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Ethics and Compliance Programs as Organizational Anticorruption Strategies: A Multilevel Analysis

par
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Résumé

Cette thèse examine les initiatives organisationnelles de lutte contre la corruption. Cette thèse se concentre plus particulièrement sur une pratique organisationnelle répandue qui, entre autres fonctions, vise à dissuader la corruption : les programmes d'éthique et de conformité. Cette thèse, structurée par article, comprend une revue de la littérature et deux études empiriques. Le premier article est une revue intégrative de la littérature sur les programmes d'éthique et de conformité, avec un accent particulier sur leur caractère anti-corruption. Le deuxième article se concentre sur la mise en œuvre d'un programme d'éthique et de conformité par Petrobras, la société d'état brésilienne de pétrole et de gaz, à la suite d'un scandale de corruption. Il analyse comment Petrobras déploie stratégiquement des ressources discursives et des artefacts matériels pour réparer sa légitimité. Le troisième et dernier article examine comment les réponses organisationnelles et réglementaires à un scandale de corruption ont abordé les pratiques de corruption au sein et autour d'une entreprise multinationale au Brésil. Se concentrant principalement sur la mise en œuvre d'un programme d'éthique et de conformité encouragé par la réforme réglementaire, il explique comment les cadres intermédiaires ont vécu le développement du programme. Pris dans son ensemble, cette thèse vise à fournir une vision systémique des programmes d'éthique et de conformité qui prend en considération les différents éléments qui les constituent. En plus d'un ensemble de composantes du programme, les éléments constitutifs comprennent le contexte social dans lequel l'organisation est historiquement ancrée, l'environnement réglementaire, les membres de l'organisation et les autres parties prenantes, ainsi que les pratiques matérielles et discursives.

Mots clés : corruption, anticorruption, programme de conformité, programme d'éthique, programme d'intégrité, grands défis de société, discours, matérialité, réforme réglementaire, cadres intermédiaires

Méthodes de recherche : analyse du discours, analyse de contenu

Abstract

This dissertation examines organizational anticorruption initiatives. In particular, this research project examines a widespread organizational practice that, among other functions, aims to deter corruption—ethics and compliance programs. This dissertation, structured by article, includes a literature review and two empirical studies. The first article is an integrative review of the literature on ethics and compliance programs, with a special focus on their anticorruption character. The second article focuses on the implementation of an ethics and compliance program by Petrobras, the Brazilian oil and gas state-controlled enterprise, in the aftermath of a corruption scandal. It analyzes how Petrobras strategically deploys discursive resources and material artifacts to repair its legitimacy. The third and final article examines how organizational and regulatory responses to a corruption scandal addressed corrupt practices in and around a multinational enterprise in Brazil. Primarily focusing on the implementation of an ethics and compliance program incentivized by regulatory reform, it explains how middle managers experienced the development of the program. Taken as a whole, this dissertation aims to provide a systemic view of ethics and compliance programs that takes into consideration the various elements that constitute them. In addition to a bundle of program components, constitutive elements include the social context in which the organization is historically embedded, the regulatory environment, organizational members and other stakeholders, and material-discursive practices.

Keywords: corruption, anticorruption, ethics and compliance program, ethics program, integrity program, grand societal challenges, discourse, materiality, regulatory reform, middle managers

Research methods: discourse analysis, content analysis

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List of abbreviations

CCO	Chief Compliance Officer
CEO	Chief Executive Officer
CO	Corrupt organization
CP	Compliance program
ECP	Ethics and compliance program
EW	Economies of Worth
OCI	Organization of corrupt individuals
OECD	Organisation for Economic Co-operation and Development
U.S.	United States of America

To Tatiana, for her unconditional love and support.

Acknowledgements

This doctoral dissertation represents the final stage of a personal project devised in 2014. In the middle of a stable managerial career, I decided to become a university professor. The first ideas for this dissertation were born in the initial stages of this project, in particular during my master's at the Brazilian School of Public and Business Administration, Fundação Getulio Vargas (FGV/EBAPE). I thank my professors and colleagues at FGV/EBAPE for helping me learn how to test, develop, and sometimes discard ideas.

The PhD brought its lot of challenges—adjusting to a new country, a new culture, a new lifestyle, learning a new language... in addition to the PhD itself. I would not have been able to go through this journey if it was not for the advice, guidance, support, and intellectual challenges of many people. I am deeply thankful to my advisor Emmanuel Raufflet for believing in me and my research project since we first met before the PhD. I am thankful for his patient advice as well as for the several opportunities he has given me to develop my research and teaching skills. I also deeply appreciate his encouraging me to think objectively and creatively at the same time.

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Introduction

This research project examines organizational anticorruption strategies, in particular ethics and compliance programs (ECP). Despite the broad scope of their multiple components, which address various forms of illegal and unethical behavior, ECPs are widely recognized as the most comprehensive mechanism through which organizations respond to corruption. Drawing on Coglianese and Lazer (2003), I conceptualize ECP as a form of management-based regulation that requires organizations to engage in self-regulatory initiatives against corruption. Through ECPs, regulators delegate part of the responsibility for controlling corruption to organizations, which are expected to be in a better position to assess the risks inherent in their operations and design effective control systems that include anticorruption policies, structures, tools, activities, and personnel. The configuration of ECPs can present slight variations according to jurisdiction, but in general their minimum requirements are: (1) identification of corruption risks according to the organization's activities; (2) risk mitigation practices; (3) procedures for monitoring and correcting problems; (4) employee training programs; and (5) practices to evaluate and improve the organization's management system in relation to mitigating corruption in its area of responsibility. Thus, ECPs often comprise the following basic components: control mechanisms, sanctioning systems, anonymous reporting systems, codes of ethics and other standards of conduct, formal training, and ethics advice.

ECPs are also referred to as compliance programs, ethics programs, and integrity programs. How they are called vary primarily according to discipline and orientation. That is, compliance program is the prevailing term in legal studies, whereas management and business ethics scholarship emphasizes the different orientation that each term represents—compliance programs are law-driven whereas ethics or integrity programs are value-driven. I use the term "compliance program" in Chapter 1 because it retraces the history of such programs since their origin as a translation of management-based regulation. This term conveys more accurately why most organizations choose to implement a compliance program—to signal compliance with laws and regulations.

However, I opted for the term "ethics and compliance program" in the remainder of this dissertation because it is the term found more often among management and business ethics scholars as well as among organizations.

Why study organizational anticorruption strategies? Corruption is a grand societal challenge that costs globally between US\$1 trillion (Heywood & Rose, 2015) and US\$2.6 trillion—5% of the global gross domestic product (United Nations, 2018). Corruption directly affects the functioning of society by undermining trust in institutions as well as in political and economic systems (Ashforth & Anand, 2003). It is a significant barrier to social, economic, and political development (Jorge & Basch, 2013) insofar as it (1) reduces equitable delivery of public services (Friedman, 2018); (2) hampers economic growth (d'Agostino, Dunne, & Pieroni, 2016); (3) increases public debt (Cooray, Dzhumashev, & Schneider, 2017); and (4) decreases tax revenues (Timmons & Garfias, 2015). It also constitutes an important obstacle to fair competition in business transactions (Pieth, 2011).

While corruption is often associated with political elites or the public sector (Hough, 2017), effective anticorruption initiatives require cooperation between government, business, and civil society, since separate initiatives can result in the mere displacement of corrupt practices (Dávid-Barrett & Fazekas, 2020). Moreover, corporate scandals in the early 2000s involving companies such as Enron and WorldCom sparked an international anticorruption movement and pushed regulators to increase the pressure on businesses (Baer, 2008; Ford & Hess, 2011; Martineau, Johnson, & Pauchant, 2017) through management-based regulation. This type of regulation is likely to be more effective when both the capacity for regulators to assess output and the degree of homogeneity of the regulated entities are low (Coglianese & Lazer, 2003). In this context, the role played by organizations in the general efforts against corruption gained prominence and ECPs became a widespread organizational practice. In addition to this regulatory character, organizations are increasingly motivated to implement ECPs to maintain their legitimacy, since multiple stakeholders have come to perceive them as an indication of a sound governance system.

My professional experience raised my interest not only in the antecedents and processes of corruption, but also in anticorruption initiatives. In 2014, the multinational company I worked for in Brazil was found to be involved in a massive corruption scheme. The company responded by implementing a comprehensive ECP. Many elements of that context were unprecedented: the breadth of the scheme, the number of business organizations involved, the huge sums of money involved, and the regulatory and organizational responses that followed. Only then comprehensive ECPs emerged in Brazil. From a practitioner perspective, I initially perceived them as incoherent since some program components seemed to have conflicting objectives. More than that, I did not perceive the program as a coordinated unit, but as separate initiatives. The first questions started to brew in my mind about whether ECPs could help deter corruption. I also wondered how they complemented (or not) other anticorruption initiatives.

Another characteristic of ECPs struck me during my practitioner days. The ECP was communicated to managers, employees, and external stakeholders very differently from other initiatives. Other values, not commonly associated with the business world, were more apparent in the company's statements about the ECP. Values such as compliance with the law, ethics, and integrity could be easily found in statements to a wide variety of stakeholders. Other questions emerged in my head, this time about whether the company genuinely intended to play its part in the national efforts against corruption.

Not only the company's statements changed—this was a time of intense change in various organizational processes and activities. Restructuring, internal investigations, centralization of organizational processes, dismissals, new office layouts, and increased complexity of ordinary activities made my daily work turn upside down. All these changes were responses to the scandal and were justified according to the values on which the ECP was built. Questions about the effects of the ECP on managers and employees started to hover around in my head at this time.

My concerns briefly described above are reflected in this research. Taken as a whole, this dissertation provides a systemic view of ECPs that integrates a variety of

perspectives from the different disciplines sharing an interest in this topic. It also cuts across levels of analysis by taking into consideration the components that constitute the ECP (e.g., code of ethics and control mechanisms), the social context and the regulatory framework in which it is situated, multiple stakeholders, and discursive and material practices.

The literature on ECPs is highly fragmented across disciplines and varies considerably in terms of level of analysis, research focus, the extent to which corruption is addressed, and the expected outcome of ECPs. For example, in the context of an anticorruption legal framework, legal studies consider the regulatory character of ECPs to examine regulatory processes and law enforcement initiatives. ECPs are analyzed as forms of management-based regulation with a clear social goal—to mitigate corruption (e.g., Hamann, 2019). Thus, corruption and ECPs are closely associated.

Management and organization scholarship mostly focuses on ECPs as organizational control systems, not necessarily associated with a specific legal framework. Research in our discipline addresses corruption at varying degrees. ECPs are analyzed as corporate governance mechanisms or as formal systems whereby organizations can improve their ethical decision-making processes. The expected outcome of ECPs is to promote more ethical and transparent business practices (e.g., Kaptein, 2009). At the individual level of analysis, management and organization studies are largely focused on leadership (e.g., Thomas, Schermerhorn, & Dienhart, 2004), thus glossing over how other organizational members participate in the implementation of ECPs.

Accounting and finance research mostly focuses on the organizational level of analysis to examine standards and controls that can affect the accuracy of financial statements. There are similarities with management and organization studies insofar as ECPs are examined as corporate governance mechanisms. However, in accounting and finance research the expected outcome of ECPs is to allow for organizations and their stakeholders to prevent and detect corruption (e.g., Pope & Lee, 2013).

This literature fragmentation hinders a systemic view of ECPs that bridges different levels of analysis and highlights interdependent connections between laws and regulations, organizations, organizational members, and civil society. Acknowledging the interdependence among various anticorruption initiatives is key to achieving their desired social impact. In addition, this fragmentation inhibits a more comprehensive conceptualization of ECPs that can advance knowledge of management-based regulation aimed at tackling corruption and other grand societal challenges. It also inhibits transdisciplinary research that (1) generates evidence-based insights to support and/or challenge general beliefs about ECPs and (2) provides clear objectives for impact assessment.

This dissertation addresses this issue by uncovering unexplored connections among disciplines and research areas that can contribute to new insights and research directions. In Chapter 1, I propose a process approach to ECPs that ranges from the context in which ECPs are designed and implemented through implementation and monitoring processes to impact assessment. A process approach challenges the ambiguous claim "to do the right thing" (Weber & Wasieleski, 2013) as the main reason why organizations implement ECPs. It assumes that organizations are embedded in a business environment consisting of anticorruption laws and regulations, international conventions, principles, and standards, and multistakeholder initiatives. A process approach also challenges the promotion of more ethical and transparent business practices as the expected outcome of ECPs. Although more ethical and transparent business practices can contribute to reducing corruption, the impact of ECPs as anticorruption mechanisms is unclear. In contrast, a process approach encourages an objective definition of the anticorruption goals of ECPs and the development of metrics to measure the progress toward them. Moreover, the notion of organizational anticorruption performance contributes to public policy evaluation insofar as policy makers have a better understanding of organizations' roles in broader public policies. In other words, policy makers can follow the interactions that constitute ECPs and better assess their intended and unintended consequences as translations of management-based regulation.

Building on these ideas, in Chapter 2, I shed light on the meso–macro interactions, especially material-discursive practices, that constitute an ECP in the aftermath of a corruption scandal. This chapter offers methodological possibilities that attempt to overcome the barriers inherent in research on corruption and anticorruption, especially access to data. In contrast, in Chapter 3 I explore the interactions between the meso and the micro levels of analysis. Indeed, I shed light on how employees, who are the people ultimately responsible for translating management-based regulation into specific ECP components, experience the implementation of an ECP in a context of regulatory reform and intense stakeholder pressure. This chapter adds to the limited knowledge of middle management's lived experience of ECP implementation and development.

This dissertation is structured by article. The first article, presented in Chapter 1, is an integrative review of the fragmented literature on compliance programs. Taking into consideration that corruption is a grand societal challenge, it examines how compliance programs contribute to mitigating corruption in organizations. Chapter 1 is based on the systematic analysis of 133 articles and is not restricted to any discipline. It identifies the anticorruption mechanisms discussed in the literature and the theoretical assumptions that inform them, thereby contributing to a better understanding of the theoretical influences on compliance programs and their implications. It classifies the reviewed literature according to Jancsics' (2019) description of anticorruption initiatives and draws on the organization of corrupt individuals—corrupt organization framework to analyze the strengths and limitations of the various anticorruption mechanisms that constitute compliance programs. It proposes a framework that integrates the fragmented literature and identifies the areas where cross-fertilization of ideas from different disciplines can contribute to advancing the field. It concludes with a research agenda that can help advance knowledge applicable to anticorruption initiatives and to other grand societal challenges that rely on self-regulation.

The second article, presented in Chapter 2, examines the implementation of a crisis response strategy anchored in an ECP. Based on extensive secondary data from various sources, this empirical study examines how Petrobras, the Brazilian oil and gas state-owned enterprise, implemented a comprehensive ECP after the Car Wash scandal. It aims

to fill a gap in the literature on ECPs through the in-depth analysis of how Petrobras communicates the development of its program to a wide variety of stakeholders. Given the legitimating character of ECPs, communication is a key aspect of program implementation. Chapter 2 draws on insights from the Economies of Worth framework (Boltanski & Thévenot, 1991) to explain how an ECP is legitimated and enacted in an assemblage in which discourse and material artifacts are entangled in practice. Petrobras's program is constituted through discourse—especially an overarching narrative in which the company gives voice to multiple stakeholders—that is materially instantiated in artifacts such as organizational structure, codes, policies, and tools. The case study spans the period from 2013 to 2021. In 2013, Petrobras adopted the so-called Corruption Prevention Program in response to Brazil's Anticorruption Act of the same year. In 2021, the taskforce in charge of the Car Wash investigations was officially dismantled. Chapter 2 proposes a process model of legitimacy repair whereby organizations shape a trajectory that fosters a sense of continuity, predictability, and adaptation to an emerging institutional order. The justification of the organizational trajectory features tensions that are likely to be resolved insofar as discourse is coherently instantiated in material artifacts.

The third article, presented in Chapter 3, examines how the implementation and development of an ECP is perceived by employees. Based on semi-structured interviews and secondary data, this empirical study examines how middle managers experienced the implementation and development of their organization's ECP. Middle managers, defined as "any manager two levels below the CEO and one level above line workers and professionals" (Huy, 2001, p. 73), play a pivotal role in change implementation in general and ECP implementation in particular. Middle managers act as both leaders and followers insofar as they are as much recipients as they are implementers of their organization's plans. They must grasp something they did not design and negotiate the details with others equally removed from strategic decision making whereas they manage the tension between continuity and change (Balogun, 2007; Huy, 2001). Chapter 3 shows how the program evolved in a context of regulatory reform and intense stakeholder pressure in Brazil. In 2015, the program was characterized by a coercive environment featuring strict rules and procedures, internal investigations, and an unprecedented sanctioning system. It was consolidated through major changes in key organizational processes, especially

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centralization of procurement processes and segregation of duties. In 2019, middle managers experienced a new phase in the program's development, characterized by an approach that advocated the moral development of employees. Informed by the literature on compliance- and value-based ECPs, in this chapter I analyze how internal stakeholders experience and perceive the implementation and development of an ECP, which claims to have gone from one end of the orientation spectrum toward the other. Chapter 3 argues that middle managers play three roles in the development of an ECP under intense stakeholder pressure—pathfinder, investigator, and promoter. It contributes to a better understanding of ECPs as dynamic processes and to the roles played by middle management in their development.

Table 1 presents an overview of the dissertation comprising (1) the title of each chapter; (2) their objectives; (3) their research questions; (4) the theoretical framework that informed them; (5) the main concepts, presented in detail in each chapter, (6) their level of analysis; (7) their research design; and (8) a brief description of the methodological procedures. Figure 1 provides a visual representation of the multilevel nature of this dissertation.

