<br>8. Minimising involvement - "I didn't receive that much money", "I wasn't doing it for that long"<br>9. "There is no explanation for what I did" | |

**Appendix E**
**Content Analysis Code Descriptions**

| Category | Content analysis code label | Description of code |
|---|---|---|
| Economic Rational Choice Theory (ERCT)<br><br>5 content analysis codes | Conflict of interest - self interest | Explanations of classic personal conflict of interest, where the individual receives a benefit (financial or otherwise) for themselves or their business as a result of their decisions and actions. |
| | Cost benefit | Explanations where the individual calculates the benefits of corrupt behaviour against the risks (financial or otherwise). |
| | Financial problem | Explanations where the behaviour was motivated by specific financial problems or financial need. |
| | Profit motive | Explanations where the motivation is about business financial gain. |
| | Won't be caught | Explanations where the individual indicates a belief that they would not be caught. |
| Bad apples<br><br>7 content analysis codes | Because I could | Explanations where the individual says they did it because the opportunity presented itself. |
| | I have a weakness | Explanations relating to some form of personal weakness such as gambling, drug addiction, personality characteristics or similar. |
| | I knew it was wrong | Explanations where the individual knew at the time that their behaviour was wrong, but they did it anyway. |
| | I'm clever | Explanations indicating a desire to show how smart the individual was. |
| | I want to move up | Explanations relating to a desire to be promoted or receive some form of advancement. |
| | I want your attention | Explanations indicating a desire to be noticed, appreciated, respected or admired by others. |
| | I was stupid | Explanations indicating the individual's behaviour was irrational, operating on autopilot or without thinking, being habituated, being unaware of context or similar. |

| Category | Content analysis code label | Description of code |
|---|---|---|
| Bad barrels/orchards

15 content analysis codes | Balancing the ledger | Explanations where the individual feels their action was justified because they were "owed" something to restore balance in the relationship. |
| | Blame the victim | Explanations claiming the victim deserved, was responsible for or caused the corrupt behaviour. |
| | Don't judge | Explanations claiming that others, especially outsiders, have no right to judge their behaviour, or that others are doing much worse things. |
| | Everyone was doing it | Explanations that try to legitimise the behaviour because everyone else was doing the same thing, or at least knew what was happening (complicit). |
| | I was afraid | Explanations where the individual expresses fear of negative consequences (eg losing job, losing contracts) if they don't behave corruptly. |
| | In these circumstances | Explanations where individuals feel that in the circumstances, or in their position, what they did was reasonable, normal or necessary. |
| | It's none of your business | Explanations claiming that ICAC's questions are not relevant, or that the situation is a private matter, or none of ICAC's business. |
| | It's not my job/ not my place | Explanations claiming that it was not up to them to try to correct, change or report corrupt behaviour that they observed or participated in. |
| | It's not wrong | Explanations based on the individual's belief that what they did was not actually wrong. |
| | No victim | Explanations which claim that as no one was hurt or damaged by the behaviour, it was not wrong. |
| | Slippery slope | Explanations recognising that small steps can eventually lead to big corruption, where individuals are not sure how they ended up where they did, where individuals express feeling trapped in corrupt behaviour and unable to stop because of earlier minor transgressions. |

| Category | Content analysis code label | Description of code |
|---|---|---|
| Bad barrels/orchards (continued) | That's how we do things here | Explanations focusing on how things are actually done in practice in the particular organisation or relationship, irrespective of how things are supposed to be done. |
| | The rules don't apply | Explanations indicating that the individual feels that organisational rules, policies, procedures or the law etc do not apply to them or their circumstances. |
| | To fit in | Explanations relating to the individual's need to fit in/be accepted (to a team, situation, relationship, organisation etc), or at least not to stand out. |
| | You don't understand | Explanations based on the idea that outsiders cannot understand how/why/what was done. |
| Clash of moral values

7 content analysis codes | Conflict of interest - employment | Explanations referring to conflict of interest between public or workplace duty and sense of obligation arising from a present, future, or previous employment relationship. |
| | Conflict of interest- business | Explanations referring to conflict of interest between public or workplace duty and sense of obligation arising from a present, future, or previous business relationship. |
| | Conflict of interest - family | Explanations referring to a conflict of interest between public or workplace duty and sense of obligation arising from a family relationship. |
| | Conflict of interest - friends | Explanations referring to conflict of interest between public or workplace duty and sense of obligation arising from a friendship relationship. |
| | Cultural Background | Explanations where the individual claims that their behaviour was culturally driven. |
| | Hard choice | Explanations indicating the individual felt a degree of tension about the decision to behave corruptly, or was torn between obligations, or otherwise found the situation difficult. |
| | Help me! | Explanations where the individual claims their behaviour was motivated by the desire or obligation to help someone else, and was not motivated by self-interest. |

| Category | Content analysis code label | Description of code |
|---|---|---|
| Ethos of public administration<br><br>6 content analysis codes | Be business-like | Explanations relating to pressure on the public sector to be more business-like in its activities. |
| | For the greater good | Explanations recognising that maybe the choices or behaviour were wrong, but that there was a bigger principle or greater good in play. |
| | No personal gain | Explanations that the corrupt behaviour did not generate any personal gain. |
| | Not influenced | Explanations where the individual recognises that the intention may have been to influence their decision, but denies that they were in fact influenced. |
| | Resourcing | Explanations where the corrupt behaviour is explained by being overwhelmed, overworked, understaffed or similar. |
| | To get results | Explanations where the individual claims that the ends justified the means, that the result was more important than the process, that they were under pressure to get a result by any means possible or similar. |
| 'not covered by theory'<br><br>9 content analysis codes | I deny it | Explanations where the individual denies the behaviour or motivation attributed to them. |
| | I didn't know it was wrong | Explanations claiming that, at the time, the individual was not aware/did not know that their actions were wrong. |
| | I don't know why | Explanations where the individual does not deny their actions, but is unable to say why they took those actions. |
| | I don't recall | Explanations where the individual claims they cannot remember. |
| | I tried to make it right | Explanations where the individual accepts that their initial behaviour was wrong (corrupt), and explains that they had subsequently taken steps to make things right again. |
| | I was unaware | Explanations claiming that the individual was unaware that the corrupt behaviour was occurring. |

| Category | Content analysis code label | Description of code |
|---|---|---|
| 'not covered by theory' (continued) | Let me explain | Covers situations where the individual offers alternative explanations for their behaviour, which cast the behaviour as non-corrupt. |
| | Minimising involvement | Explanations where the individual disputes the amount of money involved in their corrupt behaviour or the length of time over which they committed corrupt acts or otherwise seeks to minimise their involvement in the corrupt behaviour. |
| | No explanation | Explanations expressly stating that there is no particular reason or explanation for their actions. |

# Appendix F
## Example of Coding Using ICAC Transcript and nVivo Software

The example below shows the process by which data from an ICAC Transcript was coded using nVivo12 Plus software. Identifying details of individuals have been redacted from this example.

Eighteen new inductive content analysis codes were added after the first coding pass as a result of participants making statements that did not fit within the *a priori* content analysis codes developed for this study. Nine of these new codes could be allocated to one of the existing theory-based categories from the framework synthesised for this study. The remainder were added to a new inductively generated category, which was called "'not covered by theory'" because they could not readily be allocated to one of the existing categories.

### *Content analysis codes added to the ERCT category*

#### *New inductive code -conflict of interest – self interest*

This code was added to cover statements such as "I had my own business" and "I kept the money for myself". These clearly indicated a motivation related to financially based self-interest, that is consistent with the ERCT category. It was added to distinguish these situations from the more general financial motivations of greed or need.

### *Content analysis codes added to the bad apples category*

#### *New inductive code – "because I could"*

This code was added to cover statements where the person said they did the corrupt action because the opportunity presented itself. This statement was identified as representing an opportunistic moral failing, which fits within the bad apples (personal weakness) category.

#### *New inductive code – "I knew it was wrong"*

This code was added to cover statements where the person indicated that they knew their behaviour was wrong, but they chose to do it anyway. This was taken as a form of moral failing, which fits within the bad apples (personal weakness) category.

#### *New inductive code – "I wanted to move up"*

This code was added to cover statements indicating that the corrupt behaviour was undertaken for the purpose of advancing the individual's career, rather than following the usual processes for career advancement. This was taken as a form of self-interested personal weakness, which fits within the bad apples (personal weakness) category. It is not a directly financially motivated weakness, which would fit better into ERCT explanations.

### *Content analysis codes added to the bad barrels/orchards category*

*New inductive code – "it's none of your business"*

The code "it's none of your business" covered situations where the corrupt person refused to explain their actions to ICAC because they did not feel ICAC had any right to that line of enquiry. This was a form of refusal to be judged by an outsider, a form of group ethical climate which rejected the right of outsiders to make legitimate enquiry into the actions of an in-group. These explanations fitted within the bad barrels/orchards category.

*New inductive code – "it's not my job/not my place"*

This code covered statements such as "it wasn't my job to stop them"; "I just got on with my own work" or "it wasn't my place to interfere". This was taken as a form of wilful blindness that allowed a person to ignore corrupt actions. This may have been because they were afraid of the consequences of challenging or reporting the behaviour, or because the behaviour was widely normalised in the workplace. These explanations fitted within the bad barrels/orchards category.

### *Content analysis codes added to the clash of moral values category*

*New inductive code – conflict of interest - business*

This code was added to address situations where the corrupt person felt some type of obligation to a business or company that was in conflict with their obligations of impartiality in the public sector workplace. This may have been because of a prior, current or anticipated business relationship. This type of conflict of interest indicated a CMV explanation.

*New inductive code – conflict of interest - employment*

This code was added to address situations where the corrupt person felt some type of obligation because of a prior, current or anticipated employment relationship, that was in conflict with their obligations of impartiality in the public sector workplace. This type of conflict of interest indicated a CMV explanation.

*New inductive code – cultural background*

This code was added to address situations where the corrupt person said that their actions were driven by some type of cultural obligation, that was in conflict with their obligations of impartiality in the public sector workplace. This type of conflict of interest indicated a CMV explanation.

### *New inductive category – "'not covered by theory'"*

The new category "'not covered by theory'" was added to address explanations generated inductively from the data that appeared either to potentially fit into several of the existing theory-based categories, or did not appear to fit any of the categories. Nine new content analysis codes under this category were generated inductively from the data. Each of the codes from this new category is briefly explained below.

#### *New inductive code - "I deny it"*

Many corrupt people denied the behaviour that they were accused of during the public hearings. These denials were often made in the face of compelling independent evidence that the corrupt behaviour had in fact occurred. Flat denial in the face of compelling contradictory evidence could be regarded as a form of bad apple (personal weakness) behaviour, indicating that the individual was unwilling to scrutinise and accept their own behaviour. It could also be a form of individual evasive refusal to answer a question that casts the person in a bad light (bad apples). Alternatively, it could also be a form of collusive, orchestrated, collective response where multiple corrupt people agreed to just deny the charges (bad apples, or maybe bad barrels/orchards) in order to frustrate the inquiry. Whilst a non-corrupt person would also genuinely use this explanation, if accused of corrupt behaviour, the assumption for this study is that people who were the subject of corruption findings from ICAC were in fact actually corrupt. Therefore it was assumed that their denials were not genuine.

#### *New inductive code - "I didn't know it was wrong"*

This code was added to cover situations where the corrupt person said that, at the time they took their corrupt actions, they were not aware that these actions were wrong. There are many possible reasons for such ignorance, including neglecting to inform themselves of their obligations (bad apples); lying about their knowledge (bad apples); not receiving necessary information, training or other support from their organisation (bad barrels/orchards); policy turmoil and complexity leading to frequent changes and confusion (bad barrels/orchards); or because everyone around them was doing it, possibly even their supervisors, leading them to think that the behaviour was acceptable because it was common and widespread (bad barrels/orchards).

*New inductive code - "I don't know why I did it"*

This code covered responses where the person did not deny their actions, but was unable to say why they took those actions. This response may indicate an unwillingness to scrutinize their own behaviour (bad apple), or it may be that the person has scrutinized their behaviour and still has no understanding of their own motivation.

*New inductive code - "I don't recall"*

This code was applied to responses where the corrupt person indicated that they could not remember or recall their actions, or the reason(s) for their actions. As most public hearings took place several years after the corrupt events that were being investigated, the statement "I don't recall" could be a genuine statement of forgetfulness. It could also be a form of individual evasive refusal to answer a question that casts the person in a bad light (bad apples), or a form of collusive, orchestrated, collective response where multiple corrupt people agree to just claim they don't recall to frustrate the inquiry (bad apples, or maybe bad barrels/orchards).

*New inductive code "I tried to make it right"*

A small number of corrupt people accepted that their initial behaviour had been wrong (corrupt), and explained that they had subsequently taken steps to make things right again. These actions included paying back money obtained corruptly, giving the gifted items to charity, and reporting their own actions to the organisation or to ICAC. A small number of corrupt people also explained their behaviour by saying that they had not used the gift items, therefore their actions were not wrong. ICAC clarified in Operation Jarek that it is the act of receiving the gifts and failing to declare them to the employer that is corrupt, irrespective of whether the gifts were used (NSW Independent Commission Against Corruption, 2012b, p. 47). These actions were usually individual choices, and were not common in the cases. This code does not fit neatly into the corruption framework, and it may be regarded as a form of positive deviance motivated by individual factors.

*New inductive code "I was unaware it was happening"*

This code covers explanations that the person was unaware that corrupt activity was occurring. This relates to a person's obligation to report corrupt or suspected corrupt behaviour that they observe around them, or that they participate in. There are many possible reasons for such ignorance, including neglecting to inform oneself of

their obligations to report (bad apples) or wilful blindness to behaviours that should have alerted them to potential corrupt activity. Wilful blindness could arise because an individual chose to look the other way out of laziness (bad apples); because they were afraid to call out the behaviour (bad barrels/orchards), or because they felt it was not their place to call it out (bad barrels/orchards). It is also possible that the person was genuinely and blamelessly unaware that the corrupt behaviour was occurring because the corrupt person was so effective in covering it up.

*New inductive code "Let me explain what I did/why I did it"*

The code "let me explain" was created to cover situations where corrupt individuals offered an explanation for their behaviour that rejected the explanation put to them by ICAC counsel. However, most alternative explanations offered by people found to be corrupt were regarded by the ICAC Commissioners as implausible considering the evidence presented at the hearing. These denials may demonstrate a level of self-delusion, or an unwillingness to scrutinize or accept responsibility for one's own actions, and thus would potentially be a form of bad apple (personal weakness) behaviour. "Let me explain" may also reveal that the person has adopted a different perspective or set of values in relation to the behaviour to those explicitly or implicitly implied by the ICAC counsel. In this case, the behaviour may indicate a CMV explanation.

*New inductive code - "Minimising involvement"*

The code "minimizing involvement" was created to cover situations where the corrupt individual disputed the amount of money involved in their corrupt action ("I didn't receive that much money") or the length of time over which they committed corrupt acts ("I wasn't doing it for that long"), or otherwise tried to minimise their own involvement in the corrupt behaviour. These statements could demonstrate a personal denial of the extent of corrupt behaviour despite evidence to the contrary (bad apples); habituation to the corruption so that it did not seem so bad (bad apples); or rationalization and normalization of the corrupt behaviour because it was common and widespread and therefore not registered as corrupt (bad barrels/ orchards).

*New inductive code "There is no explanation for what I did"*

This code covered situations where the person explicitly said that they could offer no explanation for their behaviour. This appeared to cover situations where the

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person has scrutinized their behaviour and still has no explanation. Further research may reveal whether this code could be merged with "I don't know why".