Table 1. Dissertation overview

	First article (chapter 1)	Second article (chapter 2)	Third article (chapter 3)
Title	The anticorruption function of compliance programs: an integrative review	Ethics and compliance program as a crisis response strategy: analyzing material-discursive practices in a disrupted context	Implementation and development of an ethics and compliance program: a middle management perspective
Objective	Map the literature on the anticorruption function of compliance programs	Understand the process whereby materiality and discourse are strategically deployed in an organization's response to a crisis	Understand how middle managers experience the implementation and development of an ECP
Research question(s)	How do compliance programs contribute to mitigating corruption in organizations?	How does an organization attempt to repair its legitimacy in the aftermath of a corruption scandal? What is the role played by discourse and ordinary material artifacts in this process?	How do middle managers experience the implementation and development of an ECP in a context of intense stakeholder pressure and regulatory reform?
Theoretical framework	Organization of corrupt individuals–corrupt organization framework	Economies of Worth framework	ECP orientation
Main concepts	Intra- and extra-organizational top-down and bottom-up anticorruption initiatives	Legitimacy repair Discourse Materiality	Compliance-based ECP Value-based ECP
Level of analysis	Not applicable	Organizational	Individual (middle management)
Design	Integrative literature review	Empirical (qualitative)	Empirical (qualitative)
Methodological procedures	133 reviewed articles published between 2002 and 2022	Case study Secondary data Discourse analysis	Case study Semi-structure interviews and secondary data Content analysis

Figure 1. Multilevel analysis

Chapter 1	Chapter 2	Chapter 3
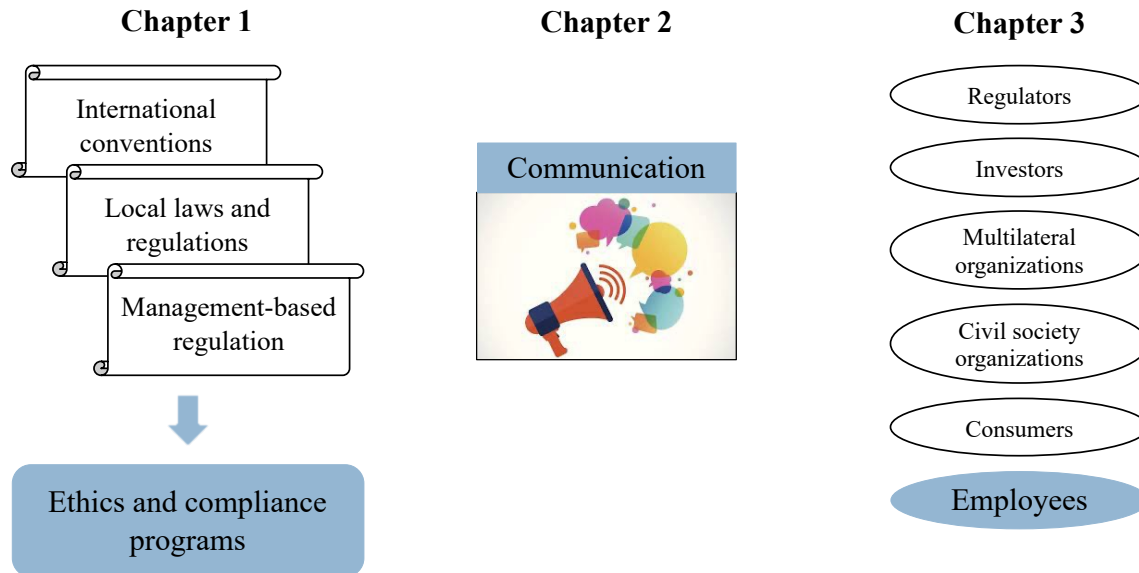
Quality criteria

Chapters 2 and 3 adopt qualitative research criteria for assessing the quality of the study in terms of credibility, transferability, and confirmability. As far as credibility is concerned, prolonged engagement, triangulation, and peer-debriefing are the activities chosen to increase the likelihood that credible findings will be produced (Lincoln & Guba, 1985). First, prolonged engagement presupposes familiarity with the research site and the context in which the phenomenon of interest is embedded. The analysis of the phenomenon would be impaired without a thorough appreciation and understanding of the context. I am a Brazilian Portuguese native speaker and spent 13 years of my professional career working for Petrobras. I was a procurement manager at Petrobras when major events took place, including the enactment of Brazil's Anticorruption Act, the Car Wash scandal, and the post-scandal regulatory reform. These events have been instrumental for the emergence of ECPs not only at Petrobras but in Brazil. Petrobras is a substantively important case (Goertz & Mahoney, 2012) and therefore a rich empirical context to answer the research questions presented in Chapter 2. My prolonged engagement with the Brazilian context significantly contributed to the analysis of the Petrobras case in Chapter 2 and the anonymous organization in Chapter 3.

The second credibility-related activity refers to triangulation of different sources. As expected in constructivist research, different types of data from different sources have been triangulated to capture multiple perspectives. In Chapter 2, the dataset comprises Petrobras's annual reports, financial statements, press releases, blog posts, multimedia campaigns, anticorruption policy, ECP elements—code of ethics, code of conduct, code of good practices—and slide presentations. Additional data include Brazil's anticorruption legislation, manuals and guidelines published by the Controller General, and journalistic accounts. The dataset contains over 4000 pages of written texts and 24 hours of videos from three periods of interest. The first spans the period from the implementation of the OECD Anti-Bribery Convention in 1997 until the enactment of Brazil's Anticorruption Act in 2013. The second period concerns Operation Car Wash as well as the initial organizational and regulatory responses to the scandal. The third period refers to the development of Petrobras's ECP in the aftermath of the scandal. In Chapter 3, the dataset comprises the same data on the Brazilian context. As for the data on the focal organization, the specific sources cannot be disclosed for ethical reasons. However, data can be described as corporate documents to regulators, investors, shareholders, employees, and the general public. The semi-structured interviews with the organization's middle managers are the core of the dataset analyzed in this chapter.

The third and final activity to increase credibility concerns peer-debriefing. I am a member of *Rede Interdisciplinar de Pesquisa em Corrupção*, a Brazilian corruption research network consisting of early-career scholars and doctoral students. The network holds periodical sessions in which a member presents their ongoing research projects. All the network members are familiar with both the Brazilian context and the ECP literature. Moreover, this dissertation's three articles have been presented in conferences, symposia, paper development workshops, and/or seminars, including the Academy of Management Annual Meetings, EGOS Colloquia, and the Administrative Sciences Association of Canada Annual Conferences.

As for transferability, this dissertation provides a thick description of ECP implementation in Brazil from different levels of analysis. As opposed to quantitative research, this dissertation does not contain "precise statements about external validity",

nor an "index of transferability" (Lincoln & Guba, 1985, p. 316). However, my arguments are supported by the presentation of multiple excerpts of the analyzed data so that readers can judge transferability of the findings to other contexts. Moreover, the extensive documentation of the Car Wash scandal should ensure confirmability.

Ethical considerations

Chapter 2 is entirely based on publicly available data. While this case study discloses the name of the selected organization, most data only refer to it in general terms, which largely limited aspects that could have compromised Petrobras's employees or other individuals. People such as board members, executives, and compliance officers are mentioned in some texts. Although this does not mean that these people can be understood as research participants, their identities are not disclosed. Chapter 2 only considers Petrobras as the social actor of interest.

As for Chapter 3, the main ethical issue concerns the possible identification of the focal organization and its members. To minimize the risk of identification, I refer to the firm's country of origin and size, but not to other information that might lead to its identification, including industry and historical details. As for the organizational members, the data generated during the interviews was entirely anonymized, including the specific departments where the participants worked or still work.

Another ethical issue refers to the very nature of the research topic. Corruption is a sensitive issue, especially for those who have been directly or indirectly exposed to it, as the employees of a firm involved in a corruption event. Therefore, some key questions in the interview guides could have led respondents to either "open up" or relive painful experiences. To help them phase out, the closing questions of the interview guides were intended to allow for a look toward a desired future rather than the past. This way respondents were given the opportunity to end the interviews on a positive note.

Finally, respondents could have wanted to report instances of corruption, perhaps to illustrate how their organization's ECP worked in practice. While a pre-scandal climate

of tolerance was reported during the interviews, respondents did not report any specific corrupt practice occurred neither before nor after the scandal.

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Chapter 1
The mitigating impact of compliance programs on organization-level corruption: an integrative review[1]

Abstract

Corruption is a grand societal challenge. It prompted regulators to delegate to organizations part of the responsibility for deterring corruption in the form of compliance programs (CPs), also referred to as ethics and compliance programs, ethics programs, and integrity programs. In this self-regulatory view, organizations are expected to design and implement programs that comply with general criteria established by regulators to the achievement of a specific social goal—reducing corruption. This integrative review examines how CPs contribute to mitigating organization-level corruption. It identifies the anticorruption mechanisms discussed in the literature and the theoretical assumptions that inform them, thereby contributing to a better understanding of the theoretical influences on CPs and their implications. It draws on the organization of corrupt individuals—corrupt organization framework to analyze the strengths and limitations of the various anticorruption mechanisms that constitute CPs. It proposes a framework that integrates the fragmented literature and identifies the areas where cross-fertilization of ideas from different disciplines can contribute to advancing the field. It concludes with a research agenda that can help advance knowledge applicable to anticorruption initiatives and to other grand societal challenges that rely on self-regulation.

Keywords: compliance program, ethics program, integrity program, corruption, grand societal challenges

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1.1   Introduction

Corruption is a complex and multifaceted grand challenge that significantly affects the functioning of society. There is a consensus that effective anticorruption initiatives require cooperation between government, business, and civil society, since separate initiatives may result in the mere displacement of corrupt practices (Dávid-Barrett & Fazekas, 2020). The recognition of the intersectoral nature of anticorruption initiatives has led regulators to delegate to organizations part of the responsibility for deterring corruption. According to regulation theories, anticorruption regulation has become "decentered" (Black, 2002) from the state, meaning that it is no longer seen as tied exclusively to the state. That is, so-called management-based regulation has been increasingly adopted as the preferred strategy to reduce corruption.

Management-based regulation is part of a country-wide anticorruption policy. It requires businesses to engage in self-regulatory initiatives that contribute to the achievement of specific public goals and socially desirable behavior (Coglianese & Lazer, 2003). On the one hand, public policies delineate general regulatory criteria and specify tools expected to be included in corporate programs, including risk assessment, risk mitigation action plans, written standards of conduct, control mechanisms, and employee training programs. On the other hand, businesses have the flexibility to craft their own programs, experiment, and design innovative, cost-effective solutions while being required to demonstrate compliance to regulators and/or third-party auditors.

The literature on compliance programs (CPs) is highly fragmented across disciplines such as law, management, accounting, and finance. Legal studies primarily focus on the regulatory nature of CPs and their relation to other forms of extra-organizational initiatives such as deferred or non-prosecution agreements. Management and organization studies often take for granted the responsibility for corruption control delegated to organizations and mostly focus on CPs as a set of intra-organizational policies and controls. Moreover, research on organizational members is largely focused on leadership, thus glossing over how other members participate in the implementation of CPs. Accounting and finance research mostly focuses on standards and controls that can affect the accuracy of financial statements. The fragmentation of research hinders a

holistic view of CPs that cuts across levels of analysis and sheds light on the roles played by laws and regulations, organizations, organizational members, and civil society to achieve the desired social impact. Under such circumstances of high fragmentation across disciplines, streams of research, and levels of analysis, integrative reviews are helpful in gathering knowledge of a topic from various disciplines and juxtaposing these perspectives to generate new research directions (Cronin & George, 2020).

This integrative review answers the following research question: how do CPs contribute to mitigating organization-level corruption? It organizes the diffuse literature on CPs and integrates a variety of perspectives from the interwoven yet distinct disciplines working on the topic. It identifies the anticorruption mechanisms discussed in the literature and the theoretical assumptions that inform them, thereby contributing to a better understanding of the multiple theoretical influences on CPs. It draws on two organization-level corruption phenomena, organization of corrupt individuals and corrupt organization (Pinto, Leana, & Pil, 2008), to examine the strengths and limitations of the anticorruption mechanisms that constitute CPs. It also uncovers connections among disciplines that can contribute to new insights and research directions.

The remainder of this paper is organized into five sections. First, we present the key concepts mobilized in the paper and the frameworks on which we build to develop our contributions. Second, we describe the methodological procedures adopted in the paper. Third, we present the review findings and classify the CP components identified in the literature. In this section, we also examine the theoretical assumptions that inform these components. Fourth, we assess how CP components can contribute to mitigating organization-level corruption and propose a process approach to anticorruption initiatives. Finally, we propose research directions that can contribute to further developments in the scholarly communities that share an interest in this topic and other grand societal challenges.

1.2 Background

The literature on CPs is highly fragmented across disciplines and varies widely in terms of level of analysis, research focus, the extent to which corruption is addressed, and the expected outcome of CPs. In the context of an anticorruption legal framework, legal studies consider the regulatory character of CPs to examine regulatory processes and law enforcement initiatives. CPs are examined as forms of management-based regulation with a clear social goal—to mitigate corruption (e.g., Hamann, 2019). Thus, corruption and CPs are closely associated.

Management and organization scholarship mostly focuses on CPs as organizational control systems, not necessarily associated with a specific legal framework. Research in this discipline addresses corruption at varying degrees. CPs are examined as corporate governance mechanisms or as formal systems whereby organizations can improve their ethical decision-making processes. The expected outcome of CPs is to promote more ethical and transparent business practices (e.g., Kaptein, 2009). At the individual level of analysis, management and organization studies are largely focused on leadership (e.g., Thomas, Schermerhorn, & Dienhart, 2004), thus glossing over how other organizational members participate in the implementation of CPs.

Accounting and finance research mostly focuses on the organizational level of analysis to analyze standards and controls that can affect the accuracy of financial statements. There are similarities with management and organization studies insofar as CPs are examined as corporate governance mechanisms. However, in accounting and finance research the expected outcome of CPs is to allow for organizations and their stakeholders to prevent and detect corruption (e.g., Pope & Lee, 2013).

This fragmentation hinders a systemic view of CPs that bridges different levels of analysis and highlights interdependent connections between laws and regulations, organizations, organizational members, and civil society. Acknowledging the interdependence among various anticorruption initiatives is key to achieving the desired social impact. This fragmentation inhibits a more comprehensive conceptualization of CPs that can advance knowledge of management-based regulation aimed at tackling

corruption and other grand societal challenges. In addition, it inhibits transdisciplinary research that (1) generates evidence-based insights to support and/or challenge general beliefs about CPs and (2) provides clear objectives for impact assessment.

This review addresses this issue by integrating different perspectives from the disciplines working on CPs. First, it builds on Jancsics (2019) to classify the anticorruption mechanisms that constitute CPs. Second, it identifies the theoretical assumptions that inform the anticorruption mechanisms, thereby contributing to a better understanding of the multiple theoretical influences on CPs. Third, it draws on Pinto et al. (2008) to examine the strengths and limitations of the anticorruption mechanisms in mitigating organization-level corruption. Fourth, it uncovers connections among disciplines and research areas that can contribute to new insights and research directions.

Table 2. Literature fragmentation

	Research Perspective		Empirical Object	
Discipline/Research Area	Level of Analysis	Primary Focus	Type of Misconduct	Expected Outcome
Law	Macro (State)	Regulatory processes, law enforcement	Corruption	To mitigate corruption
Economics and Political Science	Macro (State), meso (organization)	Regulatory processes, law enforcement, corporate governance	Corruption	To mitigate corruption
Accounting and Finance	Meso (organization)	Organizational control systems, corporate governance	Corruption	To prevent and detect corruption
Management and Organizations	Meso (organization), micro (organizational member)	Organizational control systems, corporate governance, business ethics	Various	To promote more ethical and transparent business practices

1.2.1   Defining corruption

The global cost of corruption is estimated to be between US$1 trillion (Heywood & Rose, 2015) and US$2.6 trillion—5% of the global gross domestic product (United Nations, 2018). It affects the functioning of society in at least three ways. First, it undermines trust in institutions and in entire political and economic systems (Ashforth & Anand, 2003). Second, it is one of the main barriers to social, economic, and political development (Jorge & Basch, 2013)—it directly reduces equitable delivery of public

services such as health and education (Friedman, 2018); hampers economic growth (d'Agostino, Dunne, & Pieroni, 2016); increases public debt (Cooray, Dzhumashev, & Schneider, 2017); and decreases tax revenues (Timmons & Garfias, 2015). Third, it constitutes a significant obstacle to fair competition in business transactions (Pieth, 2011).

There is no consensual definition of corruption. As Pinto et al. (2008, p. 686) warn us, "no one has ever devised a universally satisfying 'one-line' definition of corruption". In organizations, it has been defined as "the misuse of authority for personal, subunit and/or organizational gain" (Ashforth & Anand, 2003, p. 2) and as "the misuse of formal power by a corporate representative for personal and/or organizational benefit" (Castro, Phillips, & Ansari, 2020, p. 938). These definitions are valid attempts to adapt to an organizational context the generally-accepted definition of corruption, "the misuse of entrusted power for private gain" (Transparency International, 2022). However, they do not clearly differentiate corruption from other forms of organizational wrongdoing. Since this review focuses on CPs, it does not attempt to further advance the concept of corruption here. Rather, it draws on Rothstein and Varraich (2017) and sees corruption as an umbrella concept that comprises numerous practices, including but not limited to bribery, fraud, nepotism, cronyism, embezzlement, and conflict of interest. These practices involve an exchange of resources between two or more parties and are connected by the two most common dimensions in organizational corruption: (1) the primary beneficiary of the corrupt activity—the individual or the organization—and (2) the actors directly involved in corruption—an individual or a group of colluding individuals (Pinto et al., 2008).

For example, bribery is "the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for an action which is illegal, unethical, or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, or other advantages (taxes, services, donations, favors etc.)" (Transparency International, 2020a). Fraud is "the offense of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political, or otherwise)" (Transparency International, 2020d). Nepotism and cronyism are similar forms of favoritism "based on acquaintances and familiar relationships whereby someone in an official position exploits his or her power

and authority to provide a job or favor to a family member or friend, even though he or she may not be qualified or deserving" (Transparency International, 2020e). Embezzlement is characterized "when a person holding office in an institution, organization, or company dishonestly and illegally appropriates, uses, or traffics the funds and goods they have been entrusted with for personal enrichment or other activities" (Transparency International, 2020c). Conflict of interest is a "situation where an individual or the entity for which they work, whether a government, business, media outlet, or civil society organization, is confronted with choosing between the duties and demands of their position and their own private interests" (Transparency International, 2020b).

1.2.2 Defining CP as an anticorruption mechanism

Corruption, or the practices that it comprises, is the object of both national and international policies that incentivize self-regulatory initiatives such as CPs. Corporate scandals in the early 2000s involving companies such as Enron and WorldCom sparked an international anticorruption movement and pushed regulators to increase the pressure on businesses (Baer, 2008; Ford & Hess, 2011; Martineau, Johnson, & Pauchant, 2017). CPs—heterogeneous sets of organizational practices that include anticorruption policies, structures, tools, and activities—are a translation of management-based regulation that requires organizations to engage in self-regulatory initiatives against corruption. Through CPs, regulators delegate part of the responsibility for corruption control to firms, which are expected to be in a better position to assess risks and design effective control systems.

Originally a product of the U.S. Foreign Corrupt Practices Act (FCPA) of 1977 (Jorge & Basch, 2013), CPs address other corruption-related laws and regulations such as the Sarbanes–Oxley Act (SOx) and Securities and Exchange Commission regulations. Similar laws and regulations from other countries also encourage the widespread adoption of CPs. Moreover, as multiple stakeholders have come to perceive CP as an indication of a sound governance system, firms are increasingly motivated to implement a CP as a way to maintain their legitimacy, not necessarily related to corruption.

Organizations' motivation to design and implement CPs and the scope of these programs may differ. An organization may adopt a CP as an anticorruption or as a legitimating mechanism and the program may address corrupt behavior or various forms of unethical and illegal behavior, including corruption. Regardless of motivation and scope, CPs typically consist of at least one component such as a code of ethics that directly or indirectly functions as an anticorruption mechanism. This review focuses on CPs as anticorruption mechanisms—that is, programs that address corruption at least to some extent—and is not restricted to any specific jurisdiction.

We conceptualize CP as a form of management-based regulation that requires organizations to engage in self-regulatory initiatives against corruption. Through CPs, regulators delegate part of the responsibility for controlling corruption to organizations, which are expected to be in a better position to assess the risks inherent in their operations and design effective control systems that include anticorruption policies, structures, tools, activities, and personnel. The configuration of CPs can present slight variations according to jurisdiction, but in general their minimum requirements are: (1) identification of corruption risks according to the organization's activities; (2) risk mitigation practices; (3) procedures for monitoring and correcting problems; (4) employee training programs; and (5) practices to evaluate and improve the organization's management system in relation to mitigating corruption in its area of responsibility. Thus, CPs often comprise the following basic components: control mechanisms, sanctioning systems, anonymous reporting systems, codes of ethics and other standards of conduct, formal training, and ethics advice.

Figure 2 shows the scope of this review. While CPs are our unit of analysis, we use the concept of corruption as an analytical lens. In addition, we consider the regulatory character of CPs in the context of anticorruption legal frameworks. That is, this review focuses on CPs that aim to comply with anticorruption laws and regulations to some degree. In this vein, research on legislation that is not related to corruption (e.g., tax, labor, and environment protection legislation) and on wrongdoing that is not addressed by CPs are outside the scope of this review. However, research on typical CP components such

as codes of ethics and anonymous reporting systems is within the scope of the review, even if it does do not claim to examine corruption.

Figure 2. Review scope
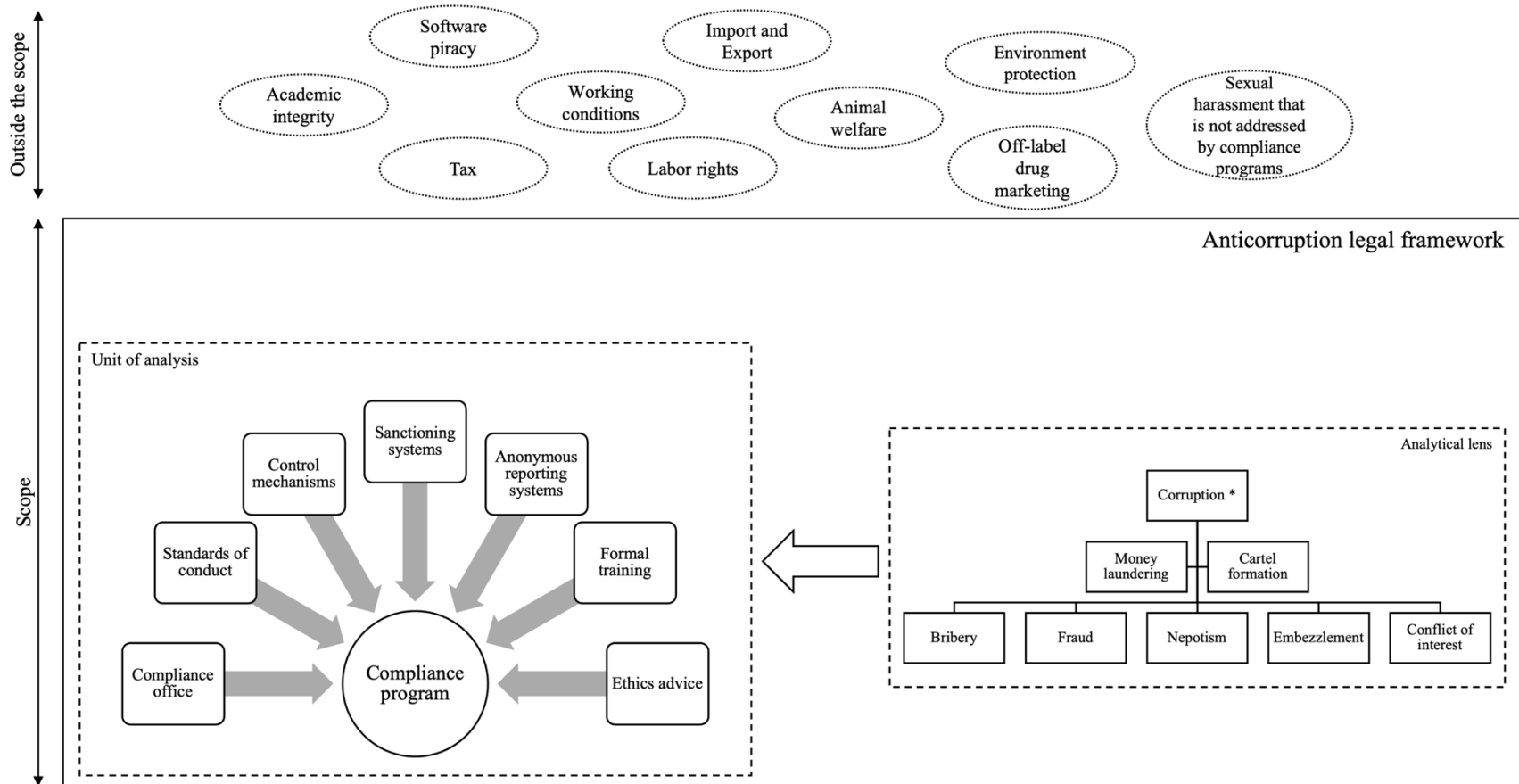
* Corruption is an umbrella concept that includes but is not limited to these practices.

1.2.3   Classifying CP components as anticorruption initiatives

Jancsics (2019) offers an interdisciplinary synthesis of research on corruption and anticorruption initiatives in which the latter are classified along two axes—top-down/bottom-up and internal/external policies. Internal top-down initiatives are implemented through administrative control channels by formal authorities such as a compliance officer. They are designed to prevent, detect, or punish corrupt behavior. Examples include typical CP components such as code of ethics, control mechanisms (i.e., internal monitoring), and formal training. Other examples include policies and control mechanisms related to recruitment and promotion, compensation, and segregation of duties as well as sanctioning systems. External top-down initiatives are implemented by external formal authorities such as government agencies. They are also devised to prevent, detect, or punish corrupt behavior. Examples include international conventions, laws and regulations, and external monitoring by enforcement agents.

Internal bottom-up initiatives operate in a grassroots fashion. They are initiated by intrinsically motivated employees who can decide to blow the whistle on corrupt behavior through anonymous reporting systems. Examples include whistleblowing and an ethical organizational culture. Also a grassroots-type phenomenon, external bottom-up initiatives aim to increase awareness of organizational members and society at large by making corruption visible and understandable. Increased awareness can also lead to social mobilization and public pressure. Examples include external monitoring by civil society organizations and a free and independent press.

Each anticorruption initiative can be more or less comprehensive in terms of the types of corruption that it aims to mitigate. However, they all address to some extent at least one type of corruption such as bribery or fraud. Moreover, some of these anticorruption initiatives may address other forms of illegal and unethical behavior in addition to corruption. For example, an organization can implement an anonymous reporting system for employees and external stakeholders to report corrupt behavior and other forms of illegal and unethical behavior. Regardless of their scope, each initiative functions as an anticorruption mechanism whose effectiveness can vary according to (1)

the primary beneficiary of and (2) the degree of collusion involved in the corrupt activity, ranging from simple dyadic relationships to complex social structures.

1.2.4   Examining CP components as anticorruption initiatives

Pinto et al. (2008) conceptualize two types of organization-level corruption based on primary beneficiary and collusion among organizational members. An organization of corrupt individuals (OCI) is defined as "an emergent, bottom-up phenomenon in which one or more mesolevel processes facilitate the contagion (and sometimes the initiation as well) of personally corrupt behaviors that cross a critical threshold such that the organization can be characterized as corrupt" (Pinto et al., 2008, p. 688). Individuals are the primary or the sole beneficiaries of this type of corruption. However, while this phenomenon is typically manifested at the periphery of the organization, it can become organization-level if organizational processes facilitate or fail to inhibit the amplification of corrupt behavior through individuals' interactions.

A corrupt organization (CO) "is usually a top-down phenomenon in which a group of organizational members [...] undertake, directly or through their subordinates, collective and coordinated corrupt actions that primarily benefit the organization. This is an organization-level phenomenon since the organization is not only the primary beneficiary but also the primary entity culpable, even if the officers responsible are individually culpable as well" (Pinto et al., 2008, p. 689). In addition to the primary beneficiary, the CO significantly differs from the OCI regarding the degree of collusion among perpetrators. Corrupt activity in the OCI involves one or few individuals and does not necessarily require complex interactions among corrupt individuals. Corrupt exchanges in the OCI occur in dyadic relationships or in relatively simple social structures. Conversely, a high degree of collusion among perpetrators is essential in the CO. In other words, corrupt activity in the CO requires relatively complex social structures.

Jancsics (2019) draws on the work by Pinto et al. (2008), particularly the conceptualization of corrupt organizations, to assess how various anticorruption

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initiatives can mitigate corruption ranging from quid pro quo exchanges between individuals to highly complex schemes benefitting one or more organizations. The present integrative review builds on this work to shed light on how CP components function as anticorruption initiatives and to examine the types of organization-level corruption that they are more likely to mitigate.

1.3 Methods

We started the review process by conducting an exploratory keyword search on the Web of Science Core Collection database. We expected to find among the search results a relevant set of articles on organizational anticorruption mechanisms. We searched for studies containing the keywords corruption OR corrupt and the two types of corruption most commonly found in anticorruption regulations—fraud OR bribery OR bribe in titles and/or abstracts. This exploratory keyword search provided us with 52,231 research papers. We refined the exploratory keyword search by combining this first set of keywords with a group of keywords that reflect the terminological diversity of CPs—they are commonly referred to as compliance programs (Bazerman & Tenbrunsel, 2011; Haugh, 2017; Katz, Higgins, Dickson, & Eckman, 2009; Klinkhammer, 2013; McKendall, DeMarr, & Jones-Rikkers, 2002), ethics and compliance programs (Busse & Doganer, 2018; Christina & Fort, 2020; Treviño, den Nieuwenboer, Kreiner, & Bishop, 2014; Weber & Wasieleski, 2013), ethics programs (Kaptein, 2015; Martineau et al., 2017; Pelletier & Bligh, 2006; Warren, Gaspar, & Laufer, 2014), and integrity programs (Hoekstra, Talsma, & Kaptein, 2016). We searched for research containing the keywords (1) corruption OR corrupt OR fraud OR bribery OR bribe AND (2) compliance program OR ethics and compliance program OR ethics program OR integrity program in titles and/or abstracts. The exploratory combined keyword search generated 51 articles. The primary purpose of an integrative review is to gather knowledge from various disciplines and to juxtapose a variety of perspectives to contribute to opening new avenues for research (Cronin & George, 2020). Consistent with this objective, we decided that 51 articles would not allow for the comprehensive analysis that we intended to conduct.

The review process consisted in four steps. First, given our unit of analysis—CPs—we searched the Web of Science Core Collection database for studies containing the keywords compliance program OR ethics and compliance program OR ethics program OR integrity program in titles and/or abstracts. The temporal boundaries have been limited to publications between 2002 and 2020, since the Enron scandal of December 2001 triggered major regulatory reforms that led to the spread of management-based regulation, especially CPs, as a crucial element of anticorruption policies in various countries. Indeed, one of the initial drivers of CPs—the U.S. FCPA (Jorge & Basch, 2013)—has been gaining traction and becoming a major influence on CPs since 2002 (Martinez, 2019). Moreover, there has been a remarkable development of research in this field since 2002. Until then, comprehensive programs, comprising multiple structures and activities, were still uncommon (Martineau et al., 2017). The keyword search included the several disciplines and academic publication outlets that discuss CPs. It provided us with 323 articles.

Second, in the screening process, we examined titles and abstracts that address corruption to some extent. Of the initial 323 results, 190 were excluded because they do not address corruption whatsoever. Specifically, although these studies' titles and/or abstracts contain at least one of the keywords, they discuss topics unrelated to corruption such as infection genetics and industrial process safety management. For instance, we excluded research on mechanical integrity programs in chemical plants and refineries (Blair, 2004) and compliance with the Food and Drug Administration regulations concerning foodborne pathogens (Allard et al., 2019). Our final list of results amounted to 133 studies.

Third, in the coding process, we developed codes based on (1) the motivations and scope of CPs and on (2) program components and their primary objective, prevention, detection, or punishment. The codes were developed and refined iteratively. At this stage, we retraced the history of CPs and identified the theoretical assumptions that inform them. We identified such assumptions by examining the CP components discussed in the literature, including standards of conduct such as codes of ethics, control mechanisms such as rules and controls required by law, sanctioning systems, anonymous reporting

systems, formal training, and ethics advice. Fourth, in the final step of the review process, we integrated these first-order codes into higher-order categories based on top-down and bottom-up anticorruption initiatives (Jancsics, 2019). The review process is represented in Figure 3 and Figures 4 to 6 provide a bird's eye view of the literature. In addition, a list of the 133 selected studies containing their main contributions and how they were categorized is available in the appendix.

Figure 3. Review process

Step 1

Keyword Search
Articles containing the following keywords: compliance program OR ethics and compliance program OR ethics program OR integrity program

Step 1 Results

323 articles
To be examined in the screening process

Step 2

Screening Process
Title/abstract review based on the following criterion: compliance programs that address corruption to some extent

133 articles
Retained for the coding process

Step 2 Results

Step 2 Exclusions

190 articles
Unrelated to corruption or compliance programs informed by anticorruption legislation

Step 3

Coding Process
Coding based on (1) the motivations and scope of compliance programs and (2) program components and their primary objectives. Codes developed and refined iteratively

Step 4

Categorization
Integration of codes into higher-order categories

Figure 4. Corruption as the main object of intervention

Anticorruption Initiatives

- International conventions — 3%
- Laws and regulations — 49%
- External monitoring — 4%
- Multistakeholder initiatives — 5%
- Organizational structure — 12%
- Control mechanisms — 1%
- Sanctioning systems — 1%
- Anonymous reporting systems — 1%
- Standards of conduct — 5%
- Formal training — 4%
- Ethical leadership — 4%
- Organizational culture — 11%

Disciplines/Research Areas

- Accounting and finance — 3%
- Economics and political science — 7%
- Law — 63%
- Management and organizations — 27%

Terminology

- Compliance program — 66%
- Ethics and compliance program — 13%
- Ethics program — 16%
- Integrity program — 3%
- Other — 2%

Figure 5. Corruption as a secondary object of intervention

Anticorruption Initiatives

- Laws and regulations
- Multistakeholder initiatives
- Organizational structure
- Control mechanisms
- Anonymous reporting systems
- Standards of conduct
- Ethics advice
- Ethical leadership
- Organizational culture
- Organizational identity

11%, 8%, 34%, 4%, 4%, 4%, 4%, 8%, 19%, 4%

Disciplines/Research Areas

- Accounting and finance
- Law
- Management and organizations

21%, 16%, 63%

Terminology

- Compliance program
- Ethics and compliance program
- Ethics program
- Integrity program

32%, 16%, 47%, 5%

Figure 6. Ethical behavior as the object of intervention

1.4   Review findings: classifying the literature

The literature on CPs can be classified in various ways. Consistent with our research question and our first intended contribution—integration of various streams of research—this review builds on Jancsics (2019) to categorize CP components and policies that are directly related to CPs as top-down/bottom-up and internal/external initiatives. External top-down initiatives comprise international conventions, laws and regulations, external monitoring by enforcement agents, and multistakeholder initiatives. We have classified as laws and regulations research on enforcement policies (Arlen & Kahan, 2017; McGreal, 2019; Weissmann & Newman, 2007) and what they require—e.g., structure,

controls, and transparency—such as in financial reporting (Mayorga, 2013) and self-disclosure of violations (McGreal, 2008).

Internal top-down initiatives comprise typical CP components such as code of ethics and other standards of conduct, control mechanisms, sanctioning systems, anonymous reporting systems, formal training, and ethics advice. Compliance office and ethical leadership have also been included in this category. We have classified as compliance office research on: (1) the establishment of a compliance infrastructure containing various program components; (2) program orientation; (3) program evaluation; (4) and resource allocation (Chen & Soltes, 2018; Martineau et al., 2017; Treviño et al., 2014). We have classified as control mechanisms, in addition to internal monitoring mechanisms, forms of control regarding recruitment and compensation as well as separation of duties (Baer, 2008; Benedek, 2012).

Internal bottom-up initiatives include phenomena that have been shown to be related to CPs, namely organizational culture and organizational identity. None of the selected papers addresses external bottom-up initiatives such as external monitoring by civil society organizations or a free and independent press. Figure 7 demonstrates the categorization of CP components and other anticorruption initiatives.

Figure 7. CP components and other anticorruption initiatives

	Internal		**External**	
Top-down	Compliance office	Standards of conduct	Laws and regulations	International conventions
	Control mechanisms	Sanctioning systems	External monitoring by enforcement agents	Multistakeholder initiatives
	Formal training	Anonymous reporting systems		
	Ethics advice	Ethical leadership		
Bottom-up	Organizational culture	Organizational identity	External monitoring by civil society *	Free and independent press *

* Not found in the review.

1.4.1 External top-down initiatives

The review findings show that CPs that translate anticorruption management-based regulation originated in the U.S. (Jorge & Basch, 2013). Their original regulatory character reflects the notion of management-based regulation, through which part of the state's responsibility for corruption control is delegated to organizations. The U.S. FCPA was passed in response to a series of scandals that revealed that several U.S. multinational companies frequently bribed foreign public officials. As a result, the federal government obligated companies to perform increasingly complex financial controls. In the 1980s, scandals in the defense industry led to the creation of the presidential Packard Commission, which recommended the implementation of CPs and encouraged industry-wide self-regulation (Jorge & Basch, 2013; Weber & Wasieleski, 2013).