# Appendix H
## QUT Human Ethics Approval – Low Risk

From: Human Ethics Advisory Team <humanethics@qut.edu.au>
Sent: Thursday, 10 November 2016 12:06 PM
To: Hitendra Pillay <h.pillay@qut.edu.au>; Craig Furneaux <c.furneaux@qut.edu.au>; Ruth Bayley <ruth.bayley@hdr.qut.edu.au>
Cc: Deborah Smith <d3.smith@qut.edu.au>
Subject: Ethics application - approved - 1600001049

Dear Prof Hitendra Pillay and Ruth Bayley

Project Title: Why did they do it? Explaining public sector procurement corruption

Ethics Category:      Human - Low Risk
Approval Number:   1600001049
Approved Until:       9/01/2022
                             (subject to receipt of satisfactory progress reports)

We are pleased to advise that your application has been reviewed and confirmed as meeting the requirements of the National Statement on Ethical Conduct in Human Research.

I can therefore confirm that your application is APPROVED.
If you require a formal approval certificate please advise via reply email.

CONDITIONS OF APPROVAL
Please ensure you and all other team members read through and understand all UHREC conditions of approval prior to commencing any data collection:
> Standard: Please go to http://www.orei.qut.edu.au/human/stdconditions.jsp
> Specific:   None apply

Decisions related to low risk ethical review are subject to ratification at the next available UHREC meeting. You will only be contacted again in relation to this matter if UHREC raises any additional questions or concerns.

Whilst the data collection of your project has received QUT ethical clearance, the decision to commence and authority to commence may be dependent on factors beyond the remit of the QUT ethics review process. For example, your research may need ethics clearance from other organisations or permissions from other organisations to access staff. Therefore the proposed data collection should not commence until you have satisfied these requirements.

Please don't hesitate to contact us if you have any queries.

We wish you all the best with your research.

Kind regards


Janette Lamb / Debbie Smith
    on behalf of Chair UHREC
Office of Research Ethics & Integrity
Level 4  |  88 Musk Avenue  |  Kelvin Grove
+61 7 3138 5123  /  3138 4673
humanethics@qut.edu.au

# Appendix I
## ICAC Permission to Use Documents

From: Roy Waldon <rwaldon@icac.nsw.gov.au>
Sent: Wednesday, 19 October 2016 4:51 PM
To: Ruth Bayley <ruth.bayley@hdr.qut.edu.au>
Cc: Hitendra Pillay <h.pillay@qut.edu.au>
Subject: RE: Request to use ICAC transcripts and reports for doctoral research into corruption [SEC=UNCLASSIFIED]

Dear Ms Bayley

The Commission consents to the use of its transcripts and reports for the purpose identified in your email of 10 October 2016.

Regards


Roy Waldon
Solicitor to the Commission
NSW Independent Commission Against Corruption
Level 7, 255 Elizabeth Street Sydney NSW 2000
Ph: 02 8281 5999
email: rwaldon@icac.nsw.gov.au


From: Ruth Bayley [mailto:ruth.bayley@hdr.qut.edu.au]
Sent: Monday, 17 October 2016 12:15 PM
To: Roy Waldon
Cc: 'Hitendra Pillay'
Subject: FW: Request to use ICAC transcripts and reports for doctoral research into corruption

Dear Mr Waldon

Thank you for your time on the phone today. As mentioned, I have forwarded you the email I sent earlier to a general information address seeking permission to use certain ICAC transcripts and reports for my doctoral research. All the relevant details are in the email below.

Please let me know if you require any further information to assist your decision making process.

best regards

Ruth

Ruth Bayley
HDR Student n9053000
Queensland University of Technology
+61 (0)419265347

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From: Ruth Bayley [mailto:ruth.bayley@hdr.qut.edu.au]
Sent: Monday, 10 October 2016 2:05 PM
To: 'icac@icac.nsw.gov.au'
Cc: Hitendra Pillay
Subject: Request to use ICAC transcripts and reports for doctoral research into corruption

Dear ICAC

I am a PhD student studying externally at Queensland University of Technology, and as part of my research program, I request permission to use the hearing transcripts and reports that can be downloaded from the ICAC web site for the following ICAC operations:

Operation Coral
Operation Jarek
Operation Monto
Operations Tilga
Operation Misto
Operation Stark
Operation Crusader
Operation Citrus
Operation Kanda
Operation Elgar

My research is entitled "Why did they do it? Explaining public sector procurement corruption". My study aims to validate a range of existing theories that seek to explain corruption against the explanations given by people who have been investigated for allegations of corruption to determine the explanatory power of the theories. The theories under consideration in my study are economic rational choice, bad apple, bad barrel, bad orchard, clash of moral values and ethos of public administration. Each of these theories proposes a different explanation for corruption, and therefore leads to a particular, theory-specific approach to corruption prevention. I am hoping to discover which of the theories (probably more than one of them) can assist in understanding the motivations for corrupt behaviour in public sector procurement, which may in turn lead to more focused anti-corruption efforts by public sector organisations. The research will be a qualitative case study using thematic content analysis of the requested documents. Despite the public documents containing people's names and other details, I am proposing to protect the identity of individuals and organisations named in the ICAC documents by assigning them a pseudonym for the purposes of my research.

This research is part of a doctoral program at QUT and will not generate financial profit.

I would be very pleased to answer any further questions that you may have in order to consider my request. I have also included the email address details of my primary supervisor, Professor Hitendra Pillay, should you wish to confirm anything directly with him.

I would also be pleased to share the results of my research with ICAC, once I have permission from the university to do so.

Best regards and thank you
Ruth

Ruth Bayley
HDR Student n9053000
Queensland University of Technology
+61 (0)419265347

_____

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not to be regarded as a communication from the Commission.

# Appendix J
# Details of Corrupt Public Officials – Case 2

Table J1

*Details of Corrupt Public Officials – Case 2*

| Pseudonym | Years of Service | Position/Duties | Location | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|---|
| JAR01 | 13 | Street Maintenance Coordinator | Greater Western Sydney | Loyalty schemes | $1,000 in gift vouchers | Resigned | Given by corrupt supplier JAR6 and JAR34 |
| JAR02 | 17 | Stores Officer | Remote | Loyalty schemes | $2,550 in gift vouchers<br>2 Driazabone coats | Final Warning<br>Delegation removed<br>Repaid $5750 | Given by corrupt supplier JAR26 |
| JAR03 | 17 | Team Leader (acting), Maintenance | Sydney CBD | Loyalty schemes | $450 in gift vouchers | Demoted 2 levels | Given by corrupt supplier JAR34 |
| JAR04 | 11 | Plumber | Sydney Metro | Loyalty schemes | $1,450 in gift vouchers | Resigned | Given by corrupt supplier JAR34 |
| JAR05 | 16 | Team Leader, Civil Maintenance | Sydney CBD | Loyalty schemes | $350 in gift vouchers | No action at time of ICAC Report | Given by corrupt supplier JAR34 |
| JAR06 | 20 | Senior Storesperson | Regional | Loyalty schemes | Gift vouchers<br>Alcohol<br>Tickets to events<br>Accommodation<br>Overseas holidays x 2 | Dismissed<br>Serving a 4 year jail term | Given by corrupt suppliers JAR30, JAR32, and JAR39 |
| | | | | False invoicing | $344,000 | | Conducted with corrupt suppliers JAR24, JAR30, JAR 33, JAR35, JAR37, and JAR39 |

| Pseudonym | Years of Service | Position/Duties | Location | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|---|
| JAR07 | 2 | Team Leader, Water and Sewer | Regional | Loyalty schemes | Camcorder ($349)<br>TV/DVD set x 3 ($689 each)<br>iPhone ($885)<br>Weber BabyQ ($271) | Resigned | Given by corrupt supplier JAR28 |
| JAR08 | 34 | Sewer Technician | Regional | Loyalty schemes | $1,650 in gift vouchers | Disciplinary action | Given by corrupt supplier JAR29 |
| JAR09 | 16 | Parks Supervisor | Sydney CBD | Loyalty schemes | $1250 in gift vouchers<br><br>DVD player ($150)<br>GPS navigation system<br>Screwdriver set ($110)<br>High pressure cleaner<br>DVD player ($150) | Demoted to gardener | Given by corrupt suppliers JAR34, and JAR41 |
| JAR10 | 27 | Storesperson | Regional | Loyalty schemes | $1150 in gift vouchers<br>Bar clamps ($?)<br>Coffee maker ($138)<br>Duffel bags x 4 ($192)<br>Jacket ($60)<br>GPS ($395)<br>Coffee machine ($121)<br>Welding helmet ($200)<br>Jigsaw ($120)<br>TV/DVD unit ($755)<br>Set top box HD ($195)<br>Portable airconditioner ($495)<br>Camcorder ($349)<br>Dyson vacuum cleaner ($665)<br>Torque jacket ($116) | Resigned<br>Serving a 4 year jail term | Given by corrupt suppliers JAR40, and JAR41 |
| | | | | False Invoicing | $23,000 | | Conducted with corrupt suppliers JAR33, JAR35, and JAR39 |

| Pseudonym | Years of Service | Position/Duties | Location | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|---|
| JAR11 | 6 | Supervisor, Plant and Pumping Stations | Regional | Loyalty schemes | Bladeless fan ($429)<br>12 bottles wine ($240)<br>Water purifier ($229)<br>High pressure cleaner ($169)<br>Laptop ($895) | Suspended without pay 21 days<br>Demoted to lower position<br>Final Warning | Given by corrupt supplier JAR41 |
| JAR12 | 14 | Stores Officer | Remote | Loyalty schemes | $3,650 in gift vouchers | Suspended with pay 7 days | Given by corrupt supplier JAR29 |
| JAR13 | 9 | Storesperson | Regional | Loyalty schemes | $500 in gift vouchers | Resigned | Given by corrupt supplier JAR32 |
| JAR14 | 18 | Coordinator, Cleansing and Waste | Greater Western Sydney | Loyalty schemes | $800 in gift vouchers | Resigned | Given by corrupt supplier JAR34 |
| JAR15 | 24 | Drainage Overseer | Regional | Loyalty schemes | $1,150 in gift vouchers | Resigned | Given by corrupt supplier JAR29 |
| JAR16 | 30 | Supervisor, Wastewater Treatment Plant | Regional | Loyalty schemes | $200 in gift vouchers<br>Coffee maker<br>Jobsite radio<br>iPod x 6<br>iPhone x 3<br>High pressure cleaner | Resigned | Given by corrupt suppliers JAR27, and JAR29 |
| JAR17 | 18 | Maintenance Supervisor | Sydney Metro | Loyalty schemes | $3,650 in gift vouchers | Resigned | Given by corrupt supplier JAR34 |
| JAR18 | 32 | Team Leader | Sydney Metro | Loyalty schemes | $450 in gift vouchers<br>Holiday to Batemans Bay<br>DVD player<br>Drizabone coat | ICAC recommended disciplinary action be taken | Given by corrupt suppliers JAR24, and JAR26 |
| JAR19 | 16 | Storesperson/ handyman | Sydney CBD | Loyalty schemes | $3,200 in gift vouchers | ICAC recommended | Given by corrupt supplier JAR34 |

| Pseudonym | Years of Service | Position/Duties | Location | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|---|
| | | | | | | disciplinary action be taken | |
| JAR20 | 16 | Storesperson | Regional | Loyalty schemes | $500 in gift vouchers DVD player | Resigned | Given by corrupt supplier JAR32 |
| JAR21 | 26 | Depot Superintendent | Sydney Metro | Loyalty schemes | $3,350 in gift vouchers | Resigned | Given by corrupt supplier JAR34 |
| JAR22 | 25 | Supervisor, Parks Operations | Sydney Metro | Loyalty schemes | $2,100 in gift vouchers | Resigned | Given by corrupt supplier JAR34 |
| JAR23 | 2 | Plant Operator | Regional | Loyalty schemes | iPod ($395) DVD player ($150) High pressure cleaner ($169) | Indefinite suspension without pay Resigned | Given by corrupt supplier JAR41 |

**Appendix K**
**Details of Corrupt Public Officials – Case 3**

Table K1

*Details of Corrupt Public Officials – Case 3*

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| MON01 | 23 | Project Site Supervisor | Improper use of position (as a public official)<br><br>False invoicing (as a supplier) | Unclear | Resigned | MON01 was employed for 23 years by Organisation D and resigned shortly before Organisation D planned to dismiss him for repeated failure to adhere to procurement policies. He was then re-engaged as a supplier to Organisation D. Because it was difficult to attribute his explanations for corrupt behaviour between his time as a public official and as a supplier, MON01's responses were not included in the results. He is included in this table for completeness.<br><br>Using the authority of his position as a public official in Organisation D, MON01 awarded contracts to the businesses of two corrupt suppliers, MON21 and MON26, in exchange for corrupt payments of an undetermined amount.<br><br>As a supplier to Organisation D, he participated in a false invoicing scheme supported by MON03. |
| MON02 | 20 | Project Manager<br><br>Allocation of welding contracts | Conflict of interest<br><br>False invoicing | $1.3 million | Dismissed | Using the authority of his position, MON02 exclusively directed wirefeed welding contracts at Organisation D to Company AO, a company he had secretly established and operated with corrupt supplier MON31.<br><br>Benefitted from false invoices submitted by Company AO. |
| MON03 | 11 | Operations Manager (contractor)<br><br>Allocation of plant hire contracts | False invoicing | Unclear | Unclear | Worked with MON01, and participated in false invoicing scheme. |

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| MON04 | 15 | Construction worker<br><br>Procurement of labour hire and plant hire | Improper use of position<br>False invoicing | $500,000 | Resigned | Was friends with MON30.<br><br>Using the authority of his position, MON04 awarded contracts to the businesses of five corrupt suppliers, MON17, MON20, MON24, MON25 and MON30 in exchange for corrupt payments.<br><br>He also participated in a false invoicing scheme with these corrupt suppliers and shared in the proceeds. |
| MON05 | 41 | Labourer | Conflict of interest | $377,000 | Unknown | During his employment with Organisation D, MON05 operated a business, Company AS, which provided trucks for hire under contract to Organisation D. He did not take steps to conceal his involvement with Company AS, and he did not make a conflict of interest declaration or request permission for secondary employment as he was required to do. |
| MON06 | 18 | Team Leader | Improper use of position<br>False invoicing | Unclear | Dismissed | Using the authority of his position, MON06 awarded contracts to the businesses of two corrupt suppliers, MON18 and MON21, in exchange for large cash payments of an undetermined amount.<br><br>He also assisted corrupt public official MON13 by influencing other employees of Organisation D to award contracts to Company AR, which was secretly owned and operated by MON13.<br><br>He assisted in concealing corrupt activity by MON13 by certifying invoices and supporting documents submitted by Company AR as correct for payment by Organisation D. |
| MON07 | 7 | Civil engineer<br><br>Procurement of maintenance work and plant hire | Improper use of position<br>False invoicing | $110,000 | Dismissed | MON07 had a close personal friendship with the corrupt supplier MON19, including attending each other's homes for special family events and MON07 was a guest at MON19's buck's night and wedding. |

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| | | | | | | Using the authority of his position, MON07 awarded contracts to MON19's business in exchange for corrupt payments. |
| | | | | | | He also participated in a false invoicing scheme with MON19 and shared in the proceeds. |
| MON08 | Not stated | Team member | Improper use of position | Unclear | Unknown | MON08 reported to MON13. |
| | | | | | | He certified a number of invoices for Company AR for payment at the behest of MON13, despite knowing that Company AR was operated by MON13 without approval, and that the work had been performed without approval by MON05, another corrupt public official employed at Organisation D. |
| MON09 | 31 | Project Supervisor Procurement of services | Improper use of position False invoicing | $140,000 | Dismissed | Using the authority of his position, MON09 awarded contracts to the businesses of three corrupt suppliers, MON23, MON27 and MON23, in exchange for corrupt payments. |
| | | | | | | He also participated in a false invoicing scheme with the corrupt suppliers and shared in the proceeds. |
| MON10 | 9 | Project Accountant | Improper use of position | $500,000 | Dismissed | MON10 concealed his ownership of a business which provided cleaning services under contract to Organisation D, and personally benefitted from these contracts. |
| MON11 | 30 | Team Leader Procurement of services | False invoicing | Unclear | Resigned | Worked in the same location as MON04 but in a different team. |
| | | | | | | MON11 told MON04 that he was in need of money, and they agreed to participate in a false invoicing scheme with the corrupt supplier MON25 and to share the proceeds. |
| | | | | | | MON11 also allowed corrupt supplier MON30 to pay legal fees owed by MON11. |
| MON12 | 38 | Construction worker | False invoicing | Unclear | Unknown | Was MON06's second-in-charge. |
| | | | | | | He participated in false invoicing arrangements with MON06. |

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| MON13 | 30 | Team Leader | Conflict of interest<br>False invoicing | $211,000 | Resigned | MON13 concealed his ownership of a business, Company AR, which provided plant and equipment under contract to Organisation D and personally benefitted from these contracts. |
| MON14 | 11 | Project Engineer<br><br>Procurement of labour hire and plant hire | False invoicing | $30,000 | Dismissed | Worked with MON04 for 2 years.<br><br>MON14 approved a number of the false invoices submitted by the five corrupt suppliers as arranged by MON04 and received payment of up to $30,000 from MON04 for doing so. |
| MON15 | 6 | Contracts Relationship Manager (contractor)<br><br>Approving and processing invoices | False invoicing | $481,000 | Resigned | MON15 submitted false invoices for her own contract employment.<br>She assisted corrupt supplier MON 30 to submit false invoices in exchange for corrupt payment. |
| MON16 | 6 | Safety Officer | False invoicing | $33,000 | Dismissed | Reported to MON02 and assisted in false invoicing by approving falsified timesheets. |

## Appendix L
## Details of Corrupt Public Officials – Case 4

Table L1

*Details of Corrupt Public Officials – Case 4*

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| CIT01 | 5 | Manager, ICT Field Services University A | Conflict of interest | Not stated | Resigned | CIT01 secretly owned and operated an IT labour hire company, Company N, with his wife, and failed to declare this interest. Using the authority of his position at University A, he awarded contracts worth over $1,578,000 to Company N and secretly benefited from these contracts. |
| CRU01 | 11 | Manager, Campus Services University B | False invoicing  Conflict of interest  Gifts, benefits, and hospitality | Not stated | Suspended, then resigned | CRU01 arranged with corrupt suppliers CRU02, CRU03 and CRU04 to submit false invoices to University B. He certified these as correct for payment and corruptly shared in the proceeds.  CRU also accepted free meals, alcohol and hospitality including tickets to events from CRU02, CRU03 and CRU04.  CRU01 corruptly favoured the companies represented by corrupt suppliers CRU02, CRU03 and CRU04 in the award of contracts at University B so that he would continue to receive corrupt benefits from these suppliers. This was a conflict of interest. |
| ELG01 | 2 | Head of ICT Projects University A | Conflict of interest | Unclear if any money received | Resigned | ELG01 arranged for contracts with University A worth approximately $1.6m to be awarded to a business associate, without declaring their relationship. |

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| KAN01 | 3 | Manager, Site Services University A | Conflict of interest | $154,000 | Resigned | KAN01 secretly owned a cleaning company, Company L, with her then husband, and failed to declare this interest. Using the authority of her position at University A, she awarded contracts worth over $350,000 to Company L and secretly benefited from these contracts. |
| MIS01 | 2 (Uni A) 3 (Uni D) 2 (Uni E) | Manager, IT University A University D University E | False invoicing | Not stated | Resigned (University D) (Resigned University A) Dismissed (University E) | MIS01 arranged with corrupt supplier MIS02 to submit false invoices for payment at University D, University A, and University E (chronologically). He also arranged for corrupt supplier MIS03 to submit false invoices for payment at University E. MIS01 approved these invoices for payment by the Universities, despite knowing that they were false. MIS01 shared in the proceeds of the false invoices. <br><br> The three false invoices submitted by MIS01 at University D had a value of $17,750; the nine invoices submitted at University A had a value of $43,065, and the three invoices submitted at University E had a value of $97,350. The single false invoice submitted by MIS02 at University E had a value of $10,450. <br><br> MIS01 also had an undeclared close personal friendship with MIS02, to whom he regularly awarded contracts at all three universities. |
| STA01 | 12 | Manager Engineering Services University C | Inappropriate use of position Gifts, benefits, and hospitality Conflict of interest False invoicing | $119,325 $78,753 | Dismissed | Using the authority of his position at University C, STA01 solicited and accepted payments from four supplier companies in exchange for awarding contracts. Only one of these, STA02 of Company E, was found corrupt by ICAC. <br><br> STA01 accepted overseas travel and other gifts from two supplier companies, although ICAC did not find either of these companies corrupt. |

| Pseudonym | Years of Service | Position/Duties | Type of corruption | Corrupt proceeds (estimate) | Outcome | Comment |
|---|---|---|---|---|---|---|
| | | | | | | STA01 accepted secondary employment with Company F, which held a contract at the time with University C, and did not disclose this arrangement to the University.<br><br>STA01 also issued the companies that paid him bribes or kickbacks with invoices for his own professional services to provide a rationale for the payments they made to STA01. |

Table M1

*Content Analysis Code Level Results - Case 1*

| | Unit of analysis – individual | Unit of analysis - organisational | Unit of analysis - institutional |
|---|---|---|---|
| | **Corrupt public official** | **Non-corrupt public sector manager** | **ICAC Commissioner** |
| | **Count** | **Count** | **Count** |
| Total # people in Case 1 in this job role | **1** | **1** | **1** |
| **Category: ERCT** | | | |
| **Content analysis codes:** | | | |
| Cost Benefit | 1 | | 1 |
| Profit Motive | 1 | | 1 |
| Self Interest | | | 1 |
| | | | |
| **Category: Bad apples** | | | |
| **Content analysis codes:** | | | |
| I Have a Weakness | 1 | | |
| I Knew It Was Wrong | | | 1 |
| I Was Stupid | 1 | | 1 |
| | | | |
| **Category: Bad barrels/orchards** | | | |
| **Content analysis codes:** | | | |
| Blame the Victim | 1 | | |
| Everyone Was Doing It | 1 | | |
| I Was Afraid | 1 | | 1 |
| It's None of Your Business | | | 1 |
| It's Not Wrong | 1 | | |
| Slippery Slope | 1 | | |
| That's How We Do Things Here | 1 | 1 | 1 |
| The Rules Don't Apply | | | 1 |
| | | | |
| **Category: Clash of moral values** | | | |
| **Content analysis codes:** | | | |
| Conflict of Interest - Family | 1 | | |
| Conflict of Interest - Friends | 1 | 1 | 1 |
| | | | |
| **Category: 'not covered by theory'** | | | |
| **Content analysis codes:** | | | |
| I Don't Know Why | 1 | | |
| I Was Unaware | | | 1 |
| Let Me Explain | 1 | | |
| No Explanation | 1 | | |

Count = total number of people offering this explanation

# Appendix N
## Illustrative Content Analysis Coding for Each Category in Case 1

This appendix contains illustrative examples identified in the ICAC transcripts and reports for Case 1 for each of the categories in the framework used for this study. These have been broken down by content analysis code.

### ERCT category content analysis coding

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data. Three of these codes, being "profit motive", "cost benefit" and "conflict of interest - self interest", were identified in Case 1. The table below presents examples of explanations that were coded to content analysis codes for the ERCT category in this case.

Table N1

*Examples of Explanations Coded to ERCT Category - Case 1*

| **Explanations coded to "cost benefit"** | |
|---|---|
| ICAC Counsel Assisting: | *"Do you agree that you didn't declare a conflict of interest because you were at risk of losing the business?"* |
| Corrupt public official: | "Possibly." (NSW Independent Commission Against Corruption, 2010c, pp. 160-161). |
| **Explanations coded to "profit motive"** | |
| ICAC Counsel Assisting: | *"But your way of getting out the profits, which was the whole point of being in a business, was to you, was to say, well, I'm owed those directors fees?"* |
| Corrupt public official: | "Well, it could've been directors' fees or dividends." (NSW Independent Commission Against Corruption, 2010c, p. 138). |
| **Explanations coded to "conflict of interest – self interest"** | |
| ICAC Commissioner: | "COR01 deliberately failed to declare his conflicts of interest or to seek Organisation A approval for secondary employment in order to conceal his involvement in Organisation A contract work and thereby continue to benefit financially from that work." (NSW Independent Commission Against Corruption, 2010a, p. 21). |

### Bad apples category content analysis coding

The bad apples category comprised seven content analysis codes (see Appendix E), which were used to interrogate the data. Three of these content codes, being "I was stupid", "I knew it was wrong" and "I have a weakness", were identified in Case 1. The table below presents examples of explanations that were coded to content analysis codes for the bad apples category in this case.

Table N2

Examples of Explanations Coded to Bad Apples Category - Case 1

| Explanations coded to "I was stupid" | |
|---|---|
| ICAC Counsel Assisting: | *"Did you think at the time that you signed this document well, I'm a [sic] chain the process of getting my friend paid, I should disclose this relationship?"* |
| Corrupt public official: | "In hindsight, yes", (NSW Independent Commission Against Corruption, 2010c, p. 126). |
| ICAC Commissioner: | "He denied that this was the result of a deliberate decision on his part, saying that he did not get around to correcting the work orders."(NSW Independent Commission Against Corruption, 2010a, p. 17). |
| **Explanations coded to "I knew it was wrong"** | |
| ICAC Commissioner: | "COR01 accepted that he knew what his obligations regarding conflict of interest were from at least 1994 when he was appointed as a Senior Client Services Officer. He also agreed that there are some aspects of conflict of interest that are so obvious that one does not need to be told about them." (NSW Independent Commission Against Corruption, 2010a, p. 17). |
| **Explanations coded to "I have a weakness"** | |
| ICAC Counsel Assisting: | *"You said [in a tender to win work] that the work completed during the five years had a contract value of $3.5 million. Was that accurate?"* |
| Corrupt public official: | "No…Everyone exaggerates to get the job…There was no basis for that figure. It was just, it sounds good." (NSW Independent Commission Against Corruption, 2010c, p. 147). |

### *Bad barrels/orchards content analysis coding*

This category comprised 15 content analysis codes (see Appendix E), which were used to interrogate the data. Eight of these codes, being "blame the victim", "everyone was doing it", "I was afraid", "it's none of your business", "it's not wrong", "slippery slope", "that's how we do things here", and "the rules don't apply", were identified in Case 2. The table below presents examples of explanations that were coded to content analysis codes for the bad barrels/orchards category in this case.

Table N3

*Examples of Explanations Coded to Bad Barrels/Orchards Category - Case 1*

| Explanations coded to "blame the victim" | |
|---|---|
| ICAC Counsel Assisting: | *"Well you've already made it clear that what's in here [tender] is not necessarily true, it's just what you wanted to convey to Organisation D…Isn't it possible you wanted to make it look better as though you'd been running this company since 2002?"* |
| Corrupt public official: | It'd be a typing mistake. I'm sure when they [Organisation D] did the checks on the company, they would've realised it was 2004 not 2002." (NSW Independent Commission Against Corruption, 2010c, p. 160). |

| Explanations coded to "everyone was doing it" | |
|---|---|
| Corrupt public official: | "Everyone exaggerates to get the job." (NSW Independent Commission Against Corruption, 2010c, p. 147). |

| Explanations coded to "I was afraid" | |
|---|---|
| ICAC Commissioner: | "And you never thought that they [contractor to Organisation A] might be concerned that if they didn't do business with you [via own secret company], you might start saying adverse things about them to Organisation A?" (NSW Independent Commission Against Corruption, 2010c, p. 104). |

| Explanations coded to "it's none of your business" | |
|---|---|
| ICAC Commissioner: | "Well, he (COR01) did previously agree with it, but he seems to have gone back this morning to saying that he didn't think he had to declare a conflict of interest because he was once removed from Organisation A." (NSW Independent Commission Against Corruption, 2010c, p. 160). |

| Explanations coded to "it's not wrong" | |
|---|---|
| ICAC Counsel Assisting: | *"Did you ever discuss with them this conflict between the two positions* [Company R (owned by COR01) subcontracting to Company T to do work for Organisation A, whilst being an employee of Organisation A]*?"* |
| Corrupt public official: | "Not really." |
| ICAC Counsel Assisting: | *"Well what does not really mean?"* |
| Corrupt public official: | "Well, no, because, because we were the third party all the scheduling and the prices was all set. There was no way I could influence anything." (NSW Independent Commission Against Corruption, 2010d, p. 104). |

| Explanations coded to "slippery slope" | |
|---|---|
| ICAC Counsel Assisting: | *"And you made a deliberate decision not to have them* [false work orders] *corrected?"* |
| Corrupt public official: | "I didn't make a deliberate decision, I just didn't correct it…I just didn't, I just let it go." (NSW Independent Commission Against Corruption, 2010c, p. 102). |

| Explanations coded to "that's how we do things here" | |
|---|---|
| ICAC Counsel Assisting: | *"And those contracts were rolled over in the same fashion as the contract with Company S* [without any tender process]*?"* |
| Non-corrupt public sector manager: | "That was the practice in those times, yes." (NSW Independent Commission Against Corruption, 2010c, p. 29). |
| ICAC Commissioner: | "COR03 [non-corrupt public sector manager] said that there were other casual contracts apart from those held by Company S which were also rolled over in the same fashion as the Company S contracts. (NSW Independent Commission Against Corruption, 2010a, p. 13). |

| Explanations coded to "the rules don't apply" | |
|---|---|
| ICA Commissioner: | "Company S, a company of which COR02 [friend and business partner of COR01] was the sole director and shareholder, obtained a casual lawns and grounds maintenance contract from Organisation A in 2001, which was subsequently renewed on a number of occasions until 2007 without undergoing any competitive process."(NSW Independent Commission Against Corruption, 2010a, p. 20). |

*Clash of moral values category content analysis coding*

This category comprised seven content analysis codes (see Appendix E) which were used to interrogate the data. Two of these codes, "conflict of interest - friends" and "conflict of interest – family" were identified in Case 1. The table below presents examples of explanations that were coded to content analysis codes for the CMV category in this case.

Table N4

*Examples of Explanations Coded to Clash of Moral Values Category - Case 1*

| Explanations coded to "conflict of interest – friends" | |
|---|---|
| ICAC Counsel Assisting: | *"Well, you were a friend of COR02?"* |
| Corrupt public official: | "Yes." |
| ICAC Counsel Assisting: | *"... You didn't tell anyone about that?"* |
| Corrupt public official | "Well, I didn't know I had to disclose all my friends to everybody." |
| ICAC Counsel Assisting: | *"No, you don't but when one of them's getting a $2.6 million contract that might be something different, mightn't it?"* |
| Corrupt public official: | (NO AUDIBLE REPLY)." (NSW Independent Commission Against Corruption, 2010c, p. 125). |
| ICAC Counsel Assisting: | *"Is it fair to say that in the circumstances whereby a friend of yours is seeking payment you should not be involved in approving the payment?"* |
| Non-corrupt public sector manager: | "That's correct." (NSW Independent Commission Against Corruption, 2010c, p. 25). |
| ICAC Commissioner: | "…deliberately failing to declare a conflict of interest arising from his relationship with his friend COR02, whose company Company S was used by COR01 [corrupt public official] to conceal his and Company R's involvement in Organisation A's contract work, in order to retain the work and continue to benefit financially from it." (NSW Independent Commission Against Corruption, 2010a, p. 6). |
| Explanations coded to "conflict of interest – family" | |
| Corrupt public official: | "We're, we're 50/50 in everything we do. He may not be a director of Company R, but he's still my brother." (NSW Independent Commission Against Corruption, 2010c, p. 136). |
| Corrupt public official | "So, there was no really formal arrangement, just my brother, like you know, if you can't deal with your brother, your family, who can you deal with?" (NSW Independent Commission Against Corruption, 2010c, p. 140). |

*Ethos of public administration category content analysis coding*

This category comprised five content analysis codes (see Appendix E), which were used to interrogate the data. None of these codes were identified in Case 1.