Initially devised to curb bribery, CPs gradually reflected regulatory concerns related to other types of corruption such as fraud and insider trading as well as other illegal activities associated with corruption such as money laundering (Jorge & Basch, 2013; Weber & Wasieleski, 2013). In 1991, the U.S. Federal Sentencing Guidelines for Organizations created incentives for the private sector to participate in the efforts to prevent, detect, and deter corruption. Firms were offered substantially reduced fines if they could demonstrate that they had an effective CP before the perpetration of corruption (Chen & Soltes, 2018).

In 2002, in response to a string of scandals involving companies such as Enron, WorldCom, and Tyco, the U.S. enacted the SOx, which imposed new requirements on corporations to deter corruption (Adobor, 2006). These anticorruption requirements included more evidence of transparency from publicly traded companies and provisions that made corporate executives accountable for the integrity of their company's financial documents. The SOx also required the Sentencing Commission to evaluate its guidelines for organizations to further encourage effective compliance mechanisms (Weber & Wasieleski, 2013; Weissmann & Newman, 2007).

International conventions such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption illustrated a growing global consensus on the importance of the private sector's role in curbing corruption. Furthermore, the United Nations Global Compact required companies to work against all forms of corruption, and the G20 highlighted the importance of the private sector in efforts to mitigate corruption through its Anti-Corruption Action Plan. Consequently, companies from various countries were subjected to an increasing number of regulations that motivated the design and implementation of CPs, even though such programs were not mandatory in the anticorruption framework (Jorge & Basch, 2013).

Research on anticorruption regulations associates corporate liability with CPs (Baer, 2008; Caliskan, 2019; Oded, 2011; Tangerino, Montiel, & Olive, 2020). For instance, Australian legislation and the United Kingdom Bribery Act attribute liability to

a company's failure to prevent corruption, expressed as a lack of interest in controlling corruption within the organizational boundaries. Conversely, a company manifests its interest in controlling corruption by implementing or reforming a CP (Jorge & Basch, 2013). Thus, companies are incentivized to adopt a CP to signal to regulators that they are preventing, detecting, and deterring corruption in their business transactions, "as a protection against worst-case scenarios, akin to an expensive insurance policy" (Chen & Soltes, 2018, p. 119). This potential liability increased as other countries, including Brazil, Canada, France, Italy, Russia, Spain, and Ukraine, passed laws that take CPs into consideration in enforcement actions (Chen & Soltes, 2018; Murphy, 2017; Pieth, 2018; Stacchezzini, Rossignoli, & Corbella, 2020).

Research has found that the legal environment influences not only organizations' decision to implement a CP; enforcement activities of regulators, particularly monitoring, can significantly influence program effectiveness (Short & Toffel, 2010). Moreover, external monitoring can exceed blunt sanctions and contribute to the achievement of regulatory goals insofar as regulators are able to build a system of "learning-based monitorships." In such a system, information generated from a monitorship situation—such as a settlement-based monitorship imposed after corrupt activities have been found in an organization—feeds a larger analytical and regulatory process. This form of external monitoring, which can be delegated to a third-party auditor, is oriented toward ongoing problem solving and based on participation and dialogue (Ford & Hess, 2011).

Equally built around participation and dialogue, multistakeholder initiatives—also known as collective action—require that organizations work with regulators as well as with other organizations and civil society groups. To be more effective than individual organizational efforts, multistakeholder initiatives must be designed in a way that allows the parties involved to learn from what works and what does not. A notable example is the Extractive Industries Transparency Initiative (EITI). Under this initiative, "revenues from the government are compared to payments reported by corporations to determine if any revenue is being lost to corruption" (Hess, 2009, p. 787). Information disclosed by governments and corporations are audited by an independent party. Civil society groups

help ensure that the initiative is meaningfully implemented instead of merely symbolic (Hess, 2009).

Hoekstra et al. (2016) explore multistakeholder initiatives that include peer organizations. They discuss four types of interorganizational cooperation: integrity workshop, integrity pool, integrity forum, and integrity megaphone. First, the integrity workshop refers to the joint development of program components. While this form of cooperation can contribute to the development of higher-quality components at a lower cost in a shorter period of time, it can also overlook the need to tailor components to the specific needs of each organization. Second, the integrity pool requires sharing integrity capacity between organizations. The benefit of lower development costs can also apply here, but this form of cooperation can lead to higher communication and coordination costs. Third, the integrity forum is about exchanging knowledge and experience in structured events and platforms. This is the type of cooperation most frequently found by Hoekstra et al. (2016). Fourth, the integrity megaphone aims to influence integrity-related laws and regulations as well as sectorial reputation.

1.4.2   *Internal top-down initiatives*

According to the regulatory nature of CPs, organizations are granted authority to control its members through processes such as rule-setting, monitoring, and sanctioning activities. How this control is to be exercised is largely inspired by the principal-agent model, which argues that corruption results from individual self-interest. The process of corruption diffusion in this view is based on the formation of a coalition of self-interested individuals that manipulates information to benefit one or several of its members against the interests of the principal. The maintenance and expansion of this coalition relies on an implicit or explicit understanding that this sort of favor is reciprocated now or in the future. Factors within the organization facilitate the formation of this coalition and create an opportunity for someone to engage in corruption. Additional factors such as regulatory loopholes contribute to creating an opportunity to engage in corruption. Coalition

members take these factors into consideration as they conduct rational analyses of costs against benefits of engaging in corruption.

From this perspective, organizations tend to exercise coercive forms of control, including rules and control mechanisms. Rules are the first step in reducing deviant behavior in organizations. They eliminate agents' discretionary power by preventing the misuse of decentralized information. Control mechanisms can provide organizations with ways to detect and punish instances of corruption. They also allow for greater transparency, which can serve a preventive purpose by discouraging corrupt behavior. Practical applications of this perspective include CP components such as control mechanisms (e.g., rules and controls required by law), sanctioning systems, and anonymous reporting systems.

Control mechanisms. We use the general expression control mechanisms to refer to rules and controls required by law such as those that prohibit auditors from providing consulting services to their audit clients and set other standards of auditing, financial reporting, and corporate governance (Baer, 2008; Benedek, 2012). Control mechanisms include accounting and financial reporting standards, procurement standards, and monitoring systems (Benedek, 2012; van der Wal, Graycar, & Kelly, 2016). Along with codes of ethics, control mechanisms are among the CP components most commonly adopted by organizations (Schwartz, 2002; Weber & Wasieleski, 2013). Their primary objective is to increase transparency and the ability to detect corruption, especially that of regulators and/or third-party auditors. As opposed to other CP components, organizations are not given much flexibility to design and implement control mechanisms required by law. Perhaps for this reason, research on CPs does not specifically focus on control mechanisms. They are often examined as part of more comprehensive programs that are seen as collections of control mechanisms (Andreisová, 2016; Stansbury & Barry, 2007).

Sanctioning systems. The role of sanctioning systems is discussed in research on corporate self-policing. Sanctioning systems include what organizations do once a corrupt act is detected, particularly undertaking internal investigations, reporting the results to authorities, and imposing disciplinary measures (Hemphill & Cullari, 2009). Internal

investigations include a number of procedures undertaken to discover the facts surrounding an act of corruption or another form of misconduct. Such investigations aim to provide organizational decision-makers with enough knowledge to make informed decisions about appropriate disciplinary measures, if applicable (Kaal & Lacine, 2014; Root, 2019).

Disciplinary measures include not only those imposed on managers and employees, but also actions taken as part of a settlement with regulators. For example, in agreements used to resolve U.S. FCPA charges, firms have been required to terminate employees accused of misconduct and to impose some sort of disciplinary measure on others who remained with the firm (Yockey, 2012). Although the main function of sanctioning systems is to punish corruption and other forms of misconduct, this program component may also inform revisions in the CP so that similar misconduct is prevented in the future (Martinez, 2020).

Anonymous reporting systems. Anonymous reporting systems are designed to provide managers, employees, and external stakeholders with an environment where they can report corrupt practices and other forms of misconduct (Angermund & Plant, 2017; Riley & Sokol, 2015). Anonymous reporting systems aim to collect, in a centralized manner, reports through a telephone, webpage, or e-mail service (Soltes, 2020). These systems, followed by internal investigations and disciplinary measures, form the punitive part of a broader incentive system that also includes compensation and rewards. Anonymous reporting systems aim to increase the costs of engaging in corruption by improving an organization's ability to detect corruption and establish more severe punishments for perpetrators. In accordance with the principal-agent model, organizational members will weigh these higher costs against the benefits of engaging in corruption and, as a result, choose not to do it. To a lesser extent, anonymous reporting systems act on organizational members' motivation to engage in corruption insofar as they are part of a larger incentive system (Pope & Lee, 2013).

Research on anonymous reporting systems or, rather, on whistleblowing is a domain in itself and not necessarily integrated with research on CPs (Vadera, Aguilera, &

Caza, 2009). One exception is a study of so-called integrity hotlines (Soltes, 2020), a combination of anonymous reporting system and ethics advice hotline. This study examines how hotlines function in practice in terms of accessibility and timeliness of response. Soltes (2020) draws attention to the possible variation in how CP components perform, even those that are apparently homogenous, such as integrity hotlines.

Research also examines the propensity of organizational members and other stakeholders to report misconduct. The Sarbanes–Oxley Act (SOx) requires that companies provide employees with an anonymous reporting channel to report accounting or auditing irregularities (Pope & Lee, 2013; Soltes, 2020). It is unclear whether these provisions affect employees' propensity to report corrupt practices and other forms of misconduct. It has been found, however, that some sort of incentive could be helpful (Jorge & Basch, 2013). For instance, the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 created a financial incentive that aims to encourage potential whistleblowers to disclose relevant corruption-related information (Yockey, 2012). Pope and Lee (2013) argue that private-sector organizations would benefit from setting up financial bounties because this would allow them to avoid legal liabilities by stopping the fraudulent activity and correcting the problem early on. Financial bounties associated with a whistleblowing system would also help organizations avoid negative publicity insofar as employees would feel safe enough to use the internal channel instead of publicly disclosing their information.

Reporting misconduct also involves various risks for whistleblowers, and regulation has not been able to effectively prevent retaliation (Pope & Lee, 2013). Moreover, whistleblowing is not highly regarded in certain cultures, thus undermining its effectiveness (Jorge & Basch, 2013). Very few employees report wrongdoing in such societies, unless the misconduct refers to forms of corruption that involve "big money" (Schwartz, 2012).

In summary, program components that are informed by the principal-agent model provide organizations with clearer rules so that managers, employees, and other

stakeholders know, in general terms, what kind of behavior is expected of them. The expected outcomes of these program components, namely increased transparency in business and intrafirm transactions, also provide organizations, regulators, and/or third-party auditors with an increased ability to prevent and detect instances of corruption and other forms of misconduct. However, these program components have a short-term orientation insofar as they focus on immediate compliance with the law and are disconnected from the development of high-order values such as those related to ethical leadership, namely "integrity, fairness, temperance, and responsibility" (Eisenbeiss, van Knippenberg, & Fahrbach, 2015, p. 637).

Such program components may also lead to inefficiency and other problems related to coercive forms of control such as indoctrination. For instance, Stansbury and Barry (2007) draw on the notion of control as an instrument of management coordination and discuss the political implications of control. They associate coercive and enabling forms of control with, respectively, compliance- and value-oriented CPs to examine how coercive forms of control undermine CPs' ability to mitigate corruption and other forms of misconduct. Indoctrination, which can be defined as "the inculcation of a learned unwillingness to consider the relative limitations of a system of thought, based on the authority of the teacher of that system" (Stansbury & Barry, 2007, p. 248), is among the unintended effects of coercive forms of control. Other unintended consequences include internal communications breakdown and distrust, feelings of unfair treatment, high levels of risk aversion among organizational members, and unethical behavior (Baer, 2008; MacLean & Behnam, 2010; MacLean, Litzky, & Holderness, 2015; Yockey, 2012). Table 3 summarizes the theoretical assumptions underlying CP components.

Table 3. Theoretical assumptions underlying CP components

	Theoretical Assumptions	
	Process of Corruption Diffusion	**Process of Corruption Control**
Control Mechanisms Sanctioning Systems Anonymous Reporting Systems	- Factors in and around an organization create a motive/incentive/necessary pressure for someone to engage in corruption (e.g., suboptimal incentive system) - Additional factors contribute to creating the opportunity to engage in corruption (e.g., regulatory loopholes) - Actors conduct rational analysis of costs against benefits of engaging in corruption	- Strict rules and controls - Realignment of sanctioning system, including rewards and punishments - Increased transparency: greater difficulty in obtaining and sharing information secretly
Standards of Conduct Formal Training Ethics Advice	- Actors' analysis of costs against benefits of engaging in corruption includes ethical criteria - People are not only boundedly rational but also boundedly ethical, hence the importance of an ethical leadership style that creates an ethical organizational climate, which influences individual behavior	- Ethical leadership (tone from the top) - Resocialization of organizational members as diffusion of normative rules
Organizational Culture Organizational Identity	Culture exerts decisive influence on individual behavior by endorsing corruption and providing rationalizations	- Ethical leadership (tone from the top) - Resocialization of organizational members as diffusion of shared meanings - Culture change

(Left vertical axis label: Compliance office, spanning all rows with an arrow)

The review findings also show a normative character of CPs that derives (1) from the responsibility for corruption control delegated to organizations and (2) from one of the goals of self-regulation—to encourage socially desirable behavior. As in other self-regulatory initiatives, organizations are granted flexibility to create their own CPs as long as they comply with general regulatory criteria (Coglianese & Lazer, 2003). Instead of instrumentally complying with laws and regulations because they wish to evade liability, organizations are expected to build normative systems that define appropriate ways to do business. These normative systems include guidelines such as codes of ethics and other standards of conduct, certifications, and accreditations. For example, regulators may include employee certifications of the company's code of conduct in their analysis of a CP (Chen & Soltes, 2018). Employee certifications can also attest that employees have attended training sessions and that they have no knowledge of anticorruption compliance issues (Witten, Parker, Holtmeier, & Koffer, 2009). Moreover, a service provider of CP components such as anonymous reporting systems may be subject to accreditation (Angermund & Plant, 2017). Over time, organizations' motivations to comply are expected to be more than instrumental. Organizations are expected to design and implement CPs because it is "the right thing to do" (Weber & Wasieleski, 2013). Compliance is therefore driven by a sense of social obligation.

More important than controlling organizational members, in this perspective CPs act as enablers of ethical decisions and appropriate behavior. This view is based on the notion that organizational members are decision makers who attempt to complete their tasks efficiently and appropriately. According to this perspective, managers and employees also rationally weigh costs against benefits before engaging in corruption. However, cost-benefit analyses include ethical criteria. Moreover, in this view individuals are seen as not only boundedly rational but also boundedly ethical, hence the importance of an ethical leadership style that creates an ethical organizational climate (Beeri, Dayan, Vigoda-Gadot, & Werner, 2013; Eisenbeiss et al., 2015).

Research associated with this perspective is diverse and draws on knowledge from various fields such as philosophy, law, behavioral economics, and psychology. In general, in this view corruption in organizations is a result of flawed decision-making processes.

Therefore, the two main mechanisms of control largely relate to the development of an environment where managers and employees can make ethical decisions. The first mechanism of control is ethical leadership and its ability to provide an ethical tone from the top that promotes integrity (Adelopo & Rufai, 2020; Andreisová, 2016; Schonfelder, Velamuri, & Liu, 2016). The second one is the inculcation of a general set of values and normative rules throughout the organization (Bussmann & Niemeczek, 2019; Singh, Wood, Callaghan, Svensson, & Andersson, 2018; van der Wal et al., 2016). Practical applications of this perspective in CPs include program components such as codes of ethics and other standards of conduct, formal training, and ethics advice hotlines or offices designed to assist organizational members with ethical dilemmas.

Standards of conduct. Standards of conduct are specific documents that provide organizational members, and occasionally suppliers and other stakeholders, with ethical guidelines or rules. Codes of ethics are not only the most important written standard of conduct; they are the foundation of CPs (Kaptein, 2011; Webley & Werner, 2008). Codes of ethics are dynamic documents influenced by the organization's environment; they vary in length, scope, and depth (Singh, 2015). A code of ethics is the instrument through which the organization sets out its ethical values and commitments and communicates them to organizational members. A code of ethics is also assumed to provide help in translating the organization's ethical values and commitments into the behaviors expected of employees (Remisová, Lasaková, & Kirchmayer, 2019; Webley & Werner, 2008).

Although the main stated objective of codes of ethics is to influence employee behavior, research on their effectiveness has presented mixed results (Schwartz, 2002; Singh, 2015). On the one hand, several studies have shown positive effects of codes of ethics on individual behavior. For example, in a study of Slovak organizations, codes of ethics are perceived as the most influential CP component for shaping ethical conduct among managers (Remisová et al., 2019). Moreover, Roberts-Lombard, Mpinganjira, Wood, and Svensson (2016) have found evidence of the positive effect of adopting a code of ethics on the promotion of ethical behavior in South African companies. On the other hand, research examines companies involved in major scandals despite the existence of an inspirational code of ethics. The most notable example is Enron (Thomas et al., 2004;

Webley & Werner, 2008). Other studies have found an insignificant relationship between the existence of a code of ethics and ethical behavior (Singh, 2011).

As comprehensive CPs, codes of ethics have benefits for organizations. Insofar as these codes are able to convey an organization's commitment to ethical behavior, they reduce liability (McKendall et al., 2002) and have a positive reputational effect—they enhance the company's reputation and create a positive impression of its business practices. Research has found that CPs, especially codes of ethics and formal training, are positively related to perceived corporate social responsibility, which might prompt positive beliefs about the organization (Christina & Fort, 2020; Katz et al., 2009; Valentine & Fleischman, 2008). Whereas anticorruption regulations explain the widespread adoption of CPs in general and codes of ethics in particular, the search for reputational benefits might explain why the scope of codes of ethics goes well beyond corrupt practices. Instead of stating a commitment against corrupt practices, an organization would rather communicate the intention to gather its members around an ethical culture whose values are expressed in the code (Singh, 2011).