### 'Not covered by theory' category content analysis coding

This category comprised nine inductively generated content analysis codes (see Appendix E). Four of these codes, being "I don't know why", "I was unaware", "let me explain" and "there is no explanation" were identified in Case 1. The table below presents examples of explanations that were coded to content analysis codes for the 'not covered by theory' category in this case.

Table N5

*Examples of Explanations Coded to 'Not Covered by Theory' Category - Case 1*

| **Explanations coded to "I don't know why"** | |
|---|---|
| ICAC Counsel Assisting: | "COR01, did you tell Company T that the work orders were in the wrong company name?" |
| Corrupt public official: | "I don't know. I may have, I may not have. I don't know." (NSW Independent Commission Against Corruption, 2010a, p. 103). |

| **Explanations coded to "I was unaware"** | |
|---|---|
| ICAC Commissioner: | "COR01 said he did not notify Organisation A of his relationship with Company S because there was no relationship, nor of his friendship with COR02 because he did not realise at the time that he had an obligation to do so." (NSW Independent Commission Against Corruption, 2010a, p. 18). |

| **Explanations coded to "let me explain"** | |
|---|---|
| ICAC Counsel Assisting: | "*So did it ever occur to you that* [Company T] *might be minded to favour your company* [Company R, which was a sub-contractor to Company T] *because you could start telling Organisation* A [where COR01 worked as a public official, and where Company T held a major contract] *that they weren't working properly if they didn't?*" |
| Corrupt public official: | In my role as acting team leader, I really had no say whatsoever. I would go to these meetings with numerous other asset management people and all the rest of it. They [Company T] would know Organisation A did it's [sic] own auditing of all the jobs. So they would check all the work to make sure it was done and it was done properly. So really I, even if I wanted to, there's no way I could put in a good word for them, because then it had to be backed up." (NSW Independent Commission Against Corruption, 2010c, p. 104). |

| **Explanations coded to "there is no explanation"** | |
|---|---|
| ICAC Counsel Assisting: | "*How could you justify that* [deciding that working as a subcontractor to a company with a contract to his employer was not a conflict of interest], *what would be the logic behind that?*" |
| Corrupt public official: | "There is no logic, I can't explain, I can't justify it." (NSW Independent Commission Against Corruption, 2010c, p. 151). |

Table O1

*Content Analysis Code Level Results - Case 2*

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis- institutional |
|---|---|---|---|---|---|---|---|
| | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioner |
| | Count | %* | Count | %* | Count | %* | Count |
| Total # people in Case 2 in this job role | 23 | | 18 | | 4 | | 1 |
| **Category: ERCT** | **8** | **35%** | **15** | **83%** | **1** | **25%** | **1** |
| **Content analysis codes:** | | | | | | | |
| Profit motive | 3 | 13% | 12 | 67% | - | | 1 |
| Cost benefit | 4 | 17% | 9 | 50% | 1 | 25% | 1 |
| Financial problem | 3 | 13% | 1 | 6% | - | | 1 |
| Conflict of interest – self-interest | - | | - | | - | | 1 |
| Won't be caught | - | | - | | - | | 1 |
| | | | | | | | |
| **Category: Bad apples** | **22** | **96%** | **12** | **67%** | **1** | **25%** | **1** |
| **Content analysis codes:** | | | | | | | |
| I was stupid | 15 | 65% | 10 | 56% | - | | 1 |
| I knew it was wrong | 15 | 65% | 2 | 11% | - | | 1 |
| I have a weakness | 8 | 35% | 3 | 17% | 1 | 25% | 1 |
| | | | | | | | |

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis- institutional |
|---|---|---|---|---|---|---|---|
| | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioner |
| | Count | %* | Count | %* | Count | %* | Count |
| **Category: Bad barrels/orchards** | **13** | **57%** | **14** | **78%** | **2** | **50%** | |
| **Content analysis codes:** | | | | | | | |
| Slippery slope | 7 | 30% | 3 | 17% | 2 | 50% | 1 |
| That's how we do things here | 5 | 22% | 11 | 61% | - | | 1 |
| It's not wrong | 5 | 22% | 8 | 44% | - | | 1 |
| Everyone was doing it | 4 | 17% | 6 | 33% | | | 1 |
| I was afraid | 1 | 4% | - | | - | | 1 |
| It's not my job/not my place | 1 | 4% | 5 | 28% | - | | - |
| To fit in | - | | 2 | 11% | - | | - |
| You don't understand | - | | 2 | 11% | - | | - |
| Balancing the ledger | 1 | 4% | 1 | 6% | - | | - |
| In these circumstances | 1 | 4% | - | | - | | 1 |
| Blame the victim | 1 | 4% | - | | - | | - |
| The rules don't apply | - | | - | | - | | 1 |
| | | | | | | | |
| **Category: Clash of moral values** | **10** | **43%** | **3** | **17%** | **1** | **25%** | **1** |
| **Content analysis codes:** | | | | | | | |
| Conflict of interest - friends | 7 | 30% | 1 | 6% | 1 | 25% | 1 |
| Help me! | 2 | 9% | 2 | 11% | - | | 1 |
| Hard choice | 2 | 9% | - | | - | | - |
| Conflict of interest - family | - | | 1 | 6% | - | | - |
| Cultural background | 1 | 4% | - | | - | | - |
| | | | | | | | |

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis- institutional |
|---|---|---|---|---|---|---|---|
| | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioner |
| | Count | %* | Count | %* | Count | %* | Count |
| **Category: Ethos of public administration** | **16** | **70%** | **0** | **0%** | **3** | **75%** | **1** |
| **Content analysis codes:** | | | | | | | |
| I wasn't influenced | 15 | 65% | - | | 2 | 50% | 1 |
| To get results | 3 | 13% | 1 | 6% | - | | - |
| To be business like | - | | - | | 1 | 25% | - |
| | | | | | | | |
| **Category: 'Not covered by theory'** | **20** | **87%** | **17** | **94%** | **1** | **25%** | **1** |
| **Content analysis codes:** | | | | | | | |
| Minimising involvement | 15 | 65% | 4 | 22% | - | | 1 |
| I didn't know it was wrong | 9 | 39% | 10 | 56% | - | | 1 |
| Let me explain | 6 | 26% | 14 | 78% | - | | - |
| I deny it | 6 | 26% | 7 | 39% | 1 | 25% | - |
| I don't know why | 4 | 17% | - | | - | | - |
| I don't recall | 4 | 17% | - | | - | | - |
| There is no explanation | 2 | 9% | - | | - | | 1 |
| I didn't use the gifts | 2 | 9% | - | | - | | - |
| I tried to make it right | 2 | 9% | - | | - | | - |
| I was unaware | 1 | 4% | 2 | 11% | - | | - |

Count = total number of people offering this explanation

%* =percentage of total number of people in this job role in Case 2

# Appendix P
## Illustrative Content Analysis Coding for Each Category in Case 2

A content analysis code was regarded as important for analysis if it was mentioned by at least 30% of participants in a UoA. Content analysis codes mentioned by the single ICAC Commissioner were not included.

### ERCT category content analysis coding

This category comprised five content analysis codes (see Appendix E), which were used to interrogate the data. Two of these codes, being "profit motive" and "cost benefit", were important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the ERCT category that were important in this case.

Table P1

*Examples of Explanations Coded to ERCT Category - Case 2*

| **Explanations coded to "profit motive"** | |
|---|---|
| ICAC Counsel Assisting: | *"You don't want one sale, you want a whole series of sales to the one customer?"* |
| Corrupt supplier | "Yes." (NSW Independent Commission Against Corruption, 2011, p. 249). |
| **Explanations coded to "cost benefit"** | |
| ICAC Counsel Assisting | *"You were prepared to engage in conduct that you knew was wrong because there was something in it for you, is that correct?"* |
| Corrupt supplier: | "Well, it's an order, yes, sir, that's how I run a business so like if I didn't get orders coming in I wouldn't have a business." (NSW Independent Commission Against Corruption, 2011, pp. 972-973). |
| ICAC Counsel Assisting: | *"Didn't you want…to make sure that you would be properly rewarded for the risks you were taking?"* |
| Corrupt public official: | "Oh, oh, I knew I'd get something out of it." (NSW Independent Commission Against Corruption, 2011, p. 1181). |

### Bad apples category content analysis coding

The bad apples category comprised seven content analysis codes (see Appendix E), which were used to interrogate the data. Three of these content codes, being "I was stupid", "I knew it was wrong" and "I have a weakness", were important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the bad apples category that were important in this case.

Table P2

*Examples of Explanations Coded to Bad Apples Category - Case 2*

| **Explanations coded to "I was stupid"** | |
| --- | --- |
| Corrupt public official: | "I was naïve and stupid." (NSW Independent Commission Against Corruption, 2011, p. 622). |
| Corrupt public official: | "I realised…just how stupid and gullible I was."(NSW Independent Commission Against Corruption, 2011, p. 732). |
| Corrupt supplier: | "It [giving vouchers to public officials] was a stupid mistake." (NSW Independent Commission Against Corruption, 2011, p. 1133). |
| **Explanations coded to "I knew it was wrong"** | |
| ICAC Counsel Assisting: | *"And you knew right from the start that that was wrong* [accepting vouchers]*?"* |
| Corrupt public official: | "Yes, I did." (NSW Independent Commission Against Corruption, 2011, p. 560). |
| **Explanations coded to "I have a weakness"** | |
| ICAC Counsel Assisting: | *"So you were tempted really?"* |
| Corrupt public official: | "I was tempted, yes." (NSW Independent Commission Against Corruption, 2011, p. 560). |
| Corrupt public official: | "Lack of responsibility from my part." (NSW Independent Commission Against Corruption, 2011, p. 409). |

### *Bad barrels/orchards content analysis coding*

This category comprised 15 content analysis codes (see Appendix E), which were used to interrogate the data. Four of these codes, being "slippery slope", "that's how we do things here", "it's not wrong" and "everyone was doing it", were important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the bad barrels/orchards category that were important in this case.

Table P3

*Examples of Explanations Coded to Bad Barrels/Orchards Category - Case 2*

| **Explanations coded to "slippery slope"** | |
| --- | --- |
| ICAC Counsel Assisting: | *"What you're saying is, that it all started off with the gift voucher, then it got the gift vouchers increased that included accommodation and other items, then you started defrauding."* |
| Corrupt public official: | "Correct, sir, yes." (NSW Independent Commission Against Corruption, 2011, p. 830). |
| ICAC Counsel Assisting: | "…The JAR06/JAR39 fraud did not start with the large scale cheating into which it grew…in hindsight, a definite pattern emerges. The pattern commences with what might seem to be lesser inducements or incentives to do more business by placing more orders with ones [sic] supplier. This stage can be characterised as a form of grooming. The supplier providing the incentive, in truth a kickback, is encouraging the placement of more and bigger orders". (NSW Independent Commission Against Corruption, 2011, pp. 3-4). |

| Explanations coded to "that's how we do things here" | |
|---|---|
| Corrupt supplier: | "It [giving gift vouchers]was the done thing so I just carried on." (NSW Independent Commission Against Corruption, 2011, p. 25). |
| Corrupt public official: | "I don't think anything was said, I think it was known at the end, it was just known, it was just done [false invoicing]." (NSW Independent Commission Against Corruption, 2011, p. 824). |
| **Explanations coded to "it's not wrong"** | |
| Corrupt supplier | "Well, I don't think it [giving gift vouchers] is that wrong." (NSW Independent Commission Against Corruption, 2011, p. 60). |
| **Explanations coded to "everyone was doing it"** | |
| Corrupt supplier | "If you want to be in business to make a living you've got to do what everyone else is doing to, to be in business." (NSW Independent Commission Against Corruption, 2011, p. 107). |
| Corrupt supplier | Well, it might be wrong [giving gift vouchers] but there's…a lot of it out there." (NSW Independent Commission Against Corruption, 2011, p. 61). |

### *Clash of moral values category content analysis coding*

This category comprised seven content analysis codes (see Appendix E), which were used to interrogate the data. One of these codes, "conflict of interest - friends" was important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the CMV category that were important in this case.

Table P4

*Examples of Explanations Coded to Clash of Moral Values Category - Case 2*

| Explanations coded to "conflict of interest - friends" | |
|---|---|
| ICAC Counsel Assisting | *"Sometimes with friends you don't want to offend them?"* |
| Corrupt public official: | "Yeah, yeah. Yeah, I think that was a big thing." (NSW Independent Commission Against Corruption, 2011, p. 626). |
| Corrupt public official: | "Well I thought it was just a little Christmas gift 'cause you know, I'd…got a bit of a relationship with him." (NSW Independent Commission Against Corruption, 2011, p. 620). |

### *Ethos of public administration category content analysis coding*

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data. One of these codes, "I wasn't influenced" was important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the EPA category that were important in this case.

Table P5

*Examples of Explanations Coded to Ethos of Public Administration Category – Case 2*

| Explanations coded to "I wasn't influenced" | |
|---|---|
| Corrupt public official: | "Sir, the, the, the gift vouchers never influenced me on how I bought the products." (NSW Independent Commission Against Corruption, 2011, p. 523). |
| Corrupt public official: | "The only time, when, when I bought things from Company W, I was buying things that were actually needed. I didn't buy excessive amounts of materials or anything, it was just what we…actually did require. That's why I'm saying perception is reality and reality is that it looked like it was a kickback, but…if there hadn't been a loyalty programme I still would have bought it anyway which is why it's so bloody ridiculous." (NSW Independent Commission Against Corruption, 2011, pp. 736-737). |
| ICAC Counsel Assisting: | *"Because you could have no confidence in those circumstances [public officials being given gift vouchers] that the employee wasn't being influenced in his purchasing decisions by the gift to him."* |
| Non-corrupt public sector manager: | "That's correct. That's correct." (NSW Independent Commission Against Corruption, 2011, p. 1224). |
| ICAC Commissioner: | "In all cases, the provision of gifts ensured that the employees were not as motivated to look at the relative value and quality of the products of other suppliers [which was their obligation under procurement policy], as they would be more inclined to deal with the companies that provided the gifts and benefits." (NSW Independent Commission Against Corruption, 2012b, p. 15) |

### *'Not covered by theory' category content analysis coding*

This category comprised nine inductively generated content analysis codes (see Appendix E). Four of these codes, being "minimising involvement", "I didn't know it was wrong", "let me explain" and "I deny it" were important in Case 2. The table below presents examples of explanations that were coded to the content analysis codes for the 'not covered by theory' category that were important in this case.

Table P6

*Examples of Explanations Coded to 'Not Covered by Theory' Category - Case 2*

| Explanations coded to "minimising involvement" | |
|---|---|
| Corrupt public official: | "No, I don't think it was that much…I don't even think it was half this amount." (NSW Independent Commission Against Corruption, 2011, p. 630). |
| Corrupt public official: | "I actually only thought it was about two years, I didn't realise it had been four." (NSW Independent Commission Against Corruption, 2011, p. 646). |
| **Explanations coded to "I didn't know it was wrong"** | |
| ICAC Counsel Assisting: | *"You knew when he said he would send these gift vouchers to you that that was the wrong thing to be happening didn't you?"* |
| Corrupt public official: | "I didn't think so because I wasn't ordering directly to him, sir." (NSW Independent Commission Against Corruption, 2011, p. 759). |

| | |
|---|---|
| ICAC Counsel Assisting: | *"Now you'd accept wouldn't you that giving a public official a $50 note would be a bribe?"* |
| Corrupt supplier: | "At this moment I believe it is, but at that present time no, I didn't." (NSW Independent Commission Against Corruption, 2011, p. 1122). |
| ICAC Counsel Assisting | *"...it's effectively a bribe...to keep the business that he's sending your way...Do you agree with me or not?"* |
| Corrupt supplier | "No,...I didn't know like five years ago or whenever it was, I didn't know that it was wrong." (NSW Independent Commission Against Corruption, 2011, p. 58). |

**Explanations coded to "let me explain"**

| | |
|---|---|
| ICAC Counsel Assisting: | *"You really suggest that you gave him an iPhone and a TV set not for him but for the staff at the council?"* |
| Corrupt supplier: | "The iPhone was for him to be able to email from when he was in the field because he was so hard to get. The TVs were given to him on the basis that he'd be able to do training and inductions via a computer or a DVD disc or any other method that he needed to and they were, they were to be put in certain areas for him to train his staff." (NSW Independent Commission Against Corruption, 2011, p. 276). |
| ICAC Counsel Assisting: | *"The reason why it goes to the home is to keep it secret from the employer. That's right isn't it?"* |
| Corrupt supplier: | "That's so it doesn't get lost." (NSW Independent Commission Against Corruption, 2011, p. 87). |

**Explanations coded to "I deny it"**

| | |
|---|---|
| ICAC Counsel Assisting: | *"It could well be that your recollection's out about that, couldn't it, JAR17?"* |
| Corrupt public official: | "I know for a fact that I never ever received a five voucher from Company W." (NSW Independent Commission Against Corruption, 2011, p. 631). |
| ICAC Counsel Assisting: | *"The wine related to an order that you'd made for products from JAR41, didn't it?"* |
| Corrupt public official: | "Well, to my knowledge it wasn't. To my knowledge it wasn't for an order." (NSW Independent Commission Against Corruption, 2011, p. 441). |

# Appendix Q
## Content Analysis Code Level Results Case 3

Table Q1

*Content Analysis Code Level Results - Case 3*

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional |
|---|---|---|---|---|---|---|---|
| | **Corrupt public official** | | **Corrupt supplier** | | **Non-corrupt public sector manager** | | **ICAC Commissioners** |
| | **Count** | **%*** | **Count** | **%*** | **Count** | **%*** | **Count** |
| Total # people in Case 3 in this job role | 15 | | 15 | | 9 | | 2 |
| **Category: ERCT** | **11** | **73%** | **9** | **60%** | **4** | **44%** | **2** |
| **Content analysis codes:** | | | | | | | |
| Profit motive | 8 | 53% | 5 | 33% | - | | 2 |
| Won't be caught | 6 | 40% | 3 | | 1 | 11% | 2 |
| Cost benefit | 5 | 33% | 7 | 47% | 1 | 11% | 2 |
| Conflict of interest - self interest | 5 | 33% | 1 | 7% | 2 | 22% | 2 |
| Financial problem | 4 | 27% | 2 | 13% | - | | |
| | | | | | | | |
| **Category: Bad apples** | 11 | 73% | 12 | 80% | 3 | 33% | 2 |
| **Content analysis codes:** | | | | | | | |
| I knew it was wrong | 11 | 73% | 10 | 67% | 2 | 22% | 2 |
| I was stupid | 6 | 40% | 7 | 47% | 2 | 22% | 2 |
| I have a weakness | 4 | 27% | - | | 1 | 11% | 2 |
| I want to move up | 1 | 7% | - | | - | | 1 |
| Because I could | - | | - | | - | | 1 |
| I want your attention | 1 | 7% | - | | - | | - |
| I'm clever | 1 | 7% | - | | - | | - |

|  | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional |
|  | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioners |
|---|---|---|---|---|---|---|---|
| **Category: Bad barrels/orchards** | 13 | 87% | 12 | 80% | 7 | 78% | 2 |
| **Content analysis codes:** | | | | | | | |
| That's how we do things here | 10 | 67% | 6 | 40% | 5 | 56% | 2 |
| To fit in | 8 | 53% | 5 | 33% | 1 | 11% | 2 |
| The rules don't apply | 8 | 53% | 4 | 27% | 5 | 56% | 2 |
| Everyone was doing it | 8 | 53% | 3 | 20% | 6 | 67% | 2 |
| It's not my job/not my place | 6 | 40% | 1 | 7% | 4 | 44% | 1 |
| I was afraid | 5 | 33% | 4 | 27% | 2 | 22% | 2 |
| Slippery slope | 5 | 33% | 4 | 27% | 1 | 11% | 2 |
| Balancing the ledger | 5 | 33% | 1 | 7% | 1 | 11% | 1 |
| In these circumstances | 4 | 27% | 1 | 7% | 2 | 22% | - |
| Don't judge | 3 | 20% | 2 | 13% | - | | - |
| Blame the victim | 2 | 13% | 2 | 13% | - | | - |
| It's not wrong | 2 | 13% | 2 | 13% | - | | - |
| You don't understand | 2 | 13% | - | | - | | 1 |
| It's none of your business | 2 | 13% | - | | - | | - |
| There was no victim | 2 | 13% | - | | - | | - |
| | | | | | | | |
| **Category: Clash of moral values** | **11** | **73%** | **7** | **47%** | **1** | | **2** |
| **Content analysis codes:** | | | | | | | |
| Conflict of interest - friends | 8 | 53% | 6 | 40% | - | | 2 |
| Help me! | 7 | 47% | 3 | 20% | 1 | 11% | 2 |
| Conflict of interest – family | 4 | 27% | - | | - | | 1 |
| Conflict of interest - business | 2 | 13% | 1 | 7% | - | | - |

|  | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional |
|  | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioners |
|---|---|---|---|---|---|---|---|
| **Category: Ethos of public administration** | **7** | **47%** | **2** | **13%** | **5** | **56%** | **2** |
| **Content analysis codes:** | | | | | | | |
| To get results | 5 | 33% | 2 | 13% | 4 | 44% | 2 |
| Resourcing | 2 | 13% | 1 | 7% | 4 | 44% | 1 |
| Influence | 2 | 13% | - | | - | | 1 |
| For the greater good | 1 | 7% | - | | 1 | 11% | 1 |
| No personal gain | - | | - | | - | | 1 |
| | | | | | | | |
| **Category: 'Not covered by theory'** | 12 | 80% | 9 | 60% | 4 | 44% | 2 |
| **Content analysis codes:** | | | | | | | |
| Let me explain | 10 | 67% | 5 | 33% | 1 | 11% | 1 |
| I deny it | 7 | 47% | 6 | 40% | - | | 1 |
| I don't know why | 7 | 47% | 4 | 27% | 2 | 22% | 1 |
| There is no explanation | 4 | 27% | 3 | 20% | 1 | 11% | 1 |
| I didn't know it was wrong | 3 | 20% | 1 | 7% | - | | 1 |
| I don't recall | 3 | 20% | 2 | 13% | 1 | 11% | - |
| Minimising involvement | 3 | 20% | 1 | 7% | - | | 2 |
| I was unaware | 1 | 7% | 1 | 7% | 3 | 33% | - |
| I tried to make it right | 1 | 7% | - | | - | | - |

Count = total number of people offering this explanation

%* =percentage of total number of people in this job role in Case 3

# Appendix R
## Illustrative Content Analysis Coding for Each Category in Case 3

A content analysis code was regarded as important for analysis if it was mentioned by at least 30% of participants in a UoA.

### ERCT category content analysis coding

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data for this case. Four of these codes, being "profit motive", "won't be caught", "cost benefit" and "conflict of interest – self-interest", were important in Case 3. The table below presents examples of explanations that were coded to the content analysis codes for the ERCT category that were important in this case.

Table R1

*Examples of Explanations Coded to ERCT Category - Case 3*

| Explanations coded to "profit motive" | |
|---|---|
| Corrupt supplier: | "Yeah, I wanted to make money out of it too, yes." (NSW Independent Commission Against Corruption, 2007, p. 608). |
| **Explanations coded to "won't be caught"** | |
| ICAC Counsel Assisting | *"So you thought it* [processing false invoices for payment] *was pretty safe...and not much risk of being exposed?"* |
| Corrupt public official: | "True." (NSW Independent Commission Against Corruption, 2008i, p. 2538). |
| ICAC Counsel Assisting: | *"Well did you think you might be caught* [putting in false claims]*?"* |
| Corrupt public official: | "No, I didn't actually." (NSW Independent Commission Against Corruption, 2008i, p. 1975). |
| ICAC Counsel Assisting | "This misconduct continued almost uninterrupted in late 2007 and early 2008 while this inquiry was already underway and receiving considerable publicity. The evidence will show that some of these men were so arrogant they believe themselves to be immune from detection. They continued their misconduct with a brazen disregard for the law, and in the apparent belief they would never be caught." (NSW Independent Commission Against Corruption, 2008i, pp. 1955-1956). |
| **Explanations coded to "cost benefit"** | |
| ICAC Counsel Assisting | *Why* [did you agree to pay a bribe]*?"* |
| Corrupt supplier: | "Because he's a pretty influential person and I wanted to keep my work, and it was a small price to pay, I thought to keep my work." (NSW Independent Commission Against Corruption, 2007, p. 1027). |
| Corrupt supplier: | "If I'm going to inflate a document I'll make it to my benefit." |
| ICAC Counsel Assisting: | *Why? Because the fraudulent claim is too low?"* |
| Corrupt supplier: | "Well if someone is going to do something fraudulent they'd do it to their benefit, obviously to the maximum potential.", (NSW Independent Commission Against Corruption, 2007, p. 1205). |

| Explanations coded to "conflict of interest – self-interest" | |
|---|---|
| ICAC Counsel Assisting: | "There is no doubt that MON13 [corrupt public official] obtained a substantial personal benefit from the Organisation D work given to his company by his mates." (NSW Independent Commission Against Corruption, 2008i, pp. 1953-1954). |
| ICAC Counsel Assisting: | *"That was to ensure that no-one in Organisation D found out that MON02* [corrupt public official] *was sending work to his own company?... Indeed, MON02 was favouring his own company, wasn't he?"* |
| Corrupt supplier: | "Yes." (NSW Independent Commission Against Corruption, 2007, p. 584). |

### *Bad apples category content analysis coding*

The bad apples category comprised seven content analysis codes (see Appendix E) which were used to interrogate the data. Two of these content codes, being "I knew it was wrong" and "I was stupid", were important in Case 3. The table below presents examples of explanations that were coded to the content analysis codes for the bad apples category that were important in this case.

Table R2

*Examples of Explanations Coded to Bad Apples Category - Case 3*

| Explanations coded to "I knew it was wrong" | |
|---|---|
| Corrupt public official | "Well, if you're asking did I know that I shouldn't have start [sic] a company, yes. The answer is I knew I shouldn't have started the company." (NSW Independent Commission Against Corruption, 2007, p. 508). |
| ICAC Counsel Assisting: | *"You knew that* [accepting cash from a supplier] *was wrong?"* |
| Corrupt public official: | "Yes, I know it's wrong." (NSW Independent Commission Against Corruption, 2008i, p. 2582). |
| ICAC Counsel Assisting: | *"You knew that that arrangement* [paying a bribe to get work] *was wrong, didn't you?"* |
| Corrupt supplier: | "I knew it was wrong, yes." (NSW Independent Commission Against Corruption, 2008i, p. 1573). |
| **Explanations coded to "I was stupid"** | |
| Corrupt public official: | "What I've done here [false invoicing] is blatant stupidity. I agree that what I did there was completely and utterly stupid." (NSW Independent Commission Against Corruption, 2008i, p. 2221). |
| ICAC Counsel Assisting: | *"Why didn't you say to him no, I don't want any part of that* [accepting cash from a supplier]*?"* |
| Corrupt public official: | "Because I was stupid." (NSW Independent Commission Against Corruption, 2008i, p. 2582). |
| Corrupt supplier: | "I can't tell you why - because it [false invoicing] was a stupid thing to do but I've done it." (NSW Independent Commission Against Corruption, 2007, p. 901). |

### *Bad barrels/orchards category content analysis coding*

This category comprised 15 content analysis codes (see Appendix E) which were used to interrogate the data. Eight of these codes were important in Case 3. These were "that's how we do things here", "to fit in", "the rules don't apply", "everyone was doing it", "it's not my job/not my place", "I was afraid", "slippery slope" and "balancing the ledger". The table below presents examples of explanations that were coded to the content analysis codes for the bad barrels/orchards category that were important in this case.

Table R3

*Examples of Explanations Coded to Bad Barrels/Orchards Category - Case 3*

| **Explanations coded to "that's how we do things here"** | |
|---|---|
| Corrupt public official: | "It wasn't a[n] Organisation D [policy]- it was, like, a - I - I don't know how you say it. It was, like - like a common practice." (NSW Independent Commission Against Corruption, 2007, p. 683). |
| Corrupt public official | "They would write the contracts but you wouldn't work to a contract, you know. Like, everyone - you know, I can only talk about me I suppose, you know, but people would - I would be working, you know, outside of a contract or a contract that wasn't signed…" (NSW Independent Commission Against Corruption, 2007, p. 53). |
| Corrupt supplier: | "I had a lot of discussions with employees and subcontractors that came forward and started explaining obviously about the business and about MON25's [corrupt supplier] previous business activities if you like, and also how, you know, I had people say, for example that they had handed over cash for MON25, or they'd known that he'd handed over cash to Organisation D." (NSW Independent Commission Against Corruption, 2007, p. 1055). |
| ICAC Counsel Assisting: | "There is an apparent absence of any culture that causes employees to meet their obligations to their employer by advising a more senior officer when they become aware of breaches by a colleague. This goes beyond the purported Australian aversion to dobbing in a mate. This is a culture of acceptance with no apparent commitment to promoting an ethical work environment as public sector employees. This culture includes a process of ignorance, denial, and cover up." (NSW Independent Commission Against Corruption, 2008i, p. 1303). |
| **Explanations coded to "to fit in"** | |
| ICAC Counsel Assisting: | *"When MON02* [corrupt public official, team leader] *talked to you about it* [processing false claims], did you think "This doesn't sound very right*"?"* |
| Corrupt public official | "Yes, I did but I didn't want to make trouble for anybody and I saw that it was, like, a little bonus." (NSW Independent Commission Against Corruption, 2007, p. 683). |
| ICAC Counsel Assisting: | *"Is that - do you say - a common view amongst Organisation D workers, you don't say anything about anyone performing badly or poorly because you don't want to cause trouble for anyone?"* |
| Corrupt public official: | "Yes, I could say it's pretty much, you don't want to - you don't want to incriminate people." (NSW Independent Commission Against Corruption, 2007, p. 690). |

| Explanations coded to "the rules don't apply" | |
|---|---|
| ICAC Counsel Assisting: | *"Was that your understand* [sic] *about what happened in Organisation D - if you were caught doing the wrong thing, nothing happened to you?"* |
| Corrupt public official: | "Well that was a part of [practice]- that was a pretty much of a conception in Organisation D, yeah." (NSW Independent Commission Against Corruption, 2007, p. 80). |
| ICAC Counsel Assisting: | *"You were prepared to openly defy Organisation D policy because it suited you?"* |
| Corrupt public official: | "Yes, I did." (NSW Independent Commission Against Corruption, 2008i, p. 2026). |
| ICAC Counsel Assisting: | *"Because there seems to be at least on the view of some Organisation D staff that there is a culture of not reporting and turning a blind eye to behaviour or conduct that may be inappropriate?"* |
| Non-corrupt public sector manager: | "That's a - I guess a culture that has been there and possibly still is which Organisation D is trying to change." (NSW Independent Commission Against Corruption, 2007, p. 788). |
| Explanations coded to "everyone was doing it" | |
| ICAC Counsel Assisting: | *"So you say it's a widespread practice* [claiming for hours not worked]*?"* |
| Corrupt public official: | "It's a widespread practice that's well-known." (NSW Independent Commission Against Corruption, 2008i, p. 1353). |
| ICAC Counsel Assisting: | *"But they all know? They are all in on the scheme?...They all put in false invoices?"* |
| Corrupt public official: | "That's correct." (NSW Independent Commission Against Corruption, 2008i, p. 1970). |
| ICAC Counsel Assisting: | *"If anyone knows anything adverse about any of their colleagues, they don't ever report it to anyone?"* |
| Non-corrupt public sector manager: | "That appears to be correct." (NSW Independent Commission Against Corruption, 2008i, p. 2875). |
| Explanations coded to "it's not my job/not my place" | |
| Corrupt supplier: | "Because it wasn't my place to [report that an employee of Organisation D had solicited a bribe]." (NSW Independent Commission Against Corruption, 2008i, p. 1573). |
| ICAC Counsel Assisting: | *"So in your position you didn't feel that you could take on either of them* [corrupt employees who were breaching the organisation's policies]*?"* |
| Non-corrupt public sector manager: | "Not really", (NSW Independent Commission Against Corruption, 2008i, p. 2858) |
| Explanations coded to "I was afraid" | |
| ICAC Counsel Assisting: | *"Is that because you've heard stories of someone who's been a whistle blower stood up against someone who had poor work practices and bad things happen to them?"* |
| Corrupt public official: | "Yeah, I heard that you get labelled a troublemaker and I didn't want to be labelled a troublemaker. Like I was trying to climb the ladder, the RailCorp ladder and I didn't want people to think "We don't want him to work with us, he's a troublemaker."(NSW Independent Commission Against Corruption, 2007, p. 690). |
| ICAC Counsel Assisting: | *"Did you find yourself not able to stand up against MON06* [corrupt public official, team leader]*?"* |
| Corrupt public official" | "I can stand up to him but yeah, we're only a small crew and if you stir things up there's not - not a lot of options to go anywhere or do anything. You - you - you're a tight group, been together for a while." (NSW Independent Commission Against Corruption, 2008i, p. 2358). |