Research emphasizes that the diffusion and institutionalization of CPs and ethics codes have led to the widespread adoption and homogenization of such codes (Kaptein, 2011; Singh, 2015; Weber & Wasieleski, 2013). This isomorphic tendency is reflected in a higher number of common items mentioned in the companies' codes. Moreover, codes of ethics have become more prescriptive as they try to avoid uncertainty and address possible ethical dilemmas. Isomorphism resulting from expectations in civil society also explains why codes of ethics have shifted their focus from the legal context to include corporate social responsibility concerns. This shift is demonstrated by the increased frequency of the use of expressions such as "civic and community affairs" and "environmental affairs" (Singh, 2015, p. 382).

Formal training. Training programs are designed to inform managers and employees about regulations and organizational policies, rules, and standards. Training is ideally provided to all organizational members and other stakeholders (Andreisová, 2016). Most importantly, formal training aims to be a critical tool for the development of

an ethical culture (Kaptein, 2009; Remisová et al., 2019; Schwartz, 2013). Research on formal training focuses on two complementary areas: organizational members' behavior and organizational culture (Tanner, Gangl, & Witt, 2019; Warren et al., 2014). The former places a greater emphasis on how formal training can be a tool to increase managers' trust in CPs. According to Remisová et al. (2019), formal training contributes to managers' (1) support and maintenance of their organization's code of ethics, (2) acceptance of the CP's components, and (3) perception of program effectiveness.

As for organizational culture, formal training has two objectives: education and communication. Research on the educational component of training programs highlights content and learning methods. Research suggests that in-person, face-to-face training is more effective in promoting an ethical culture than computer-mediated training. Training sessions are deemed particularly effective if they include both ethics and compliance content and use experiential learning methods (Andreisová, 2016; Warren et al., 2014). A greater focus on values would provide managers and employees with the skills necessary to recognize and make decisions regarding ethical issues more effectively (Michael, 2006). Formal training can also serve a third purpose, consistent with organizations' motivation to evade liability. The mere adoption of a CP can shift "the responsibility for ethical behavior away from cultural norms and onto the individuals who have been trained in the program" (Duchon & Drake, 2009, p. 305).

Research on training programs as communication tools sheds light on the legitimating aspect of CPs. Formal training and codes of ethics may be used to improve an organization's approach to corporate social responsibility (CSR). By emphasizing CSR activity, the organization might prompt a more positive perception of its business practices and convey the institutionalization of an ethical culture (Valentine & Fleischman, 2008).

Ethics advice. Ethics advice hotlines or offices are designed to provide managers, employees, and other stakeholders with an environment where they can seek guidance about how to appropriately behave in situations in which they face potential ethical dilemmas (Soltes, 2020; Stansbury & Barry, 2007). Thus, detecting and punishing instances of corruption are not the objective here. In fact, ethics advice aims to inculcate

particular ethical values throughout the organization. In this regard, although ethics advice is similar in orientation to general ethics and compliance training, it is situation specific and individualized.

Research posits that an effectively functioning CP depends on giving employees the opportunity to communicate with someone who can take a stance on ethical issues and give practical advice that will lead to the solution of the reported problem (Remisová et al., 2019; Stansbury & Barry, 2007). Because established rules are inherently incomplete and cannot be applied to all situations, ethics is an important source of guidance for organizational members' decisions about how to act (Michael, 2006).

In summary, this social obligation perspective takes into account that organizations are not only subject to scrutiny by regulators and auditors once they are delegated the power to self-regulate. Rather, organizations are monitored, more or less formally, by other external parties such as non-profit and civil society organizations (Ford & Hess, 2011; Katz et al., 2009). Although prescriptive, CP components informed by this perspective are not limited to unambiguously specifying the conduct required of employees. Organizations also use the power delegated to them to foster socially desirable behavior through the inculcation of ethical values (Bussmann & Niemeczek, 2019; Singh et al., 2018; van der Wal et al., 2016). Moreover, this perspective takes into account the influence of the environment on employee behavior and shifts the relationship between employees and management from carrot-and-stick authority to ethical leadership (Eisenbeiss et al., 2015; Pelletier & Bligh, 2006; Yagmur, 2020). It is long-term oriented and focuses on high-order values and moral engagement of managers and employees.

1.4.3   *Internal bottom-up initiatives*

Research on CPs emphasizes that the notion of an ethical organizational culture or culture of compliance originated in anticorruption regulations (Jorge & Basch, 2013; Yockey, 2012). In settlement negotiations, U.S. FCPA enforcement agents take into

consideration an organization's willingness to cooperate with an ongoing investigation and whether it promoted a culture of compliance before the perpetration of the acts under scrutiny. In order to meet this requirement, CPs must have been designed to develop a culture that is able to promote ethical behavior among organizational members (Ford & Hess, 2011; Haugh, 2017; Root, 2019). Because a clear definition of the concept of culture is still lacking in anticorruption regulations, organizational culture has become a more normative construct in research on CPs (Webley & Werner, 2008), operationalized in the form of soft controls (Eisenbeiss et al., 2015; Kaptein, 2009, 2010). An organization's soft controls or informal control system includes values, beliefs, traditions, "experiences, assumptions, and expectations of managers and employees about how the organization prevents them from behaving unethically and encourages them to behave ethically" (Kaptein, 2009, p. 262). Such soft controls or informal system act in support of the organization's hard controls or formal control system, namely the CP (de Colle & Werhane, 2008; Kaptein, 2010). The underlying logic is that most organization members "can be influenced to make ethical choices" (Thomas et al., 2004, p. 56). Or, as Koehn (2020) writes in her critique of behavioral economics, people can be nudged into making ethically better choices.

Organizations that aim to encourage bottom-up initiatives focus on the diffusion of shared meanings and understandings that, taken as a whole, serve as a framework for people's actions. This view is based on an understanding of organizations as cultural phenomena, or as "mini-societies that have their own distinctive patterns of culture and subculture" (Morgan, 2006, p. 125). Shared values, beliefs, and meanings within the organization are translated into reality through structures, practices, and artifacts. This ensemble of values, beliefs, meanings, structures, practices, and artifacts—or culture—is believed to "exert a decisive influence on the overall ability of the organization to deal with the challenges that it faces." Culture plays two distinct yet complementary roles in spreading corruption in an organization. First, it endorses corruption insofar as its acceptance is conveyed in structures, practices, and artifacts. Second, it provides organizational members with different ways to make sense of their behavior (Haugh, 2017). Corruption is thus mitigated by changing organizational culture (Jorge & Basch, 2013; Schwartz, 2013).

Research shows that organizational culture can be instrumentalized as a collective coordination mechanism and therefore operate as a top-down initiative, as illustrated by research on how organizational culture is related to firm performance. For instance, Eisenbeiss et al. (2015) and Yagmur (2020) describe similar theoretical models according to which a CP moderates the relationship between an ethical organizational culture, developed by ethical leadership, and firm performance.

Potential contributions of organizational identity to the development of an ethical organizational culture have also been found in the review. The classic definition of organizational identity, "central and enduring attributes of an organization that distinguish it from other organizations" (Whetten, 2006, p. 220), relates to organizational members' collective sense of who we are and what we do. This collective sense of self reflects shared assumptions and ideologies about an organization's identity. As Duchon and Drake (2009, p. 302) argue, "an organization's identity emerges and is shaped as it solves adaptation and integration problems, and the organization's culture, as an analogue to personality, will find ways to display those central and enduring attributes that make up its identity." Houghton, Gabel, and Williams (2009) explore a potential relationship between firms' external corporate social responsibility behaviors—employer-sponsored volunteer activities—and internal compliance with laws, regulations, and ethical standards. The research results suggest that employer-sponsored volunteerism is strongly associated with a positive organizational identity. However, no support has been found for a relationship between organizational identity and compliance.

1.5 Review insights

After classifying the review findings, we have built on the OCI-CO framework (Pinto et al., 2008) to analyze the potential contributions of CP components and other initiatives to mitigating organization-level corruption. Our analysis is theoretically supported by the broad literature on corruption and is based on the various manifestations of corruption in terms of primary beneficiary and degree of collusion. Moreover, we

propose a multi-level integrative framework that situates CPs at the intersection of various disciplines sharing an interest in anticorruption initiatives.

1.5.1   *Analyzing how CPs can mitigate organization-level corruption*

The first corruption phenomenon is observed in peripherally corrupt organizations (Pinto et al., 2008). The primary beneficiary of this form of corruption is the individual and the degree of collusion among perpetrators is low. Indeed, this form of corruption is typically petty and occurs through quid pro quo dyadic relationships. Corrupt behavior in this case can be explained according to the principal-agent model. That is, perpetrators, who will not necessarily meet in the future, engage in corruption after a rational calculation of instant benefits minus costs and risks associated with the corrupt activity (Klitgaard, 1988; Rose-Ackerman, 1975; Shleifer & Vishny, 1993). Internal top-down initiatives that increase the costs and risks of corruption are likely the most effective in these instances (Treviño, Weaver, Gibson, & Toffler, 1999). Control mechanisms and sanctioning systems provide organizations with a greater ability to detect and punish corrupt behavior, thereby increasing the costs and risks of corruption. To a lesser extent, anonymous reporting systems can also contribute to the detection of this form of corruption. However, anonymous reporting systems can be much less effective in organizations where whistleblowing is seen as betrayal (Jancsics, 2019). These initiatives could also benefit from a parallel implementation of standards of conduct that clearly state the organization's principles and values.

The second corruption phenomenon differs from the previous one in that engagement in corruption is the only way to receive services or avoid abuses. While the previous phenomenon requires collusion in which both parties are willing to participate, this form of corruption includes extortive elements (Jancsics, 2019). In countries such as Tanzania this form of corruption is common in the health sector (Camargo & Sambaiga, 2016; Graycar & Prenzler, 2013). Insofar as this form of corruption is more exposed to people outside the organization, anonymous reporting systems, especially those that can

be accessed by external stakeholders, can be an effective initiative to detect corrupt activities.

The third corruption phenomenon differs from the previous two in that it requires the development of complex social structures of colluding individuals. The primary beneficiary of this form of corruption is still the individual, but the degree of collusion among perpetrators is high. Corruption is manifested in different forms of favoritism—arrangements that can blur the corrupt nature of the exchange and make it harder to detect (Lawler & Hipp, 2010). Taken as a whole, control mechanisms, sanctioning systems, and anonymous reporting systems, especially those that can be accessed by external stakeholders, can contribute to the detection and punishment of this form of corruption. Since corrupt informal norms hinder compliance with top-down rule-based policies, it is unlikely that standards of conduct be effective in detecting this form of corruption. In addition to external whistleblowing, external monitoring and multistakeholder initiatives can help increase organizational transparency and therefore help detect this form of corruption.

Fourth, the CO phenomenon, which requires the development of complex social structures of colluding individuals, primarily benefits the organization. Corruption is facilitated by organizational elements and by informal norm systems that influence employees' behavior (Ashforth & Anand, 2003). Thus, organizations are expected to decouple their CPs from organizational processes. Since this ceremonial implementation hinders the effectiveness of CP components (Hudon & Garzón, 2016), external initiatives, especially external monitoring and multistakeholder initiatives, tend to be more effective against corruption. Local community participation in monitoring initiatives has been shown to be effective if participants can directly benefit from reduced corruption (Olken, 2009). To a lesser extent, anonymous reporting systems can be effective if a third-party organization provides this service and external stakeholders can report corrupt activity. Conversely, fear of retaliation can be a significant barrier to organizational members' whistleblowing (Jancsics, 2019).

Fifth, some CP components and other initiatives can play a preventive role against corruption. Initiatives that are more focused on individual behavior—a genuinely committed compliance office, formal training, and ethics advice—ideally aim at encouraging individual ethical behavior embedded in ethical principles and values. Ethical leadership also plays a preventive role insofar as it contributes to individual ethical development and that of an ethical organizational culture. Initiatives that are more focused on collective behavior—organizational culture and multistakeholder initiatives—also contribute to prevention.

1.5.2 *A process approach to anticorruption initiatives: the multi-level integrative framework*

As this analysis suggests, the more complex corruption phenomena are, the less likely internal anticorruption initiatives are to make substantive progress toward the desired goal of mitigating corruption. Therefore, in such complex environments the effectiveness of CPs as anticorruption mechanisms depends on integration with other initiatives. In this vein, we propose an anticorruption multi-level integrative framework ranging from the context in which CPs are designed and implemented (the *why* of CPs) through implementation and monitoring processes (the *how* of CPs) to impact assessment (*how far* CPs can go as anticorruption initiatives). The framework integrates the fragmented literature and positions CPs at the intersection of numerous disciplines sharing an interest in anticorruption initiatives. It also identifies the areas where cross-fertilization of ideas from different disciplines can contribute to advancing the field.

Management and organization studies have provided valuable contributions to the literature on CPs. They are by far the most prolific in the streams of research on organizational processes and members. Research on organizational processes aims to advance knowledge of how organizations translate anticorruption management-based regulation into intra-organizational control systems, including internal monitoring mechanisms (e.g., Hemphill & Cullari, 2009). Research topics in this area are represented by M1 and M2 in Figure 8. While management and organization studies primarily focus

on the meso level of analysis, there have been relevant contributions to what we know about CP implementation from an employee perspective (e.g., MacLean & Behnam, 2010). Research topics in this area are represented by M6, M7, M8, and M9 in Figure 8. Despite these developments, further integration among disciplines is required to advance the field toward impact—whether CPs are making progress toward their intended goal of reducing corruption.

Fruitful collaborations are closely related to the public policy process in which CPs are embedded. CPs are organizational translations of management-based regulation and, as such, are expected to achieve a specific social goal. Thus, the CPs under scrutiny are expected to function as organizational initiatives against corruption. We argue that this understanding of CPs as the organizational part of a broader public policy presupposes a process approach to doing research. Management and organization scholarship can contribute to three research areas that have been underexplored.

The first area—internal monitoring mechanisms (M3 in Figure 8)—builds on the extensive research on design and implementation of CPs as intra-organizational control systems. A process approach requires investigating how sanctioning and anonymous reporting systems can be integrated into broader public policy monitoring processes. That is, how internal monitoring mechanisms inform and/or are informed by the work of external actors, not only law enforcement agents (L3) but also partners in multistakeholder initiatives (D2), civil society organizations, and the press. While knowledge of multistakeholder initiatives is dispersed across disciplines, the literature on CPs is silent about the monitoring roles of civil society organizations and the press.

The second area rests on the notion of organizational anticorruption performance (M4 in Figure 8), meaning performance related to anticorruption laws, regulations, conventions, principles, and standards. The underlying premise of anticorruption performance is that organizations clearly define the objectives to be achieved by their CPs. Thus, a process approach challenges the ambiguous claim "to do the right thing" (Weber & Wasieleski, 2013) as the main reason why organizations implement CPs. It assumes that organizations are embedded in a business environment consisting of

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anticorruption laws and regulations (L1), international conventions, principles, and standards (L2), and multistakeholder initiatives (D1). Knowledge of laws and regulations as well as of international conventions, principles, and standards is largely concentrated in the legal literature whereas knowledge of multistakeholder initiatives is dispersed across disciplines.

A process approach also challenges the promotion of more ethical and transparent business practices as the expected outcome of CPs. Although more ethical and transparent business practices can contribute to reducing corruption, the impact of CPs as anticorruption mechanisms is unclear. In contrast, a process approach encourages an objective definition of the anticorruption goals of CPs and the development of metrics to measure the progress toward them. Organizational anticorruption performance contributes to public policy evaluation insofar as policy makers have a better understanding of organizations' roles in broader public policies (D3 in Figure 8). In other words, policy makers can follow the interactions that constitute CPs and better assess their intended and unintended consequences as translations of management-based regulation.

The third area highlights the interactions between the micro and the meso levels of analysis, in contrast with the other two areas discussed above, which are more focused on the interactions between the meso and the macro levels. While CPs mostly consist of top-down initiatives, a process approach calls for a better understanding of internal bottom-up initiatives (M5 in Figure 8). Indeed, organizational members are the people ultimately responsible for translating management-based regulation into specific CP components. In addition, a process approach requires a better knowledge of management and employee performance regarding anticorruption laws, regulations, conventions, principles, and standards (M10). The knowledge produced in this research area can inform and/or be informed by what we know about design, implementation, monitoring, and performance assessment at the meso level.

Figure 8. Anticorruption Multi-Level Integrative Framework

	Context (Why)	Implementation and Monitoring Processes (How)	Impact Assessment (How Far)
Macro Level	Enactment of anticorruption management-based regulation: (L1) Organization's subjection to anticorruption laws and regulations (L2) Organization's subjection/exposure to international conventions/principles/standards (D1) Organization's participation in multistakeholder initiatives	External monitoring mechanisms: implementation of compliance programs monitored by external actors such as… (L3) law enforcement agents (----) civil society organizations (----) the press (D2) partners in multistakeholder initiatives	Public policy evaluation: (D3) Organization's contributions to the desired goal of mitigating corruption
	Interdisciplinary research	**Interdisciplinary research**	**Interdisciplinary research**

Meso Level	Intra-organizational control systems:
	(M1) Organization's motivation to translate anticorruption management-based regulation…
	(also A1) - into organizational structure (e.g., compliance office)?
	    - into standards of conduct?
	(also A1) - into control mechanisms?
	(also A1) - into sanctioning systems?
	(also A1) - into anonymous reporting systems?
	    - into formal training?
		Intra-organizational control systems:
		(M2) Organization's translation of anticorruption management-based regulation…
		(also A2) - into organizational structure (e.g., compliance office)?
		    - into standards of conduct?
		(also A2) - into control mechanisms?
		(also A2) - into sanctioning systems?
		(also A2) - into anonymous reporting systems?
		    - into formal training?
		Internal monitoring mechanisms:
		(M3) Integration of sanctioning systems and anonymous reporting systems into broader monitoring processes
			Organizational anticorruption performance:
			(M4) Organizational performance with regard to anticorruption laws, regulations, conventions, principles, and standards

			Research on organizational processes
Micro Level	Internal bottom-up initiatives: (M5) Contributions of organizational members to the decision to translate anticorruption management-based regulation into various compliance program components	Effects on organizational members: (M6) Roles played by organizational members in the implementation and development of compliance programs (M7) Effects of various compliance program components on organizational members (e.g., middle managers, line workers) (M8) Internal perception of effectiveness of compliance programs in mitigating corruption (M9) Circumstances under which organizational members are more likely to use anonymous reporting systems	Contributions of organizational members to their organization's anticorruption performance: (M10) Management and employee performance with regard to anticorruption laws, regulations, conventions, principles, and standards?
			Research on organizational members

Interlevel research (left margin, between Macro and Meso)

Interlevel research (left margin, between Meso and Micro)

L: Law
M: Management and organizations
A: Accounting and finance
D: Dispersed

1.6   Future research

The process approach to anticorruption initiatives highlights the areas where cross-fertilization of ideas from different disciplines can help advance knowledge of CPs. Our proposed framework contributes to the identification of a wide variety of interdisciplinary research objects. Building on the multi-level integrative framework discussed in the previous section, we propose process-oriented future research that is based on the notions of interdependence and collaboration to achieve the intended social goal of mitigating corruption. That is, research that focuses on the *how* of CPs and on *how far* they can go as anticorruption initiatives.