| Explanations coded to "slippery slope" | |
|---|---|
| Corrupt supplier: | "As things went on I didn't, you know, if I could have got out of it I would have. I was sort of trapped in it." (NSW Independent Commission Against Corruption, 2007, p. 1028). |
| Corrupt public official: | "Well, there was no money in the start, it was just we had - had paid for lunch and things like, just simple things." (NSW Independent Commission Against Corruption, 2008i, p. 1468). |
| ICAC Counsel Assisting: | *"Did it start entirely with false dockets?"* |
| Corrupt supplier: | "It started with padded dockets." |
| ICAC Counsel Assisting: | *"Then it went to false dockets?* |
| Corrupt supplier: | "That's correct." (NSW Independent Commission Against Corruption, 2007, p. 900). |
| **Explanations coded to "balancing the ledger"** | |
| Corrupt public official: | "Well, we usually put in a lot more hours than we actually get paid for in our position." (NSW Independent Commission Against Corruption, 2007, p. 982). |
| Corrupt public official: | "When you've done the work I have done there as a lot of people in the organisation know how many hours I've put into the place and my receiving those infringements which I did do, I've got no doubt in that, I believe I was very well hard done-by [sic] the effort I put in for Organisation D." (NSW Independent Commission Against Corruption, 2008i, p. 2181). |

### *Clash of moral values category content analysis coding*

This category comprised seven content analysis codes (see Appendix E) which were used to interrogate the data. Two of these codes, being "conflict of interest - friends" and "help me!" were important in Case 3. The table below presents examples of explanations that were coded to the content analysis codes for the CMV category that were important in this case.

Table R4

*Examples of Explanations Coded to Clash of Moral Values Category - Case 3*

| Explanations coded to "conflict of interest - friends" | |
|---|---|
| ICAC Counsel Assisting: | *"Because it's part of a consistent pattern, isn't it, MON01* [corrupt as both public official and supplier]?... *You assist your mates to rip off Organisation D. It's part of your friendship system, isn't it?"* |
| Corrupt public official: | "It's – yes." (NSW Independent Commission Against Corruption, 2008i, p. 2232). |
| ICAC Counsel Assisting: | *"Why would he* [MON19, corrupt supplier] *do that* [provide free work at the public official's home]*?"* |
| Corrupt public official: | "Because he's a friend of mine." (NSW Independent Commission Against Corruption, 2008i, p. 1339). |
| ICAC Counsel Assisting | *"What caused you to start paying her $5000, I won't say every week but…?"* |
| Corrupt supplier | "MON15 [corrupt public official] asked us - we regarded her as a very good friend and she asked us." (NSW Independent Commission Against Corruption, 2007, p. 172). |

| Explanations coded to "help me!" | |
|---|---|
| ICAC Counsel Assisting: | *"Why didn't you go to* [the manager]*?"* |
| Corrupt public official: | "In hindsight, I should have but because - like, MON04 [corrupt public official] had a picture of his kids on his desk and I always remember looking at the picture and looking at him. I know it's wrong, I was trying to help a - help a colleague in strife, went the wrong away about it." (NSW Independent Commission Against Corruption, 2007, p. 980). |
| ICAC Counsel Assisting: | *"Why did you do that* [agree to falsify dockets]*?"* |
| Corrupt supplier: | "Because he [corrupt public official] asked me to help him out." (NSW Independent Commission Against Corruption, 2008i, p. 2509). |
| Corrupt public official: | "I was just trying to help a person through a situation [by allowing a corrupt supplier to work without the necessary safety ticket lost due to drug use] and trying and not - not break the rules." |
| ICAC Counsel Assisting: | *"When he was on Organisation D sites you were happy to ignore the Organisation D policy, weren't you?"* |
| Corrupt public official: | "…yes, I - well, in hindsight, yes I did." (NSW Independent Commission Against Corruption, 2008i, p. 2191). |

### *Ethos of public administration category content analysis coding*

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data. Two of these codes, being "to get results" and "resourcing", were important in Case 3. The table below presents examples of explanations that were coded to the content analysis codes for the EPA category that were important in this case.

Table R5

*Examples of Explanations Coded to Ethos of Public Administration Category – Case 3*

| Explanations coded to "to get results" | |
|---|---|
| Corrupt public official: | "I just wanted to get my – my work done" (NSW Independent Commission Against Corruption, 2008i, p. 2021). |
| Corrupt supplier: | "That's how we operated. As long as the job got done, that's what Organisation D only wanted." (NSW Independent Commission Against Corruption, 2008i, p. 1597). |
| ICAC Counsel Assisting: | "…their only imperative was to get the job done. It didn't matter how. They could breach any old policy they liked - leaving the corruption aside - any policy they like because the imperative was to, 'get the job done'." (NSW Independent Commission Against Corruption, 2008i, p. 3021). |
| Non-corrupt public sector manager: | "And whilst it's never a message we've deliberately sent, sometimes that pressure to get the job done, I believe has been used as an excuse to say, 'Well, I can bend rules to get that in place'." (NSW Independent Commission Against Corruption, 2008i, p. 3115). |
| ICAC Commissioner: | "In Organisation D there was an emphasis on getting the job done at the expense of proper process. This resulted in widespread neglect by management and staff of procurement procedures." (NSW Independent Commission Against Corruption, 2008c, p. 44). |

| Explanations coded to "resourcing" | |
|---|---|
| Non-corrupt public sector manager | "By necessity I had one person, by and large, on and off doing two peoples' job, and it was difficult to track with the amount of transactions that were going on at any detailed level that this risk was being exploited." (NSW Independent Commission Against Corruption, 2007, p. 1267). |
| CEO of Organisation D: | "The reason that they haven't been done [supervisory compliance checks] on the base of evidence that's presented to the commission, was that - you know, I was fluttered [*sic*] with other issues, I didn't have the resources to institute some of the more basic levels of…random compliance, a review by middle management." (NSW Independent Commission Against Corruption, 2008i, p. 3025). |
| Non-corrupt public sector manager: | "I just wasn't resourced to do that [better manage procurement processes]" (NSW Independent Commission Against Corruption, 2007, p. 1275). |
| CEO of Organisation D: | "…there are a number of issues particularly safety and reliability of services that were a significantly higher priority than the control environment for fraud and corruption." (NSW Independent Commission Against Corruption, 2007, p. 2985). |
| ICAC Commissioner: | "[Non-corrupt public sector manager] was asked about the delay in implementing the recommendation to invite selected tenders. He acknowledged that his group was responsible for that task. He attempted to explain the delay by citing the pressure of other work and the loss of some staff…" (NSW Independent Commission Against Corruption, 2008a, p. 15). |

### *'Not covered by theory' category content analysis coding*

This category comprised nine inductively generated content analysis codes (see Appendix E). Four of these codes, being "let me explain", "I deny it", "I don't know why", and "I was unaware", were important in Case 3. The table below presents examples of explanations that were coded to the content analysis codes for the 'not covered by theory' category that were important in this case.

Table R6

*Examples of Explanations Coded to 'Not Covered by Theory' Category - Case 3*

| Explanations coded to "let me explain" | |
|---|---|
| ICAC Counsel Assisting: | *"Are you seriously suggesting that the reason MON25 [corrupt supplier] got half the work is because the field* [other employees of Organisation D] *asked for it?"* |
| Corrupt public official: | "A lot of it, yes." (NSW Independent Commission Against Corruption, 2007, p. 832). |
| ICAC Counsel Assisting: | *"How do you explain that you've been able to bank $113,000 in cash? You're not paid in cash by Organisation D, are you?"* |
| Corrupt public official: | "No." |
| ICAC Counsel Assisting: | *"So you don't receive cash in payment for doing any other work?"* |
| Corrupt public official: | "I'll – I'll elaborate here but I don't know what your definition of work is. I have received payments for doing photo assignments. I'm not a professional photographer but I have received payments from friends for |

doing wedding photos, et cetera." (NSW Independent Commission Against Corruption, 2007, p. 1229).

| **Explanations coded to "I deny it"** | |
|---|---|
| ICAC Counsel Assisting: | *"I suggest to you the reason you've paid that* [bribe] *is because you pay a percentage of every contract you get from Organisation D to MON09* [corrupt public official]. *Would you agree?"* |
| Corrupt supplier: | "No, I totally disagree." (NSW Independent Commission Against Corruption, 2007, p. 1158). |
| ICAC Counsel Assisting: | *"MON27* [corrupt supplier] *gave you cash payments on a regular basis, would you agree?"* |
| Corrupt public official: | "I keep repeating, I've received no cash." (NSW Independent Commission Against Corruption, 2007, p. 1214). |
| **Explanations coded to "I don't know why"** | |
| Corrupt public official: | "I don't know why I did it. I really don't know. It was just a misjudgement error on my behalf. I did - I've got no explanation for it. I done [sic] it and that's it.", corrupt public official, (NSW Independent Commission Against Corruption, 2008i, p. 2215). |
| Corrupt public official: | "I am saying that it was me. It was all me. I don't know what I was thinking." (NSW Independent Commission Against Corruption, 2007, p. 124). |
| Corrupt supplier: | "I don't know, I just - I don't know what I was thinking then, I don't know, it's totally against anything, it's just, I don't know, I can't give you an answer why or why not, I just don't and I know it was wrong and I just, I don't know. It was just something - anyway, it's done." (NSW Independent Commission Against Corruption, 2007, p. 946) |
| **Explanations coded to "I was unaware"** | |
| ICAC Counsel Assisting: | *"... are you telling me you were not aware that it* [false timesheets] *was regarded by many people as accepted practice"?* |
| Non-corrupt public sector manager: | "Yes, I wasn't aware." (NSW Independent Commission Against Corruption, 2007, p. 773). |
| ICAC Counsel Assisting: | *"And that MON02* [corrupt public official] *was feeding his own company work so that he could obtain a financial benefit. You were unaware of all of that?...You say, do you, that you were unaware of the whole picture until this week?"* |
| Non-corrupt public sector manager: | "Yes." (NSW Independent Commission Against Corruption, 2007, p. 782). |
| ICAC Counsel Assisting: | *"It's clear that there was a culture of employees setting up companies in other people's names, their wife's name, their mate's name and then allocating work through themselves or others and the evidence appears to be that there was a culture of that occurring and occurring for a long time?"* |
| CEO of Organisation D: | "No, I wasn't aware." |
| ICAC Counsel Assisting: | *"So are you saying as CEO you'd never, that particular issue had never been drawn to your attention?"* |
| CEO of Organisation D: | "No, it simply wasn't a practice that as CEO I was aware of." (NSW Independent Commission Against Corruption, 2008i, p. 3012). |

Table S1

*Content Analysis Code Level Results - Case 4*

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional | |
|---|---|---|---|---|---|---|---|---|
| | **Corrupt public official** | | **Corrupt supplier** | | **Non-corrupt public sector manager** | | **ICAC Commissioners** | |
| | **Count** | **%*** | **Count** | **%*** | **Count** | **%*** | **Count** | **%*** |
| Total # people in Case 4 in this job role | 6 | | 6 | | 12 | | 6 | |
| | | | | | | | | |
| **ERCT (category level)** | **6** | **100%** | **4** | **67%** | **3** | **25%** | 6 | **100%** |
| **Content analysis codes:** | | | | | | | | |
| Self-interest | 5 | 83% | 1 | 17% | 3 | 25% | 4 | 67% |
| Profit motive | 3 | 50% | 3 | 50% | - | | 3 | 50% |
| Won't be caught | 1 | 17% | 1 | 17% | - | | 2 | 33% |
| Cost benefit | 1 | 17% | 1 | 17% | - | | 1 | 17% |
| Financial problem | 1 | 17% | - | | - | | 1 | 17% |
| | | | | | | | | |
| **Bad apples (category level)** | 5 | 83% | 3 | 50% | 1 | 8% | 5 | 83% |
| **Content analysis codes:** | | | | | | | | |
| I was stupid | 5 | 83% | 3 | 50% | - | | 2 | 33% |
| I knew it was wrong | 2 | 33% | 2 | 33% | - | | 5 | 83% |
| I have a weakness | 2 | 33% | - | | - | | 1 | 17% |
| Because I could | 2 | 33% | - | | 1 | 8% | - | |
| | | | | | | | | |

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional | |
|---|---|---|---|---|---|---|---|---|
| | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioners | |
| **Bad barrels/orchards (category level)** | 6 | 100% | 6 | 100% | 8 | 67% | 6 | 100% |
| **Content analysis codes:** | | | | | | | | |
| It's not wrong | 5 | 83% | 2 | 33% | 1 | 8% | 3 | 50% |
| That's how we do things here | 4 | 67% | 4 | 67% | 8 | 67% | 4 | 67% |
| The rules don't apply | 4 | 67% | - | | 6 | 50% | 6 | 100% |
| Everyone was doing it | 3 | 50% | - | | 3 | 25% | 3 | 50% |
| Slippery slope | 3 | 50% | 1 | 17% | 1 | 8% | 2 | 33% |
| No victim | 3 | 50% | - | | 1 | 8% | - | |
| In these circumstances | 2 | 33% | 1 | 17% | 2 | 17% | 2 | 33% |
| You don't understand | 2 | 33% | 1 | 17% | 1 | 8% | - | |
| It's none of your business | 2 | 33% | - | | - | | 1 | 17% |
| I was afraid | - | | - | | - | | 2 | 33% |
| Blame the victim | 1 | 17% | - | | 1 | 8% | - | |
| To fit in | - | | 1 | 17% | - | | 1 | 17% |
| Don't judge | - | | - | | 1 | 8% | - | |
| It's not my job/not my place | - | | - | | - | | 1 | 17% |
| | | | | | | | | |
| **Category: Clash of moral values (category level)** | 5 | 83% | 3 | 50% | 4 | 33% | 5 | 83% |
| **Content analysis codes:** | | | | | | | | |
| Conflict of interest - friends | 5 | 83% | 2 | 33% | 2 | 17% | 4 | 67% |
| Help me! | 3 | 50% | 3 | 50% | - | | 1 | |
| Conflict of interest - family | 3 | 50% | - | | 3 | 25% | 2 | 33% |
| Conflict of interest - business | 2 | 33% | 1 | 17% | - | | 2 | 33% |
| Conflict of interest – employment | 1 | 17% | 1 | 17% | 1 | 8% | 1 | 17% |
| Hard choice | - | | 1 | 17% | - | | - | |

| | Unit of analysis - individual | | Unit of analysis - individual | | Unit of analysis - organisational | | Unit of analysis - institutional | |
|---|---|---|---|---|---|---|---|---|
| | Corrupt public official | | Corrupt supplier | | Non-corrupt public sector manager | | ICAC Commissioners | |
| **Category: Ethos of public administration** | 5 | 83% | 3 | 50% | 7 | 58% | 4 | 67% |
| **Content analysis codes:** | | | | | | | | |
| To get results | 5 | 83% | 1 | 17% | 4 | 33% | 3 | 50% |
| Resourcing | 4 | 67% | - | | 5 | 42% | 3 | 50% |
| Not influenced | 3 | 50% | 2 | 33% | 1 | 8% | 2 | 33% |
| For the greater good | 2 | 33% | - | | - | | - | |
| No personal gain | 1 | 17% | - | | - | | - | |
| | | | | | | | | |
| **Category: 'Not covered by theory'** | 6 | 100% | 6 | 100% | 1 | 8% | 4 | 67% |
| **Content analysis codes:** | | | | | | | | |
| Let me explain | 6 | 100% | 3 | 50% | 1 | 8% | 3 | 50% |
| I deny it | 6 | 100% | 2 | 33% | - | | - | |
| I don't recall | 5 | 83% | 2 | 33% | - | | 1 | 17% |
| I don't know why | 4 | 67% | - | | - | | 1 | 17% |
| I didn't know it was wrong | 3 | 50% | 2 | 33% | - | | - | |
| I was unaware | 2 | 33% | 3 | 50% | 1 | 8% | - | |
| There is no explanation | 1 | 17% | 1 | 17% | - | | 1 | 17% |
| I tried to make it right | - | | 1 | 17% | - | | 1 | 17% |
| Minimising involvement | - | | - | | - | | 1 | 17% |

Count = total number of people offering this explanation

% =percentage of total number of people in this job role in Case 4

# Appendix T
## Illustrative Content Analysis Coding for Each Category in Case 4

A content analysis code was regarded as important for analysis if it was mentioned by at least 30% of participants in a UoA.