We suggest future research concentrate on the interactions between intra- and extra-organizational monitoring and assessment processes. While there is a vast body of research on external monitoring and law enforcement, research largely glosses over the potential integration of CPs and multistakeholder initiatives. Multistakeholder initiatives bring together organizations from the public, private, and non-profit sectors to deliver solutions for grand societal challenges by leveraging the resources and capabilities of organizational actors across sectors (Brinkerhoff, 2002a, 2002b; van Tulder, Seitanidi, Crane, & Brammer, 2016). Research in this area should aim to understand the initiative's impact, comprising the following elements: (1) the resources and capabilities provided by each member of the initiative; (2) the activities executed by each member in the implementation process, including those related to CPs, and their interactions; (3) the results that can be assessed by each participating organization; (4) the changes to anticorruption management practices; and (5) the social effects of the initiative. Potential research questions include: *How do multistakeholder initiatives contribute to objectively establishing the goals of CPs? How do multistakeholder initiatives contribute to the development of CP assessment metrics? How do multistakeholder initiatives contribute to monitoring CPs? How do multistakeholder initiatives help assess the progress of CPs toward mitigating corruption?* Future research in this area should also investigate the opportunities and challenges of these collaborations for implementation, monitoring, and assessment processes and the roles played by each collaborating member.

As for the *why* of CPs, we suggest that future research integrate the various stakeholders that can have an impact in the design and implementation of CPs. The relationships between CPs and bottom-up initiatives involving the press, customers, and civil society organizations are fairly absent from the literature on CPs. Research in this area would identify and explain the social changes that led to anticorruption "social movements," illustrated by the increasing prominence of regulatory intermediaries— social actors who stand between regulators and organizations (Brès, Mena, & Salles-Djelic, 2019) such as the local chapters of Transparency International. Regulatory intermediaries increase the complexity of a typical two-party relationship between regulator and organization. These intermediaries voice civil society's concerns and actively influence processes of regulation by providing anticorruption expertise, facilitating the implementation of anticorruption initiatives, monitoring organizations, and building anticorruption communities (Abbott, Levi-Faur, & Snidal, 2017). Research on the emergence, development, and continuous evolution of regulatory intermediaries can shed light on macro-level factors that affect CP design, implementation, and evaluation. Potential research questions at the intersection of regulation theories and management and organization theories include: *How do multistakeholder initiatives influence anticorruption regulatory processes, including the development of specific CP components? How do multistakeholder initiatives influence the adoption of specific CP components?*

Table 4. Future research on CPs

Context (Why)	Implementation and Monitoring Processes (How)	Impact Assessment (How Far)
How do multistakeholder initiatives influence anticorruption regulatory processes, including the development of specific compliance program components?	How do multistakeholder initiatives contribute to objectively establishing the goals of compliance programs?	
How do multistakeholder initiatives influence the adoption of specific compliance program components?	How do multistakeholder initiatives contribute to the development of compliance program assessment metrics?	How do multistakeholder initiatives help assess the progress of compliance programs toward mitigating corruption?
	How do multistakeholder initiatives contribute to monitoring compliance programs?	

1.7 Conclusions

This review integrates the dispersed literature on CPs and examines their strengths and limitations as anticorruption mechanisms. It proposes a process approach to anticorruption initiatives that situates CPs at the intersection of numerous disciplines sharing an interest in this topic. It also identifies the areas where cross-fertilization of ideas from different disciplines can contribute to advancing the field. The proposed anticorruption multi-level integrative framework builds on the understanding that CPs are organizational translations of management-based regulation with a specific social goal. Thus, CPs are seen as the organizational part of a broader public policy process.

This review provides a comprehensive understanding of CPs connecting laws and regulations, organizations, organizational members, and social impact against the background of the grand societal challenge they are intended to tackle—corruption. The suggested research directions reflect the potential contributions of management and organization scholarship to future research that contributes to advancing knowledge applicable to corruption and other grand societal challenges that rely on decentered regulation, including climate change.

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Chapter 2
Ethics and compliance program as a crisis response strategy: analyzing material-discursive practices in the aftermath of a corruption scandal[2]

Abstract

This paper examines the process whereby materiality and discourse are strategically deployed in an organization's response to an unprecedented crisis triggered by a corruption scandal. It explains how an organization's crisis response strategy relies on an ethics and compliance program comprising material artifacts, such as organizational structure, codes, policies, and tools, as well as discursive resources, especially an overarching narrative in which the organization gives voice to multiple stakeholders. This paper proposes a process model of legitimacy repair whereby organizations shape a trajectory that fosters a sense of continuity, predictability, and adaptation to an emerging institutional order. The justification of the organizational trajectory features tensions that are likely to be resolved insofar as discourse is coherently instantiated in material artifacts.

Keywords: corruption, ethics and compliance program, legitimacy repair, discourse, materiality

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2.1   Introduction

Corruption scandals are extreme events characterized by a general sense of unprecedentedness and can be highly consequential to entire organizational systems and multiple stakeholders. Scandals involving large companies such as Petrobras, Siemens, Goldman Sachs, and Enron have triggered institutional and economic instability (Castro & Ansari, 2017), major changes in organizational practices (Klinkhammer, 2013), and stigmatization of industries, organizations, and/or employees (Andersson, 2017). In-depth knowledge of organizational anticorruption strategies after corruption scandals is limited (Schembera & Scherer, 2017). Access to data is one of the main barriers to empirical research in this field. However, since strategies have a strongly discursive character (Fairclough, 2010), strategy communication provides a gateway for a closer examination of how organizations respond to corruption. Research on the discursive nature of anticorruption strategies can also offer novel methodological possibilities in this area where access to data is frequently an issue. Despite this potential, research glosses over a key aspect of strategy implementation—how organizations communicate the development of their strategies to multiple stakeholders.

This article examines the process whereby materiality and discourse are strategically deployed in an organization's response to a crisis caused by a corruption scandal. It investigates the case of Petrobras, the Brazilian oil and gas state-controlled enterprise involved in the Car Wash scandal (2014–2021). This unprecedented chain of events deeply affected Petrobras, various stakeholders, and the institutional context in Brazil and other countries in Latin America. In such a critical context, Petrobras strategically engaged in a series of material-discursive practices addressed to multiple stakeholders to repair its legitimacy and avoid the collapse of a crucial industry for Brazil's development. Petrobras's legitimacy repair strategy is based on an ethics and compliance program (ECP) that is constituted through material artifacts, such as organizational structure, codes, policies, and tools, as well as discursive resources, especially an overarching narrative in which Petrobras gives voice to actors like current and former employees, regulators, multilateral and civil society organizations, and the press.

The remainder of the paper is organized into five sections. First, we briefly review research on organizational anticorruption strategies. We also review the Economies of Worth (EW) framework (Boltanski & Thévenot, 1991) in this paper to answer the following questions: How does an organization attempt to repair its legitimacy in the aftermath of a corruption scandal? What is the role played by discourse and ordinary material artifacts in this process? Second, we discuss the methodology used in our research. Third, we present the findings of our study. Fourth, we discuss a process model of legitimacy repair. Finally, we suggest and discuss three avenues for future research.

2.2 Literature review

2.2.1 *Reviewing organizational anticorruption strategies*

Effective anticorruption initiatives require collaboration between the government, businesses, and civil society so that separate initiatives do not result in the mere displacement of corrupt practices (Dávid-Barrett & Fazekas, 2020). In this vein, anticorruption strategies include both national and international policies that often require self-regulatory initiatives, such as ECPs, which are formal organizational control systems designed to prevent illegal and unethical behaviors. Originally a consequence of the U.S. Foreign Corrupt Practices Act of 1977, ECPs have come to address other laws and regulations, such as the U.S. Sarbanes–Oxley Act, Securities and Exchange Commission regulations, and the UK Anti-Bribery Act. ECPs have become the dominant organizational practice against corruption and other forms of illegal and unethical behaviors (Martineau, Johnson, & Pauchant, 2017).

ECPs are often the backbone of organizational anticorruption strategies, especially in contexts that threaten an organization's legitimacy, which is defined as "the social acceptance of business organizations and their activities, […] based on a 'generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate'" (Suchman, 1995, p. 574). A series of corporate scandals have triggered an international anticorruption movement and pushed regulators to increase the pressure on businesses to improve their governance systems (Baer, 2008; Ford & Hess, 2011;

Martineau et al., 2017). Therefore, ECPs, which have a strong focus on organizational governance, are perceived by several stakeholders as proxies of rigorous governance and as legitimating devices.

The legitimating aspect of ECPs is a recurring topic in research on anticorruption strategies in contexts of legitimacy shock. Research has explored the media's role in framing perceptions of organizational actions and in eventually restoring a company's legitimacy after a corruption scandal (O'Connell & Bligh, 2009). Pfarrer, Decelles, Smith, and Taylor (2008, p. 731) propose a reintegration process that organizations should follow to restore their legitimacy. The process, which associates legitimacy repair with an assessment of the organization's intervention, includes "internally and externally rehabilitating or rebuilding the organization's processes and legitimacy." The proposed model delegates to stakeholders in general the evaluation of the organizational actions' effectiveness.

In such contexts, organizations tend to exceed regulatory expectations and select strategies that aim to influence their institutional environment. Schembera and Scherer (2017) build on Lange's (2008) Organizational Corruption Control Circumplex, the Corporate Citizenship Assessment Tool (Baumann-Pauly & Scherer, 2013), and the U.S. Sentencing Commission's guidelines for effective ECPs to propose a firm-driven set of legitimacy restoration strategies. The strategies relate to different types of corruption control, including organizational structure, specialized positions, codes, rules, policies, training, and reporting systems. The strategies can also be open to external stakeholders, especially through collective action, namely, participation in collaborative multistakeholder initiatives. As the gravity of the legitimacy shock increases, organizations tend to implement more comprehensive programs that also rely on contributions from external stakeholders. While their roles vary, they are often related to the evaluation of an organization's intervention.

Despite the emergence of ECPs as organizational anticorruption mechanisms, research on organizational anticorruption strategies in general and on ECPs in particular rarely converge. Research on the former is largely positioned within the vast literature on

corruption, which is much more focused on political corruption and the public sector (Hough, 2017). Meanwhile, research on the latter is highly fragmented across disciplines, with management and organization studies mostly focusing on ECPs as a set of intra-organizational policies and controls. This fragmentation hinders a systemic view of ECPs as anticorruption mechanisms that connect international conventions, local laws and regulations, organizations and their members, and social impact. Moreover, in-depth knowledge of organizational anticorruption strategies, including the implementation of ECPs, is deeply affected by difficult access to data.

The discursive nature of strategies can provide researchers with a point of entry to advance knowledge of anticorruption strategies. Since strategies "include discourses which represent and 'imagine', simplify and condense, complex economic, political, social and cultural realities" (Fairclough, 2010: 452), we turn our attention to how anticorruption strategies are communicated. In the following section, we briefly review the EW framework, which is applied in this paper to explain how an organization justifies, legitimates, and enacts its strategy. In this process, the organization strategically deploys discursive resources and material artifacts to repair its legitimacy.

2.2.2   *Justifying an ECP to multiple stakeholders*

ECPs are widely communicated to various stakeholders such as regulators, investors, and organizational members. In contexts that involve a legitimacy shock—e.g., a corruption scandal—organizations tend to exceed regulatory expectations and choose strategies that aim to influence their institutional environment. These strategies must be communicated to additional audiences, including civil society organizations and the press (Schembera & Scherer, 2017). Since these various stakeholders perceive what is legitimate differently, the organization's responses must be consistent with various orders of worth. Developed by Boltanski and Thévenot (1991), orders of worth are a political grammar providing institutional rules and discursive resources that actors can deploy to justify and legitimate their actions (Patriotta, Gond, & Schultz, 2011).

According to Boltanski and Thévenot's (1991) EW framework, institutional environments are fragmented in multiple orders of worth and legitimacy is achieved, maintained, and restored through public debate among actors. The social order is constantly negotiated, and the coordination of things and people is always delicate. Therefore, stability in such a fragmented and contested environment requires that organizations and their stakeholders engage in justification across multiple orders of worth to achieve legitimacy for their actions (Patriotta et al., 2011). As Boltanski and Thévenot (1991) put it, the possibility of coordination of human conduct lies in justification.

The EW framework also relies on the concept of common worlds. Because coordination is a necessarily public activity, that is, it is known to the actors directly involved in the activity, the "critiques, justifications, and evaluations used to coordinate action must be based on organizing principles that are themselves public and that are also [...] deemed legitimate by others" (Cloutier, Gond, & Leca, 2017, p. 10). The notion of common worlds, which derives from these assumptions, is key to understanding that actors can draw on them strategically to achieve their objectives (Cloutier & Langley, 2013).

Boltanski and Thévenot (1991) identified six common worlds: industrial, market, civic, domestic, inspired, and fame. Each common world is described using a grammar that specifies (1) a higher common principle that can be used to evaluate all actions, things, and people; (2) a state of worthiness that can be used to assess an actor who strongly embodies the world's values; (3) a state of deficiency, defined as the opposite of worthiness; (4) a list of subjects and objects—people, material artifacts, and their relationships; (5) a relation of worth specifying the relationship between worthiness and deficiency, especially the way people in a state of worthiness are of use to people in a state of deficiency; (6) an investment formula, meaning the effort required to achieve the state of being worthy; (7) a harmonious figure of the natural order that conveys the ideal types associated with the universes where there has been a fair distribution of worthiness; and (8) a paradigmatic test that best reveals an actor's worthiness (Boltanski & Chiapello, 2005; Boltanski & Thévenot, 1991; Cloutier & Langley, 2013). Paradigmatic or

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legitimacy tests are performed through tests of worth that "comprise both discursive and material moves and provide the basis for assessing the strength of public arguments according to a given order of worth" (Patriotta et al., 2011, p. 1805). In other words, paradigmatic or legitimacy tests are argumentative moves informed by a particular order of worth and mobilized to prove the state of worthiness of people and things under scrutiny.

The definition of worth varies according to the common world. In the industrial world, it is defined in terms of technical efficiency, productivity, mastery, and manufacturing. In the market world, it is defined in terms of money, gain, self-interest, sales, and profit. In the civic world, it is defined in terms of solidarity, representation, freedom, and social responsibility. In the domestic world, it is defined in terms of respecting tradition, responsibility, caring, and honor. In the inspired world, it is defined in terms of uniqueness, creativity, and innovation. Finally, in the world of fame, it is defined in terms of recognition and popularity (Cloutier et al., 2017). Table I summarizes the main elements of each order of worth.

Table 5. Orders of worth adapted from Boltanski and Thévenot (1991), Cloutier and Langley (2013), and Patriotta et al. (2011)

Grammar Elements	Description	Common Worlds					
		Industrial	Market	Civic	Domestic	Inspired	Fame
Higher Common Principle	Core principle that characterizes a particular world and that can be used to evaluate all actions, things, and people	Technical efficiency, performance, future	Competition, rivalry	Collective welfare	Tradition, hierarchy	Inspiration	Public opinion
State of Worthiness	Characteristics that help define what is most valued in a particular world	Effective, functional, dependable, operational	Desirable, valuable, wealthy, winner	Regulatory, representative, unitary, official, statutory	Hierarchically superior, benevolent, well bred, sensible, distinguished, trustworthy, loyal	Unique, innominable, ethereal, marvellous, disturbing, exciting, emotional	Celebrity, visible, successful, renowned, persuasive
State of Deficiency	Characteristics that help define what is least valued in a particular world	Ineffective, unproductive, suboptimal, ill-adapted, random	Poor, loser	Divided, individualistic	Impolite, inconsiderate, vulgar, flatterer, deceitful	Routine, ordinary	Banal, unknown, forgotten, deteriorated, lost
List of Subjects	People—their roles or identities—that are representative of a particular world	Professionals, experts, specialists	Competitors, sellers, buyers, clients, businesspeople, independent worker	Colletives and their representatives, public collectives, offices, committees	Father, king, superiors, family, boss	Visionaries, monsters, fairies, children, artists	Stars and their fans, thought leaders, influencers, spokespeople, public relations
List of Objects	Objects—material artifacts—that are representative of a particular world	Tools, resources, methods, tasks, plans, objectives, metrics, norms	Wealth, luxury objects	Laws, regulations, programs, policies, rules, norms, procedures, codes	Good manners, etiquette, rank, titles	Spirits, bodies, dreams, the unconscious, drugs	Media, brands, campaigns, messages
Relation of Worth	Concept that differentiates what is valued from what is not in a particular world	Mastery	Possession	Delegation, membership	Respect, responsibility, authority, subordination, honor,	Uniqueness, genious, independence	Recognition, notoriety, visibility
Investment Formula	Effort required to achieve the state of being worthy	Progress, development, investment,	Opportunism, detachment, emotional distance	Renunciation of personal interests, solidatiry, struggle	Rejection of selfishness, helpfulness, duty	Escape from habits, risk, detour	Abandonment of privacy
Harmonious Figure of the Natural Order	A symbol that conveys the essence of a particular world	System, structure, technically predictable universe	Market	State, democracy, electorate, representative institutions, parliament	Home, family, customs, principles, conventions	The imaginary, the unconscious	Public image, audience, target, positioning
Paradigmatic (or Legitimacy) Test	Objective means for assessing the state of worthiness of people and things	Test, implementation	Deal, transaction	Demonstration in favor of a just cause, assembly, congress, council, meeting	Family ceremony, celebration, distinction, designation	Adventure, quest, mental journey, lived experience	Presentation of the event, press conference, launch

The EW framework provides a limited number of narratives based on different perceptions of the common good, none of which is deemed a priori to be superior to any other. Each of these views provides a basis for justice through which actors can come to terms with a particular arrangement. The view of the common good that prevails in a particular situation "depends on the context, the actors involved, and the disposition of available material artifacts at that specific moment in time" (Cloutier et al., 2017, p. 11). This limited plurality contributes to explaining the specific dynamics related to legitimacy struggles and tensions that are expected as a result of pluralism.

The framework also considers the central role played by the material environment in social actors' ongoing work of justification. As Cloutier et al. (2017, p. 12) explain, "although the cognitive elements of engagement are important (e.g., what people think of the situation at hand), the capacity of social actors to justify their thoughts and actions and to potentially convince others to think and act as they do rests not only on their rhetorical competence, but also on their competence to properly and appropriately engage with their material environment." That is, the theorization underlying the framework includes both discursive and material manifestations of specific rationales—or orders of worth. Moreover, the framework accounts for a moral element that helps explain why organizations choose one given course of action over another and therefore contributes to explaining organizational processes and phenomena (Cloutier & Langley, 2013).

2.3   Methods

This paper examines the case of Petrobras, a multinational company that significantly expanded its ECP in the wake of the Car Wash scandal in Brazil. It provides an in-depth understanding of how Petrobras's ECP was enacted in a series of material-discursive practices that the company strategically employed to restore its legitimacy. This study spans the period 2013 to 2021. In 2013, Petrobras adopted the so-called Corruption Prevention Program in response to Brazil's Anticorruption Act of the same year. In 2021, the taskforce in charge of the Car Wash investigations, which is explained in more detail below, was dismantled. The analysis of Petrobras's material-discursive

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practices includes explanations of the Car Wash crisis and its relevance for Brazil's anticorruption regulation, justifications for value claims and lines of action, and assumptions in the explanations and justifications.

2.3.1 Discourse and materiality

This study has been designed to benefit from the methodological opportunities that discourse analysis offers to research on discursively charged organizational practices. Discourse analysis provides researchers with methods to address challenges related to access to data, a common obstacle to research on organizational corruption and anticorruption initiatives. Discourse analysis provides the methodological tools for the examination of "inconsistencies, (self-) contradictions, paradoxes, and dilemmas in text-internal or discourse-internal structures" as well as the "persuasive or 'manipulative' character of discursive practices" (Reisigl & Wodak, 2016, p. 26). Anchored in contextual knowledge to interpret discursive events, discourse analysis can provide a fine-grained understanding of the processes whereby organizations mobilize discourses and material artifacts to restore their legitimacy.

Discourse, defined as "linguistically mediated representations of the world" (Vaara & Tienari, 2008, p. 986), as well as material artifacts such as reports, codes, and tools can contribute to the endurance of organizations (Cnossen & Bencherki, 2019; Cooren, 2004). Discourse is deployed in multiple texts, defined as "elements of concrete social events [that] are both shaped by and shape more abstract and durable social structures and social practices" (Fairclough, 2003, p. 16). Texts include written texts, spoken interaction, visual images, body language, music, sound effects, and multimedia texts from television and the Internet (Fairclough, 2010). Organizational artifacts are "material manifestations encoding social meanings" (Bechky, 2008, p. 99) that can represent core values and beliefs as well as various event-driven issues in an organization (Pratt & Rafaeli, 1997; Watkiss & Glynn, 2016). They provide a way for organizations to convey both continuity and change to internal members and external stakeholders.

Discourse and materiality are constituted through each other insofar as "discourse lacks an independent, self-contained existence apart from material instantiation in some form" (Orlikowski & Scott, 2015, p. 699). The distinction between discourse and materiality is analytical only because discourse does not exist without being materialized. As Orlikowski and Scott (2015, p. 703) explain, "materiality [is] constitutively entangled with discourse in practice, not separate from, prior to, or distinct from discourse and practice." That is, "the relationship between the material and the discursive is one of mutual entailment. Neither is articulated/articulable in the absence of the other; matter and meaning are mutually articulated. Neither discursive practices nor material phenomena are ontologically or epistemologically prior. Neither can be explained in terms of the other. Neither has privileged status in determining the other" (Barad, 2003, p. 822). In this vein, we see ECPs as constituted in material-discursive practices—discourse that is materially enacted in organizational structures, codes, policies, tools, and activities.

In this constitutive process, the organization implementing an ECP strategically mobilizes discourses and their materializations. In contexts of legitimacy shock, the organization can shape and maintain a narrative involving familiar characters and plots drawn upon to give and make sense of the critical events. The moral salience of the "stories and ideals helps [the organization's target audiences] to establish and reconfirm [their] own values [while] constructing immoral or unwelcome social traits" (Budd, Kelsey, Mueller, & Whittle, 2020). While these narratives can contribute to giving meaning, they can also restrict it. At the same time, they advocate particular values and beliefs but denigrate others.

It is important to note the differences in the way that data are treated in discourse studies in comparison with other qualitative approaches. In positivist research aimed at "the development of testable hypotheses and theory which are generalizable across settings" (Eisenhardt, 1989: 546), data analysis seeks to establish facts by comparing multiple cases that can offer alternative explanations. In interpretive research, data analysis searches for participants' understandings of organizational events. In discourse studies such as the present research, data "are analyzed not only for what they say but for what they *do*" (Langley & Abdallah, 2011: 227). For example, the effects they have and

how these effects are achieved, including the propagation of management concepts (e.g., compliance and corporate governance) and the transformation of institutional fields (Langley & Abdallah, 2011). This paper relates to the latter.

2.3.2   Research site and case selection

The case presented below was selected through criterion sampling. Criterion sampling is particularly fit for our purposes because it allows for a better understanding of a case that is likely to "reveal major system weaknesses that become targets of opportunity for program or system improvement" (Patton, 2002, p. 239).

Three criteria for research site selection were established. The first criterion refers to international anticorruption conventions. We searched for a country that is signatory of international anticorruption conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, also referred to as the OECD Anti-Bribery Convention. This convention was signed in 1997 and entered into force in 1999. The 37 OECD countries and 7 non-OECD countries adopted this convention (OECD, 2021). The OECD Anti-Bribery Convention is considered a major shift in the enforcement of the U.S. Foreign Corrupt Practices Act (Yockey, 2012), which is the first piece of legislation to incentivize the adoption of ethics and compliance programs (please refer to Chapter 1 for a brief history of such programs). The second criterion pertains to anticorruption social movements. That is, we searched for a research site where the social pressure against corruption has resulted in regulatory reform, including laws and regulations that incentivize the implementation of ethics and compliance programs. The third criterion concerns the existence of major corruption crises that "throw systems into chaos and reveal discursive moves that might otherwise be taken for granted and hidden" (Phillips & Hardy, 2002, p. 69).

Brazil is a site that meets the three criteria established above and is therefore likely to generate theoretically relevant results. The country is one of the 7 non-OECD members to have signed the OECD Anti-Bribery Convention. One of the world's largest economies by gross domestic product, Brazil became a signatory of the convention in 2000. The

convention did not have immediate effect in Brazilian legislation, which prompted the OECD to criticize Brazil for not holding corporations accountable for corruption (Figueiredo, 2016). More than a decade later, the Anticorruption Act of 2013 was enacted. Often referred to as the Clean Company Act, it entered into force in January 2014. As per Brazilian laws, full implementation of the Act still required an implementing decree. In March 2014, the Car Wash investigations revealed a corruption scheme involving some of Brazil's largest companies and in March 2015 the implementing decree was enacted.

Two criteria were established for case selection. First, we searched for an organization that is historically embedded in this research site. That is, we searched for an organization that operates in Brazil, a site that meets the criteria discussed above and is therefore likely to generate theoretically relevant results. Second, since this article aims to examine the implementation of an ethics and compliance program in an extreme context, we searched for organizations whose ethics and compliance program had been either implemented or significantly changed in the context of the Car Wash scandal. Petrobras—the largest company in Brazil and Latin America when Operation Car Wash came to public attention—was selected.

2.3.3 Research setting: Petrobras and the Car Wash scandal

Since its creation in 1953, Petrobras has often been perceived as a symbol of national pride in Brazil. Petrobras's achievements in Brazil and its international expansion have contributed to consolidating its image as the driving force behind Brazilian development. In 1997, Brazil ended the state monopoly over oil and gas, but the Brazilian government remained Petrobras's controlling shareholder. In 2000, Petrobras's shares were listed on the New York Stock Exchange. Additional milestones marked the first decade of the 21st century. In 2006, an unparalleled level of oil production led Petrobras to announce that Brazil was self-sufficient in oil. In 2007, the company announced major discoveries in the geological formation called deep-water pre-salt layer off the coast of Brazil—one of the largest global discoveries in 20 years. In this optimistic environment, Petrobras announced an unprecedented investment plan. In 2010, Petrobras raised US$70

billion in the world's largest share offer at the time and became the world's fourth largest company in terms of market value. In 2011, Brazil gave in to international pressure and started discussions over an anticorruption bill. In 2013, Brazil passed the Anticorruption Act of 2013 in response to a country-wide series of public demonstrations. Following the enactment of the Anticorruption Act, Petrobras created the Corruption Prevention Program.

In March 2014, the Brazilian police disclosed a highly complex corruption scheme involving various politicians, Petrobras, and the top construction firms in Brazil. At the outset, the police were investigating a group of black market money dealers. The police followed the money from a chain of gas stations and car wash facilities and gathered information about a renowned criminal who used one of these facilities to launder money. The police then linked the money launderer's activities to a former Petrobras executive. In the months that followed, Operation Car Wash, as it became internationally known, revealed an unparalleled scheme involving Brazil's political and business elites (Netto, 2016; Paduan, 2016).

The Public Prosecutor's Office identified four pillars in the scheme: (1) the political pillar included the political party that governed Brazil and its political allies; (2) the administrative pillar was led by Petrobras; this pillar had different branches, each of them corresponding to Petrobras's main business units; (3) the economic pillar consisted of a group of 16 construction companies—the cartel known as Club of 16—and other private sector companies; and (4) the financial pillar was composed of individual agents responsible for laundering the money (Netto, 2016). The scheme operated as follows. Petrobras's major projects such as the construction of five new refineries required engineering and construction services. Petrobras procured and managed these engineering and construction contracts. At least two of its business units colluded with the Club of 16 to defraud bidding processes. Once the overpriced contracts were signed, around 3% of each contract was paid in bribes to members of the scheme throughout the duration of the contract (Valarini & Pohlmann, 2019).

The Car Wash scandal is considered one of the biggest corruption scandals in history (Transparency International, 2019). In Brazil, it was remarkably bigger than previous scandals in terms of political parties and companies involved, arrest warrants, prosecutions, convictions, and plea deals (Castro & Ansari, 2017). The investigations revealed that more than US$2 billion were siphoned off Petrobras in bribes for contract work (Watts, 2017).

The Car Wash scandal was characterized by unique political, economic, and social uncertainty. Since an unprecedented number of politicians and businesses were involved in the scheme, the scandal caused an intense political and economic instabilities. Not only were Petrobras and the other organizations directly involved in the scandal deeply affected, but also their entire supply chains. The scandal also occurred a few months after public transit costs triggered a period of strong social discontent manifested in public demonstrations that, in June 2013, had grown to include corruption among the main issues protested against (Saldaña, 2013; Waldram, 2013; Watts, 2013). The Anticorruption Act of 2013 was passed during this turbulent period.

Operation Car Wash lasted from 2014 to 2021 and produced 79 phases—police raids that focused on various investigations that strayed from the initial targets (Ministério Público Federal, 2021). In this regard, Operation Car Wash can be best understood as a series of sprawling investigations instead of a single inquiry. Over the course of seven years, Operation Car Wash has come to refer to the team of prosecutors leading the investigations. The team was dismantled in 2021 (Bourcier & Estrada, 2021).

2.3.4 Data collection

This study relies on texts primarily authored by Petrobras in which its ECP is represented, including annual reports, financial statements, press releases, blog posts, multimedia campaigns, anticorruption policy, ECP elements—code of ethics, code of conduct, code of good practices—and slide presentations. Three criteria have been established for data collection: (1) texts produced by Petrobras; (2) texts that were produced from 2011 to 2021 (the Anticorruption Bill of 2011 marks Brazil's first concrete

measure to implement the OECD Anti-Bribery Convention, whereas the dismantling of Operation Car Wash occurred in 2021); and (3) texts that are long enough for Petrobras to articulate multiple voices. These texts also allow for the analysis of the dialectical relations between discourse and social events that have been decisive in Petrobras's communication of its ECP to both internal and external stakeholders. Such social events include the enactment of the Anticorruption Act of 2013 and Operation Car Wash.

Additional data include texts that allow for the analysis of the "dialectical relations between discourse and other objects, elements, or moments" (Fairclough, 2010, p. 4). These texts include Brazil's anticorruption legislation, manuals and guidelines authored by the Controller General, and journalistic accounts. The selected data amount to over 4000 pages of written texts and 24 hours of videos. The detailed list of data sources can be found in Appendix 2.

Appendix 2 lists data from three periods of interest. The first spans the period from the implementation of the OECD Anti-Bribery Convention in 1997 until the enactment of Brazil's Anticorruption Act in 2013. The second period concerns Operation Car Wash as well as the initial organizational and regulatory responses to the scandal. The third period refers to the development of Petrobras's ECP in the aftermath of the scandal.

2.3.5   *Data analysis*

This research relies on the combination of two different strategies, namely, narrative and grounded theory (Langley, 1999), for the data analysis and interpretation. Methods of textual analysis have also been used to examine processes of recontextualization that occur as social practices are represented in discourses. This recontextualization process has been analyzed through the identification of elements that are present in all social practices such as actions (the what of social practice), actors (who), mode (how), time (when), and space (where) (van Leeuwen, 2016). The analysis proceeded iteratively and insights emerging from the first rounds of data analysis motivated additional rounds. For clarity, the data analysis procedures are described sequentially.

Step 1. Reconstruction of events. The narrative strategy has been adopted to prepare a series of timelines containing relevant events leading to the expansion of Petrobras's ECP and contributing to how it was communicated. These timelines served the purpose of a "data organization device" (Langley, 1999) and provided an intermediary database for the identification of phases. The timelines included (1) Petrobras's CEOs at the time of publication of the annual reports; (2) ECP elements and other measures that Petrobras implemented in response to the Car Wash scandal; and (3) the anticorruption regulatory reform in Brazil, including the publication of manuals and guidelines by the Controller General. This data organization device also allowed for the identification of themes and meanings concerning each phase. As the analysis proceeded, the narrative strategy also helped build a detailed story from the data.

Step 2. Open coding. The grounded theory strategy has been adopted in the sense of systematic data-driven categorization (Langley, 1999). As is common in discourse studies, data analysis in general and coding in particular are expected to vary from study to study (Phillips & Hardy, 2002). The analytical tools used in this study draw on different approaches to textual analysis, particularly Fairclough's (2003) dialectical-relational approach. The first rounds of open coding concerned the various measures that Petrobras took in response to the Car Wash scandal. Ethics and compliance concepts, processes, and activities, as well as Petrobras's description of the scandal, were also coded in the first rounds of open coding. After multiple iterations, in vivo codes were refined and reduced to eight first-order codes that pertain to the motivations to implement/expand an ECP, program orientation, program elements, and intended and unintended effects. The first-order codes concern Petrobras's interpretation of the Car Wash scandal and the roles various actors played in it. Moreover, they pertain to how Petrobras communicated its trajectory before, during, and after the scandal. These categories have been clustered into four second-order codes that describe how Petrobras's ECP is enacted in specific material-discursive practices.

2.4   Findings

This section is organized into three parts. The first part shows the key events that followed Operation Car Wash and describes Petrobras's initial responses to them. The second part presents the process whereby Petrobras shapes a trajectory that gives a sense of continuity, predictability, and adaptation to a new institutional order. The third part presents the tensions in Petrobras's crisis response strategy.

2.4.1   *Initial responses to Operation Car Wash*

Shortly before Operation Car Wash, Petrobras implemented the Corruption Prevention Program—the genesis of the comprehensive program created in 2015—in compliance with Brazil's Anticorruption Act of 2013. In contrast to the several texts dedicated to the topic since the scandal, the implementation of the Corruption Prevention Program is briefly mentioned in a message from the Chief Executive Officer (CEO):

> *"[...] reaffirming the commitment of the Petrobras Executive Board and of its employees with ethics and transparency within our organization. The program complies with both national and international initiatives against fraud and corruption, as well as with the laws of the countries where Petrobras operates, with positive impacts in the relations with all its stakeholders."* (Petrobras's 2013 annual report)

Since the first repercussions of the scandal in March 2014, Petrobras has taken a series of actions. Until September 2014, its responses were limited to denials and clarifications. In October 2014, Petrobras gave in to pressure from its audit firm PricewaterhouseCoopers and hired the Brazilian law firm Trench, Rossi & Watanabe to conduct independent internal investigations in Brazil. In the United States, Petrobras hired Gibson, Dunn & Crutcher, a global law firm expert in the U.S. Foreign Corrupt Practices Act. As the facts revealed by the police showed in more detail Petrobras's role in the scheme, its reputation became increasingly tarnished. From the historical share offer in 2010 until November 2014, Petrobras lost over 60% of its market value.

In November 2014, Petrobras announced the creation of a Governance, Risk, and Compliance Office. In April 2015, under a new CEO, Petrobras created the unit that would oversee the development of the Corruption Prevention Program, which included several elements. Petrobras promoted structural and leadership changes such as the appointment of a Chief Compliance Officer (CCO) and the creation of executive committees whose main responsibility was to assist the Board of Directors in its decisions. It revised existing ECP elements such as the 2006 code of ethics. It created a guide of conduct, revised various control mechanisms, and committed to increased strictness in the procurement of goods and services. It claimed to effectively enforce these rules by thoroughly investigating allegedly corrupt practices and severely sanctioning employees. It created an anonymous reporting system. It offered in-person and online training sessions on the Anticorruption Act, the U.S. Foreign Corrupt Practices Act, and Petrobras's code of ethics and guide of conduct. Finally, it appointed about 100 compliance agents, employees whose main objective was to disseminate compliance measures within their respective units.

Although Petrobras reports the concrete measures it adopted in response to the crisis, the chain of social events that constitute the scandal is also represented in a highly symbolic way. Petrobras makes use of different forms of semiosis to deliver a symbolically charged narrative of the scandal and its role in it. In this narrative, Petrobras creates a trajectory that gives a sense of continuity from its traditional past to a desired future, as explained in the following section. Figure 1 shows the key events in Petrobras's trajectory.

Figure 9. Key events

Figure 9. Key events

2013. *Anticorruption Act*

2014 (Mar). *Operation Car Wash*

2014 (Oct). Independent internal investigations in Brazil and the U.S.