### *ERCT category content analysis coding*

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data for this case. Three of these codes, being "conflict of interest – self-interest", "profit motive", and "won't be caught", were important in Case 4. The table below presents examples of explanations that were coded to the content analysis codes for the ERCT category that were important in this case.

Table T1

*Examples of Explanations Coded to ERCT Category - Case 4*

| Explanations coded to "conflict of interest – self-interest" | |
|---|---|
| ICAC Commissioner: | "KAN01 did not disclose that she had a conflict of interest arising from her husband's involvement in Company L or that she owned half of that company." (NSW Independent Commission Against Corruption, 2010b, p. 10). |
| ICAC Commissioner: | "CIT01 had a direct conflict of interest in that he would potentially benefit through the family trust if company N was successful in obtaining work from the university. He therefore had an interest in ensuring it got such work." (NSW Independent Commission Against Corruption, 2012c, p. 17). |
| ICAC Counsel Assisting: | "And in the context where it's given to you to approve [falsely inflated invoice] where you're actually getting half of the fee that impression [of conflict of interest] is given a particular colour?" |
| Corrupt public official: | "At the time of signing these [falsely inflated invoices], it wasn't in my mind that I was receiving half of this fee." (NSW Independent Commission Against Corruption, 2010d, p. 280). |
| **Explanations coded to "profit motive"** | |
| ICAC Commissioner | "Because of ELG01's favouritism, Company A was able to make a substantial profit." (NSW Independent Commission Against Corruption, 2016a, p. 12). |
| ICAC Counsel Assisting: | *"In making that proposal to Company P did you tell them that you would get ten per cent of the sponsorship moneys?"* |
| Corrupt public official | "No, I didn't." (NSW Independent Commission Against Corruption, 2012e, p. 92). |
| ICAC Counsel Assisting: | *"CRU04* [corrupt supplier]*, I don't think you'd shy away from the proposition would you that as part of your business you thought providing hospitality to people like CRU01*[corrupt public official] *was good for business?"* |
| Corrupt supplier: | "It's part of what you do in business, yeah." (NSW Independent Commission Against Corruption, 2012e, p. 453). |

| Explanations coded to "won't be caught" | |
| --- | --- |
| ICAC Commissioner: | "He [CRU01] was able to approve false invoices, grant minor contract variations, manipulate contracts and influence contract allocation without any real risk of detection."(NSW Independent Commission Against Corruption, 2012a, p. 34). |
| ICAC Commissioner | "University B's risk and audit function has been plagued by gaps in capacity. Difficulties in retaining and recruiting specialised governance staff have resulted in long-term underperformance in the area. Without an effective audit capability, basic compliance checks have not been conducted. There was little risk that CRU01's behaviour would be detected. More importantly, process weaknesses were not identified." (NSW Independent Commission Against Corruption, 2012a, p. 36). |
| ICA Counsel Assisting: | *"And of course you well understood, didn't you, that unless those at the University went to the trouble of actually checking MIS01's inbox or his sent box on the server...the University would simply assume that these concocted emails had been sent and received on the date and time indicated on the face of the email, is that so?".* |
| Corrupt supplier | "Yes, sir."(NSW Independent Commission Against Corruption, 2015c, p. 121). |

### *Bad apples category content analysis coding*

This category comprised seven content analysis codes (see Appendix E) which were used to interrogate the data. Four of these content codes, being "I was stupid", "I knew it was wrong", "I had a weakness" and "because I could", were important in Case 4. The table below presents examples of explanations that were coded to the content analysis codes for the bad apples category that were important in this case.

Table T2

*Examples of Explanations Coded to Bad Apples Category - Case 4*

| Explanations coded to "I was stupid" | |
| --- | --- |
| ICAC Counsel Assisting: | *"But could you explain to us, please, so that we understand, why…you were prepared to assist MIS01* [corrupt public official] *in the falsification of these invoices?"* |
| Corrupt supplier: | "Stupid loyalty." (NSW Independent Commission Against Corruption, 2015c, p. 114). |
| ICAC Counsel Assisting: | *"You wouldn't sign a document without reading it, would you?"-* |
| Corrupt public official: | "Yes, I would unfortunately."(NSW Independent Commission Against Corruption, 2012d, p. 596). |
| Corrupt public official: | "No, it wasn't a deliberate decision [failure to disclose conflict of interest]. I just didn't give it due consideration." (NSW Independent Commission Against Corruption, 2010d, p. 273). |
| ICAC Counsel Assisting: | *"Why not* [report the corrupt invoicing scheme]*?"* |
| Corrupt supplier: | "It never occurred to me. I – as I said, I was blindly following ah, my friend's confidence, advice, directions." (NSW Independent Commission Against Corruption, 2015c, p. 68). |
| ICAC Commissioner: | "CRU01 accepted that it was contrary to the University B code of conduct and the gifts and benefits policy for him to attend the dinner at Company O's expense. He claimed, however, that he had not thought about it at the time." (NSW Independent Commission Against |

| | Corruption, 2012a, p. 14). |
|---|---|
| **Explanations coded to "I knew it was wrong"** | |
| ICAC Counsel Assisting: | *"But you knew that what you were doing* [false invoicing] *in your business morality was wrong?...But you went ahead and did it anyway?"* |
| Corrupt supplier: | "Yes." (NSW Independent Commission Against Corruption, 2015c, p. 67). |
| ICAC Commissioner: | "ELG01 also took steps to disguise the university's use of Company A on official university documentation and did so because he knew that it was contrary to university policy." (NSW Independent Commission Against Corruption, 2016a, p. 12). |
| ICAC Commissioner: | "She was aware that she was required to disclose actual or potential conflicts of interest to her superior officers. Her actual conflicts of interest here were glaringly obvious." (NSW Independent Commission Against Corruption, 2010b, p. 11). |
| ICAC Counsel Assisting: | *"And you knew by approving the payment of that* [false invoice] *that what you were doing was dishonest?"* |
| Corrupt public official: | "Yes." (NSW Independent Commission Against Corruption, 2015c, p. 274). |
| **Explanations coded to "I have a weakness"** | |
| ICAC Counsel Assisting: | *"And why were you giving Company Q that heads up in your new role as Director of Risk and Audit?"* |
| Corrupt public official | "As I previously stated, I probably found it difficult well I did find it difficult to let go having been involved for so long." (NSW Independent Commission Against Corruption, 2012e, p. 559). |
| ICAC Counsel Assisting: | *"And what was the purpose of having ongoing involvement with Company P whilst you were [not]...Campus Services Manager?"* |
| Corrupt public official | "I suppose my weakness for rugby." |
| ICAC Counsel Assisting: | *"And dinners and fine wines and so forth?"* |
| Corrupt public official | "Mmm." (NSW Independent Commission Against Corruption, 2012e, p. 88). |
| **Explanations coded to "because I could"** | |
| Corrupt public official | "CIT02 [non-corrupt public official, and brother-in-law of corrupt official] was going to report to me so, so ideally I would be the person that was going to interview him [even though this was contrary to policy and practice]." (NSW Independent Commission Against Corruption, 2012d, p. 693). |
| ICAC Counsel Assisting: | *"Do you still maintain your evidence that at the time you obtained the loan ...you hadn't already concocted a scheme...by which you would repay that loan out of funds fraudulently obtained from University E?".* |
| Corrupt public official: | "No, I hadn't, that wasn't the case, that was just convenient." (NSW Independent Commission Against Corruption, 2015c, p. 264). |

### Bad barrels/orchards category content analysis coding

This category comprised 15 content analysis codes (see Appendix E) which were used to interrogate the data. Ten of these codes were important in Case 4. These were, "It's not wrong", "that's how we do things here", "the rules don't apply", "everyone was doing it", "slippery slope", "no victim", "in these circumstances", "you don't understand", "It's none of your business" and "I was afraid". The table below presents

examples of explanations that were coded to the content analysis codes for the bad barrels/orchards category that were important in this case.

Table T3

*Examples of Explanations Coded to Bad Barrels/Orchards Category - Case 4*

| **Explanations coded to "it's not wrong"** | |
|---|---|
| Corrupt supplier: | "If in my staff's view that them having a meal or drinks with one of the staff members from University B was going to assist them in doing their job better, that's okay, I feel that that's okay." (NSW Independent Commission Against Corruption, 2012e, p. 460). |
| Corrupt public official: | "I don't think my behaviour was…at any time was wrong…I still take pride of what I've done and I don't believe that my behaviour was in any time compromising the University interest." (NSW Independent Commission Against Corruption, 2012f, p. 316). |
| ICAC Commissioner: | "CRU06 [non-corrupt public sector manager], himself, had dinner with at least one CEO of a contractor company who had taken the time to come to [regional location], believing that the development of such a relationship was an important part of his role. He did not question similar practices amongst his staff." (NSW Independent Commission Against Corruption, 2012a, p. 34). |
| **Explanations coded to "that's how we do things here"** | |
| ICAC Counsel Assisting: | *So is it fair to say that…it was generally accepted at University B that* [going out to lunch with suppliers] *was a reasonable thing to do?"* |
| Corrupt public official: | "Yes." (NSW Independent Commission Against Corruption, 2012e, p. 24). |
| ICAC Counsel assisting | *"And is this* [not seeking quotations for work] *something that you just understood by reading the purchasing policy or is it something that you understood by talking to people?"* |
| Corrupt public official: | "It's something that, it's something that I understood from observing practice in the office over the previous five, 10 years." (NSW Independent Commission Against Corruption, 2010d, p. 274). |
| Corrupt supplier | "It's a standard business practice [providing hospitality] of what we, what we do and how we network within our clients and business sectors." (NSW Independent Commission Against Corruption, 2012e, p. 298). |
| ICAC Commissioner: | "A practice had arisen within the University of working around the existing cleaning contract rather than dealing with any service problems. This approach provided an opportunity for corruption." (NSW Independent Commission Against Corruption, 2010b, p. 23). |
| **Explanations coded to "the rules don't apply"** | |
| Corrupt public official: | "Yes, it looks like I did bend the rules there, correct." (NSW Independent Commission Against Corruption, 2012d, p. 650). |
| ICAC Counsel Assisting: | *"Was there one rule for you and one rule for everybody else at University B in terms of accepting contractors' hospitality?"* |
| Corrupt public official: | "Probably, yes." (NSW Independent Commission Against Corruption, 2012e, p. 52). |
| ICAC Counsel Assisting | *"But in this case there was no list* [of approved contractors, as required by policy]*?"* |
| Non-corrupt public sector manager: | "There may have been a list but it was dormant and it wasn't used in the recent situation."(NSW Independent Commission Against Corruption, 2010d, p. 393). |

| | |
|---|---|
| ICAC Commissioner: | "ELG01 [corrupt public official] arranged with C100 companies to submit Company A candidates to the university, and thereby overcome the fact that Company A was not an accredited C100 company [as required by policy]." (NSW Independent Commission Against Corruption, 2016a, p. 12). |
| ICAC Commissioner: | "[Non-corrupt public sector manager] said that the required number of quotations was routinely not obtained by staff in his area." (NSW Independent Commission Against Corruption, 2010b, p. 21). |

**Explanations coded to "everyone was doing it"**

| | |
|---|---|
| ICAC Counsel Assisting: | *"And you didn't distance yourself from the engagement process in relation to CIT03* [non-corrupt public official] *because of [your] prior relationship?"* |
| Corrupt public official: | "No, I didn't realise I had to. But saying that too, I'm not the only person that would be - would fall in that predicament within University A. I know of other instances where, where exactly the same thing has happened." (NSW Independent Commission Against Corruption, 2012d, p. 694). |
| Non-corrupt public sector manager: | "When contracts came to an end they could not be renewed if they weren't with contractors on C100. So there were an awful lot of people who were saying well, you know what we need to do. We'll find a way around. We can subcontract via existing C100 companies and that would be legitimate." (NSW Independent Commission Against Corruption, 2015b, p. 104). |
| ICAC Commissioner: | "There is little point in designing an invoice payment system that becomes so burdensome that staff actively seek workarounds [ways of avoiding system requirements] in order to meet operational demands." (NSW Independent Commission Against Corruption, 2015a, p. 28). |

**Explanations coded to "slippery slope"**

| | |
|---|---|
| ICAC Commissioner: | "CRU01 proceeded to accept increasing benefits from a range of suppliers." (NSW Independent Commission Against Corruption, 2012a, p. 34). |
| ICAC Commissioner: | "So in effect what you're telling us is that because of your involvement in these grossly improper transactions [false invoices] you felt that you were over a barrel so to speak and that you had to go forward rather than go back. Is that, is that a fair summary?" (NSW Independent Commission Against Corruption, 2015c, p. 110). |
| ICAC Counsel Assisting: | *"These emails were also part of a cover up of your earlier fraud, weren't they?"* |
| Corrupt public official: | "Yes." (NSW Independent Commission Against Corruption, 2015c, p. 293). |

**Explanations coded to "no victim"**

| | |
|---|---|
| Corrupt public official: | "I don't believe it [being invoiced for services not included in the contract, and not being aware of this] was a detriment to the University, 'cause if they went out and leased their own car the cost would have been even, even higher. So that's the way I viewed it, that it was still a benefit to the University even though it was done in that [improper] manner." (NSW Independent Commission Against Corruption, 2012e, p. 29). |

**Explanations coded to "in these circumstances"**

| | |
|---|---|
| ICAC Counsel Assisting: | *"And why were those costs* [falsely] *invoiced back as extra cleaning rather than vehicle costs?"* |
| Corrupt public official: | "It was just the, the, I didn't have a good relationship with Finance and it was just something to do, so it just made it easier for me instead of, you know, going through a three month explanation process." (NSW Independent Commission Against Corruption, 2012e, p. 27). |

| Corrupt public official: | "It was a conscious decision [not to declare family relationship] because I was under the belief that if I had made it known, that CIT02's abilities and…what he could actually do at the University would have been compromised by other people…I was under the impression that people may have felt resentment and wouldn't have given CIT02 a fair, a fair chance in the role." (NSW Independent Commission Against Corruption, 2012d, p. 620). |
|---|---|
| ICAC Commissioner: | "Although the scheme permitted a C100 company to subcontract, this was in circumstances where a C100 company itself identified that it lacked contractors with particular skill sets and needed to fill those gaps through selecting a suitable subcontractor. It was not part of the scheme that a client, such as the university, should nominate a subcontractor or direct that a particular subcontractor be used. In the present case, the C100 companies did not lack contractors with relevant ICT skills." (NSW Independent Commission Against Corruption, 2016a, p. 11). |
| **Explanations coded to "you don't understand"** | |
| Corrupt public official: | "It does appear that way [corrupt manipulation of selection of IT contractor]. But I can honestly say that this was done out of pure frustration, pure frustration that it had taken us X amount of months to get to where we were and then they changed the, the rules and you can see the frustration in my email there." (NSW Independent Commission Against Corruption, 2012d, p. 650). |
| **Explanations coded to "it's none of your business"** | |
| ICAC Counsel Assisting: | *"So you never told STA03* [non-corrupt public sector manager] *about the fact that Company D was paying for you to do quite a bit of travel?"* |
| Corrupt public official: | "That's right, I didn't tell him about the 2006 and about the 2008 because this is a personal trip…It has nothing to do with my work at University C or anything." (NSW Independent Commission Against Corruption, 2012f, p. 354). |
| **Explanations coded to "I was afraid"** | |
| ICAC Commissioner: | "Three of the C100 representatives ([one] was not asked directly) said that, if they had refused to accept Company A contractors [the company favoured by the corrupt public official], they would be concerned that they would not get any further contract opportunities from the university." (NSW Independent Commission Against Corruption, 2016a, p. 12). |
| ICAC Commissioner: | "Companies doing business with University C firmly believed that STA01 [corrupt public official] was in a position of influence in relation to the allocation of contracts, and this was the reason that they provided STA01 with money, gifts and other benefits at his request." (NSW Independent Commission Against Corruption, 2013, p. 15). |

### *Clash of moral values category content analysis coding*

This category comprised seven content analysis codes (see Appendix E) which were used to interrogate the data. Four of these codes were important in Case 4. These were, "conflict of interest - friends", "help me!", "conflict of interest-family" and "conflict of interest-business". The table below presents examples of explanations that were coded to the content analysis codes for the CMV category that were important in this case.

Table T4

*Examples of Explanations Coded to Clash of Moral Values Category - Case 4*

| **Explanations coded to "conflict of interest - friends"** | |
| --- | --- |
| ICAC Counsel Assisting: | *"Why did you think that CRU03 of Company P was willing to extend this hospitality to you during 2009?"* |
| Corrupt public official: | "I suppose we'd become personal friends." (NSW Independent Commission Against Corruption, 2012e, p. 88). |
| ICAC Commissioner: | "MIS01 [corrupt public official] and MIS02 [corrupt supplier] had a close personal friendship."(NSW Independent Commission Against Corruption, 2015a, p. 10). |
| ICAC Commissioner: | *"But why were you willing to assist him* [with false invoicing]?... *Was he blackmailing you?... Did he have something on you which caused you to feel you had no choice?"* |
| Corrupt supplier: | "No, sir. I did it out of blind friendship."(NSW Independent Commission Against Corruption, 2015c, p. 113). |
| **Explanations coded to "help me!"** | |
| ICAC Counsel Assisting: | *"So at the time did you regard it as being improper, what you were doing in relation to the creation of this invoice?"* |
| Corrupt supplier: | "At the time my, my primary concern was to help a friend [corrupt public official] out at this, at that time. Ah, yes, the, as odd as that may sound compared to a friendship to a legal criminal event ah, I should have been thinking more along the lines of that latter but at the time I was thinking of assisting a friend." (NSW Independent Commission Against Corruption, 2015c, p. 80). |
| ICAC Counsel Assisting: | *"STA01...you were making it plain to him* [non-corrupt supplier] *that again you were helping him and favouring him because you wanted him to believe that you were taking care of him?"* |
| Corrupt public official: | "…I was taking care of him, he's a blind man and I repeat I was helping him to prepare his submittals [quotations submitted to STA01 for award of contracts], he can't see, he cannot read." (NSW Independent Commission Against Corruption, 2012f, p. 380). |
| **Explanations coded to "conflict of interest - family"** | |
| ICAC Commissioner: | *"What, you thought it was okay to give your husband the job without getting a quote or without telling anybody what you were doing?"* |
| Corrupt public official: | "Yes, that's what I, that is what I did." (NSW Independent Commission Against Corruption, 2010d, p. 273). |
| ICAC Counsel Assisting: | *"Would it concern you that the curriculum vitae would include the name of a referee...who was in fact related by marriage to the job applicant?"* |
| Non-corrupt public sector manager: | "If I would have known that I would have made sure that HR would have been made aware of that, but I didn't know that at the time." (NSW Independent Commission Against Corruption, 2012d, p. 93). |
| ICAC Commissioner: | "CIT01 engaged in corrupt conduct by using Company N to recruit contractors and staff for the university despite the conflict of interest caused by his wife's employment with Company N and, from August 2008, by his and his wife's financial interest in Company N, and by engaging CIT02, his brother-in-law, to work at the university despite the conflict of interest caused by their family relationship." (NSW Independent Commission Against Corruption, 2012c, p. 5). |
| **Explanations coded to "conflict of interest - business"** | |
| ICAC Commissioner: | "Contractors, recruitment firms and managers within organisations often know each other and have pre-existing relationships from previous |

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| | |
|---|---|
| | work." (NSW Independent Commission Against Corruption, 2012c, p. 6). |
| ICAC Counsel Assisting: | *"Did you understand that others might perceive that she* [tender evaluator] *would be inclined to favour her previous employer* [who submitted the winning tender response]*?"*. |
| Corrupt public official: | "Ah, yes."(NSW Independent Commission Against Corruption, 2012e, p. 43). |

### *Ethos of public administration category content analysis coding*

This category comprised five content analysis codes (see Appendix E) which were used to interrogate the data. Four of these codes were important in Case 4. These were, "to get results", "resourcing", "not influenced" and "for the greater good". The table below presents examples of explanations that were coded to the content analysis codes for the EPA category that were important in this case.

Table T5

*Examples of Explanations Coded to Ethos of Public Administration Category – Case 4*

| **Explanations coded to "to get results"** | |
|---|---|
| Corrupt public official: | "That [deceiving the University] was never my, never my intention. I just wanted to get the best type of people to, to work at the University." (NSW Independent Commission Against Corruption, 2012c, p. 727). |
| Non-corrupt public sector manager: | "So project managers do tend to be focused on the outcome as opposed to the process." (NSW Independent Commission Against Corruption, 2015b, p. 105). |
| ICAC Counsel Assisting: | *"But even at the time you must have appreciated that* [giving a contract to a company jointly owned by herself and her husband] *was a conflict of interest, didn't you?"* |
| Corrupt public official: | "No, I was focused, in particular with the vice chancellor's office on solving a problem." (NSW Independent Commission Against Corruption, 2010d, p. 286). |
| ICAC Commissioner: | *"*CRU06's [non-corrupt public sector manager's] style was to focus on getting the job done." (NSW Independent Commission Against Corruption, 2012a, p. 33). |
| ICAC Commissioner: | "While University B's processes achieved the desired budget and delivery results, and appeared a success, they did, in fact, create an opportunity for corruption." (NSW Independent Commission Against Corruption, 2012a, p. 36). |
| **Explanations coded to "resourcing"** | |
| ICAC Counsel Assisting: | *"And was it* [certification of having read the Code of Conduct] *deliberately false by you?"* |
| Corrupt public official | No, it wasn't deliberately false, for whatever reasons at the time I was, my days were fully occupied, every single minute of my day was taken up. I, I had a large area to support, a growing area to support, I worked from 7.00 till 7.00 so I was busy and for whatever reasons I, I, I took shortcuts I guess." (NSW Independent Commission Against Corruption, 2012c, p. 619). |
| Corrupt public official: | "I actually had two team leaders running four teams…two team leaders running four teams because we were, we were, we were undermanned." (NSW Independent Commission Against Corruption, 2012d, p. 653). |

| Non-corrupt public sector manager | "I don't think there was a lack of policy. I think what there was a lack of resources to properly monitor policy and properly monitor risk. I think there was every aspiration by the University and this committee to do those jobs but everyone was frustrated by the lack of resources to do them as well as we would like." (NSW Independent Commission Against Corruption, 2012e, p. 535). |
|---|---|
| ICAC Commissioner | "The extended gaps during which University B lacked sufficient procurement expertise had a significant effect on its ability to manage procurement." (NSW Independent Commission Against Corruption, 2012a, p. 36). |
| **Explanations coded to "influence"** | |
| ICAC Counsel Assisting: | *"So you see no difficulty with that* [personal travel paid by suppliers] *at all?"* |
| Corrupt public official: | "No, I can differentiate between myself, STA01 who is employed by the University C and STA01 personal life and STA01 business life." (NSW Independent Commission Against Corruption, 2012f, p. 359). |
| ICAC Counsel Assisting: | *"And because of his role in making those what I call significant decisions for shorthand purposes, it was with* [CRU1 corrupt public official*] that Company O and you were particularly concerned to cement the relationship. Correct?"* |
| Corrupt supplier: | "Yes." (NSW Independent Commission Against Corruption, 2012e, p. 184). |
| ICAC Commissioner: | "While CRU01 agreed that his acceptance of such hospitality might be seen by others as disposing him to favour Company O in the way in which he administered the contract, he initially denied that it did dispose him to favour Company O. He subsequently admitted, however, that, by December 2009 and during 2010, he was in fact disposed to act in favour of Company O when making decisions about the cleaning contract as a result of the free hospitality he had been receiving since 2005." (NSW Independent Commission Against Corruption, 2012a, p. 12). |
| **Explanations coded to "for the greater good"** | |
| ICAC Counsel Assisting: | *"If...there were times you did not follow the recruitment policy what was your direct objective if that happened?"* |
| Corrupt public official | "It was to, to gain the best possible people for the University. It was to actually assist in, in what we needed to provide in a very chaotic every changing environment." (NSW Independent Commission Against Corruption, 2012d, p. 727). |

### *'Not covered by theory' category content analysis coding*

This category comprised nine inductively generated content analysis codes (see Appendix E). Six of these were important in Case 3. These were, "let me explain", "I deny it", "I don't recall", "I don't know why", "I didn't know it was wrong" and "I was unaware". The table below presents examples of explanations that were coded to the content analysis codes for the 'not covered by theory' category that were important in this case.

Table T6

*Examples of Explanations Coded to 'Not Covered by Theory' Category - Case 4*

| **Explanations coded to "let me explain"** | |
|---|---|
| ICAC Counsel Assisting: | *"Could you tell the Commission the source of the cash money represented across those deposits into…your joint or personal account?"* |
| Corrupt public official: | "I would say the majority came from my cash tin and some came from gifts from my mum, some came from gifts from my in-laws." (NSW Independent Commission Against Corruption, 2015b, p. 433). |
| ICAC Counsel Assisting: | *"And in particular it involved the use of University resources for the benefit of* [local sporting club] *without the University's knowledge or consent...How did you think of it at the time?"* |
| Corrupt public official: | "I'm really not sure…I just suppose, I just viewed it as community, doing some community engagement." (NSW Independent Commission Against Corruption, 2012e, p. 35). |
| ICAC Counsel Assisting: | *"I want to suggest to you that you simply came up with a figure of $7,000* [on a false invoice] *because that was the amount that you were having to pay the…St Kilda Hotel* [for hospitality to University B staff]*?"* |
| Corrupt supplier: | "No, I actually costed it out and then discounted the price down to that figure, down to the $7,000." (NSW Independent Commission Against Corruption, 2012e, p. 473). |
| ICAC Counsel Assisting: | *"You knew that you were taking shares in a company when you signed this document didn't you?"* |
| Corrupt public official: | "…I didn't even read it. I didn't even read it, all right. It was – like, like I said it was quite late at night, I walked through the door and I believe I was, I was out with some, with some friends, so I had a few drinks, I had an enjoyable evening, came home, came home and, and we just had a quick discussion about it." (NSW Independent Commission Against Corruption, 2012d, p. 608). |
| **Explanations coded to "I deny it"** | |
| ICAC Counsel Assisting: | *"And that in fact what you were trying to do was to, in your position as manager at University A to benefit yourself and your wife by allocating that work to Company N?";* |
| Corrupt public official: | "Incorrect. Not at all." (NSW Independent Commission Against Corruption, 2012d, p. 611). |
| ICAC Counsel Assisting: | *"Do you deny do you taking steps to deliberately conceal the relationship between you and* [your husband]*?"* |
| Corrupt public official: | "Yes." (NSW Independent Commission Against Corruption, 2010d, p. 334). |
| ICAC Counsel Assisting: | *"So you weren't carried away by the thought that perhaps you might get half of $32,450 for work you hadn't even done?"* |
| Corrupt supplier: | "No. Um, I, never, never ever did that occur to me." (NSW Independent Commission Against Corruption, 2015c, p. 71). |
| ICAC Counsel Assisting: | *"Can I ask you whether STA01 at any point ever asked you to just give him some money?"* |
| Corrupt supplier: | "No, no, no." (NSW Independent Commission Against Corruption, 2012f, p. 162). |
| **Explanations coded to "I don't recall"** | |
| ICAC Counsel Assisting: | *"Why did you change it* [the tender evaluation schedule to favour own company] *in some instances and not others?"* |
| Corrupt public official: | "I really don't have a recollection as to why, no." (NSW Independent Commission Against Corruption, 2010d, p. 239). |

| ICAC Commissioner: | *"Well, the use of the word hidden suggests…it's false doesn't it and this, this is an email that you wrote…yourself…You seem to not have much memory about it at all?"* |
|---|---|
| Corrupt supplier: | "Well…I don't recall those specific incidents." (NSW Independent Commission Against Corruption, 2012e, p. 291). |

**Explanations coded to "I don't know why"**

| ICAC Counsel Assisting: | *"Why would you do that* [sign a code of conduct without reading it]*, CIT01?"* |
|---|---|
| Corrupt public official: | "Expedience, lack of time, it was negligent on my behalf I agree. I don't know." (NSW Independent Commission Against Corruption, 2012d, p. 596). |
| ICAC Commissioner: | "Each of them said they could offer no explanation as to how the figures [in a tender response they submitted] could be identical [to University B's internal calculations], except by pointing to Company O's experience in cleaning the buildings concerned." (NSW Independent Commission Against Corruption, 2012a, p. 16). |

**Explanations coded to "I didn't know it was wrong"**

| ICAC Counsel Assisting: | *"Do you say you were unaware of the obligations in terms of acceptance of gifts and benefits…and outside work and private practice?"* |
|---|---|
| Corrupt public official: | "That's right." (NSW Independent Commission Against Corruption, 2012f, p. 312). |
| Corrupt public official: | "And I didn't think it, it - I didn't at the time I didn't think it was conflict of interest [sending business to a company he jointly owned with his wife]." (NSW Independent Commission Against Corruption, 2012c, p. 602). |
| Corrupt supplier: | "I didn't, I didn't know at the time that this [invoice] was false, I had no inkling that any of this, what I was doing was improper." (NSW Independent Commission Against Corruption, 2015c, p. 188). |

**Explanations coded to "I was unaware"**

| ICAC Counsel Assisting: | *"If you were a proprietor or a part-owner…and your wife was a part-owner…in Company N and you were diverting work to that company in your position as manager at University A...that would be a clear conflict of interest, wouldn't it?"* |
|---|---|
| Corrupt public official: | "Based on what you just said, yes, but I was not aware that I was a proprietor." (NSW Independent Commission Against Corruption, 2012d, p. 657). |
| ICAC Counsel Assisting: | *"And wasn't it also obvious then that the University wouldn't be expecting to be charged that amount back again for the vehicle, wasn't that obvious to you at the time?"* |
| Corrupt supplier | "No, it wasn't. I, I can't recall exactly how the conversation went but at the time no, it wasn't obvious." (NSW Independent Commission Against Corruption, 2012e, p. 187). |

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