2014 (Nov). Intention to create a compliance office

2015 (Apr). Creation of Governance, Risk, and Compliance office

2015 (Feb). Resignation of top management team

2016 (Aug). *Impeachment of President Dilma Rousseff*

2017. Consolidation of ECP

2018 (Apr). *Imprisonment of former president Lula da Silva*

2020 (Feb). Technological development of control mechanisms

2021 (Feb). *Dismantling of team of prosecutors who led Operation Car Wash*

2013. *Public demonstrations*

2013. Corruption Prevention Program

2014 (Oct). *Disclosure of further details of the scheme by former executives; pressure from PwC*

2014 (Nov). Acknowledgement of corrupt acts committed by former executives

2015 (Mar). *Decree that implements the Anticorruption Act*

2016 (Aug). Major revision of organizational processes

2018 (Jan). U.S. class action settlement

2019 (Sep). Appointment of third CCO since the creation of the compliance office and shift to values-based orientation

2020 (Dec). Recognition of successful legitimacy repair

Self-victimization

Resilience

Beacon of Integrity

Legend

i	Contextual events
u	Petrobras's responses

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2.4.2 Connecting the traditional past and desired future

Petrobras's narrative is the main discursive resource mobilized to communicate a trajectory that connects its traditional past and a desired future. It offers ways for both organizational members and external stakeholders to make sense of the company, its role in the scandal, and its responses to the crisis that followed. Petrobras anchors its recovery in this narrative that is objectified in organizational structure, reports, plans, norms and procedures, tools and metrics, written standards of conduct, control system, multimedia campaigns, and events. Three elements constitute Petrobras' trajectory: self-victimization, resilience, and beacon of integrity. These elements do not emerge in chronological order. Rather, they are strategically mobilized to give sense of Petrobras's experience. However, the resilience element becomes more salient after the consolidation of the ECP, whereas the beacon of integrity element gains much greater salience after the appointment of an integrity-oriented CCO in September 2019 (see Figure 5). Each element and the justificatory regimes that inform them are explained below.

2.4.2.1 Self-victimization

Summary: Petrobras's self-victimization invokes notions and actors of different justificatory regimes, but its material-discursive practices are primarily informed by the domestic world. Petrobras attempts to maintain its worth during the crisis by refusing responsibility for the corrupt acts. This way, Petrobras's pride and leadership (i.e., Petrobras's leading role in Brazil's development)—notions related to the state of worthiness in the domestic world—remain unaltered and operate as a bridge connecting traditional past and present, thereby creating a sense of continuity. At the same time, Petrobras invokes notions related to the state of deficiency—power and greed of those involved in the scheme—to create distance from the former employees who took part in the scandal and emphasize its resolve to endure.

Description: Petrobras portrays its role in the scandal as that of a victim. According to Petrobras's account of the scandal, a few greedy former employees broke the law. These former employees not only proved to be corrupt, but also dragged Petrobras into a unique crisis. Petrobras makes various actors speak through association and dissociation strategies. While association strategies convey Petrobras's connection to key stakeholders regarding principles, values, and characteristics consistent with its status, dissociation strategies unite Petrobras, organizational members, and other stakeholders by creating a common threat or enemy. Petrobras is dissociated from the scheme and former employees are associated with the people who should be held accountable for the corrupt acts revealed by the investigations. In the 2014 annual report, which was released during the early stages of the investigations, Petrobras narrows the former employees down to three executives and highlights that they had not been with the company since 2012:

> "_Petrobras's senior executives conspired_[3] with contractors, suppliers, and other involved parties to establish a cartel that, between 2004 and April 2012, imposed additional expenses on Petrobras's purchases of fixed assets. _Two former directors [...] and a former executive manager, who have not worked for Petrobras since April 2012_, were involved in this payment scheme." (Petrobras's 2014 annual report)

In its texts, Petrobras associates itself with key actors who validate its role as a victim, particularly the judge in charge of Operation Car Wash in Brazil. Although he is not directly reported, he can certainly be identified as the person "responsible for the trial of the criminal lawsuits":

> "_We are officially recognized as victims of the crimes found in the context of 'Operation Car Wash' by the investigators and the judge responsible for the trial of the criminal lawsuits._" (Petrobras's 2015 annual report)

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[3] The underlined excerpts illustrate notions, subjects, and objects invoked in Petrobras's texts, as further explained in the following section.

In addition, Petrobras gives voice to unknown citizens, members of the general public who express their agreement with the idea that the company was a victim of the scheme. More subtly, unspecified voices are also indirectly reported in Petrobras's texts:

> *"It's becoming more and more evident that, above all, Petrobras has been the victim of a process of corruption that's never been seen before."* (Petrobras's CEO on multimedia campaign, 2017)

Petrobras's self-victimization is also supported by the company's supposed collaboration with authorities. This collaboration, which is one of the conditions imposed to reduce fines and other penalties according to the Anticorruption Act, is expressed through the presentation of objective facts that serve the purpose of truth claims. In this instance, Petrobras reports having answered "hundreds of requests for documents and information" to a wide variety of Brazilian authorities:

> *"We continue following the investigations and collaborating effectively with the work of the Federal Police, the Public Prosecutor's Office, the Judiciary, the Auditor General, and the Controller General so that all crimes and irregularities are investigated. We have already answered hundreds of requests for documents and information made by the investigators."* (Petrobras's 2015 annual report)

Table 6. Constitution of self-victimization according to the domestic order of worth—key notions

Invoked Notions	Illustrative Quotes
Pride	*"To rescue this <u>pride</u>, the <u>pride</u> of being an oilman<u>*</u>, the <u>pride</u> of <u>participating in the growth of the country</u>, of <u>contributing to the development of Brazil</u>."* Petrobras employee #3 on multimedia campaign, 2018.
Leadership	*"Petrobras excels in the execution of its activities [...], believing in its role of functioning as <u>a true driving force</u> for integrity in the Brazilian corporate environment."* Petrobras's code of ethics for suppliers, 2020.
Hierarchy	*"Petrobras had, maybe still has, but, of course, we are working and improving this, a very <u>hierarchical culture</u>."* Petrobras's CEO on multimedia campaign, 2017.
Integrity	*"The company's actions should convey credibility and serve as a <u>positive example</u> to companies and society, exercising <u>leadership in promoting an increasingly ethical, upstanding, and transparent business environment</u>, aligned with <u>the company's high performance and values</u>."* Petrobras's code of good practices, 2020.
Power, greed (of those involved in the scheme); important, powerful people (those involved in the scheme) vs. victim (Petrobras)	*"We know that <u>irresponsible acts</u> were <u>committed against our company</u>, but the action of <u>a few people who only had their own interests at heart</u> will not ruin what we have built with so much effort."* Petrobras's multimedia campaign, 2016.

* The Portuguese term *petroleiro* (i.e., oilman) is rarely used to mean workers in the oil industry. Rather, it signifies a Petrobras employee and encapsulates a sense of belonging to the company.

Table 7. Constitution of self-victimization according to the domestic order of worth—key actors and material artifacts (subjects and objects in Boltanski and Thévenot's terms)

Invoked Subjects and Objects	Illustrative Quotes
Structure (e.g., Governance and Compliance Office, committees such as the Integrity Committee, compliance/integrity agents)	*"In 2015, we began reviewing our governance and management model, defining the company's <u>new organizational structure</u> and implementing a number of improvements. We formalized the creation of <u>five Statutory Committees linked to the Board of Directors</u>; we completed the structuring of the <u>new Governance, Risk and Compliance (GRC) area</u> [etc.]."* Petrobras's 2016 annual report.
Size—the largest company in the country	*"I present my first message as CEO of Petrobras to our shareholders and investors with the feeling of immense responsibility in leading the Executive Board of <u>the largest company in the hearts of Brazilians</u> [...], in full recovery."* Petrobras's 2016 annual report.
Events such as Dialogues for Integrity—exemplar anecdotes	*"I usually say that we're in a <u>transition</u> here. [...] the <u>transformation</u> that we're experiencing is <u>toward a system of integrity that goes much further</u>, that is exactly to value those who work correctly, to value <u>what's right</u>. [...] Many, many times I'm asked a question [...] 'In a world so unequal, in a world so full of evil, so full of selfishness, how can I begin to practice the values of integrity?' I answer: make a circle around your feet and start practicing integrity within that area because that's how we'll catapult the example and generate this <u>contamination of good</u>."* Petrobras's CCO during Dialogues for Integrity, 2020.

2.4.2.2 Resilience

Summary: Petrobras's resilience invokes notions and actors of different justificatory regimes, but its material-discursive practices are primarily informed by the industrial world and, to a lesser extent, the civic world. Petrobras attempts to provide greater predictability in an environment where its very existence is called into question. This look toward the future is supported by notions such as hard work, technical expertise, and adaptability. Petrobras also clearly states that two of its three core values are efficiency and operational safety, both consistent with the state of worthiness in the industrial world. These notions are materialized in organizational structure, reports, plans, norms and procedures, and tools and metrics.

Moreover, Petrobras's vision for the future is supported by a role that it intends to restore in the future—a role that invokes notions from the civic world, including a commitment to a transformation that will benefit society as a whole and integrity. Consistent with the state of worthiness in the civic world, integrity achieves the same status as efficiency and operational safety as Petrobras's additional core value. The commitment to lead changes in the way business is done in Brazil, based on ethical conduct, is objectified in an organizational structure that elevates ethics and compliance to Petrobras's first echelon. It is also materialized in written standards of conduct, a more robust control system, and ethics and compliance tools. At this stage, Petrobras's legalistic approach is materialized in laws and events that objectify a close relationship with regulators and other authorities. This time, the relationship between Petrobras and the Brazilian authorities goes beyond a mere recognition that it was a victim to convey a strong and proactive cooperation, not to be confused with Petrobras's collaboration with authorities during the initial stages of the Car Wash investigations. In the excerpt below Petrobras expounds on a preventive cooperation:

> *"Petrobras today is much safer than it was in other times. There's a lot of cooperation with the authorities today."* (Petrobras executive #5 on multimedia campaign, 2018)

Despite the prevalence of the industrial world as the primary justificatory regime, followed by the civic world, notions from the world of fame emerge in the representation of Petrobras's resilience. Petrobras repeatedly refers to its reputational issues and gives voice to actors who can influence the opinion of multiple stakeholders, including credit rating agencies and financial authorities, multilateral organizations, and consultancy firms.

Petrobras's resilience is characterized in its texts by the trials and tribulations to which it is submitted as well as by key actors that help the company overcome them. The trials and tribulations are represented both metaphorically and in more palpable terms. Recurring metaphors include turbulent seas and storms. In a multimedia campaign, Petrobras communicates its trajectory by contrasting images of stormy and sunny weather (see Figure 6 below). The turbulent seas and storms in the first part of the video, in which the narrator talks about the scandal and its consequences, give way to images of sunny weather and hard work. The transition from stormy to sunny weather is where the narrator says that Petrobras is not "indifferent to all this" and that it is as outraged "as you are". Petrobras's overcoming of this challenging period is represented by a ship's captain pulling the throttle under the bright sun.

Figure 10. Resilience

Subtitles read *"A calm sea never made a good sailor."*

Petrobras uses the storm metaphor once again.

Subtitles read *"And don't think that we are indifferent to all this."*

Subtitles read *"We are working hard, day and night."*

Source: Petrobras's multimedia campaign, 2016.

Description: The objective facts that were unveiled as the investigations developed (i.e., the crisis that followed the scandal, Petrobras's debts, reputational issues, and multiple class action lawsuits) are also woven into Petrobras's texts. The crisis is only indirectly linked to corruption—it is often vaguely expressed in terms of Petrobras's unprecedented debts:

> *"Petrobras [is] in the midst of <u>the biggest crisis in its history</u>. <u>The synthesis of these problems is the size of our gross debt</u> [...] It is also the largest debt of any publicly traded global company operating in our sector."* (Petrobras's 2016 annual report)

As Petrobras works to restructure its debts, it emphasizes the resolve to overcome this challenging situation. It also invokes higher principles such as efficiency, which gained prominence after the scandal to become one of Petrobras's claimed values, operational safety and integrity being the other two. Petrobras's ability to adapt to the unparalleled context is communicated through notions that also convey a sense of predictability. Notions such as strategic vision and discipline are introduced in Petrobras's texts, notably in association with ways to overcome the company's reputational crisis:

> *"By working with a clear <u>strategic vision</u>, followed by a lot of <u>discipline</u> so that we can reduce the company's debt, so that we can recover <u>the company's credibility and reputation</u>."* (Petrobras's CEO on multimedia campaign, 2017)

Petrobras highlights its adaptability even when faced with the challenging environment that followed the scandal:

> *"Although some people looked at the Car Wash scandal with skepticism, I have always seen an opportunity for Petrobras to turn it around and <u>come out of this scandal stronger</u>."* (Petrobras executive #7 on multimedia campaign, 2018)

In its texts, Petrobras also gives voice to key actors such as executives and employees, regulators, credit ratings agencies and financial authorities, multilateral

organizations known for their anticorruption initiatives, and consultancy firms. The assistance provided by executives and employees is expressed as a newfound *esprit de corps* and a continuous search for ways to restore collective welfare:

> *"The spirit that has emerged of <u>unity</u>, of <u>integration</u> between the areas, of <u>doing more for Petrobras</u>, and of <u>one Petrobras</u>, is unprecedented and will bear fruit for many years to come."* (Petrobras executive #1 on multimedia campaign, 2018)

Petrobras gives voice to authorities, such as the Controller General, in its texts. It builds on the Controller General's view that ECPs have a transformative potential—through cultural change—to express that its own program is the key to overcoming the crisis:

> *"People have <u>worked very hard</u> to solve all the problems that have been identified. Making all these changes <u>part of the routine</u> and making them absolutely <u>embedded in the culture</u> is one of the big challenges in the company."* (Petrobras executive #5 on multimedia campaign, 2018)

Petrobras also reports that credit ratings agencies and Brazil's financial authorities recognize its anticorruption efforts:

> *"<u>Petrobras has been changing its governance significantly</u> and this change has practical effects [...] <u>Moody's recently raised our risk rating</u>."* (Petrobras executive #1 on multimedia campaign, 2017)

> *"It's because of all this <u>effort</u> that <u>we've earned the right</u> to enter the list of companies that <u>stand out for more transparent management</u>."* (Petrobras employee #6 on multimedia campaign, 2018)

Petrobras's trajectory relies on Brazil's anticorruption authorities and on multilateral organizations such as the United Nations Global Compact Network. These actors are associated with the expansion of Petrobras's ECP:

"CEOs and executive directors of Petrobras and subsidiaries, and executive managers of the holding company, attended face-to-face training on integrity and conflict of interest, given by a representative of the <u>Ministry of Transparency, Inspection, and Controller General</u>. The members of our Board of Directors [...] attended specific training on the Brazilian Anticorruption and Money Laundering Prevention Acts, associated with <u>the importance of the Compliance Program</u> [...] we conducted <u>training for our employees</u>, including the CEO and executive directors, with specific modules on '<u>corruption prevention</u>,' made available by the <u>United Nations Global Compact</u>." (Petrobras's 2016 annual report)

Petrobras expresses a close relationship with its technical and professional environment by giving voice to various experts such as consultancy firms:

"An external <u>expert company</u> has been hired to implement and carry out performance evaluation of the Board of Directors and its committees, as well as the Executive Board. This evaluation is still in progress [...] In the cases of selection of executives from outside the company, an <u>expert company</u> was used." (Petrobras's 2016 annual report)

Table 8. Constitution of resilience according to the industrial order of worth—key notions

Invoked Notions	Illustrative Quotes
Hard work	*"There have been <u>many times when we've had to show the ability to move on</u>. We're facing a challenging scenario in the world industry [...] and the most difficult phase in our history. It's one of those moments in life when you have to <u>roll up your sleeves and face your problems head on</u>."* Petrobras's multimedia campaign, 2016.
Safety	*"The <u>safety</u> of our operations and employees is one of our <u>strategic priorities</u>."* Petrobras's 2020 annual report.
Efficiency	*"Petrobras's <u>values</u> must be reflected in all areas and decisions [...] From these values arise the three principles that sustain the guidelines of this Code [of Ethical Conduct]: 1. respect for life, people, and the environment; 2. integrity, transparency, and meritocracy; and 3. <u>value generation</u>."* Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.
Technical expertise, specialization, best/good practices, Anglicism	*"In the last few years we have promoted several actions to strengthen our governance, whether voluntary, legal, or in compliance with the requirements of the governance regulations adopted by the company, with the aim of establishing <u>best practices aligned with our strategy</u>."* Petrobras's 2018 annual report.
Resilience, adaptability (including to society's demands), change agent	*"We're going to see a new Petrobras, <u>fully engaged in making an effective change</u> in how business is done here in Brazil."* Petrobras executive #7 on multimedia campaign, 2018.

Table 9. Constitution of resilience according to the industrial order of worth—key actors and material artifacts (subjects and objects in Boltanski and Thévenot's terms)

Invoked Subjects and Objects	Illustrative Quotes
Structure (e.g., Governance and Compliance Office, committees such as the Integrity Committee, compliance/integrity agents)	*"In addition to the structure responsible for compliance actions, we have about <u>100 professionals from various organizational units</u> who act as <u>Petrobras Compliance Agents</u> and are committed to disseminating the compliance culture."* Petrobras Corruption Prevention Program, 2015.
Reports (e.g., annual reports, reference forms, Global Reporting Initiative	*"In 2017, we interacted with investors and market analysts mainly through our website, with a monthly average of 75,000 hits; annual reports (<u>Management Report</u>, <u>Form 20-F</u>, <u>Reference Form</u> and <u>Sustainability Report</u>); [etc.]."* Petrobras's 2017 annual report.
Plans (e.g., Material Weaknesses Remediation Plan, Outstanding State-Owned Enterprise Governance Program of the São Paulo Stock Exchange, collective action initiatives such as the Extractive Industries Transparency Initiative)	See Figure 7 below. Presentation of three collective action initiatives that Petrobras joined after the implementation of the ECP.

(continues)

Norms and procedures (e.g., Procurement Manual, shared authorization for contracting goods and services, contract management standard operating procedures, compliance opinions, separation of duties—the Chair of the Board of Directors and the CEO can no longer be the same person, criteria for appointment and resignation of top management team)	*"The two current contracts with advertising agencies resulted from public bids and followed Petrobras's hiring procedures, as ruled by Decree 2,745 of 1988 and the Petrobras Procurement Manual."* Petrobras's 2018 Reference Form.
Tools and metrics (e.g., Due Dilligence of Suppliers and Contractors, whose result is the Integrity Risk Level), Integrity Background Check, Integrity Culture Absorption Survey, compliance/integrity criterion in employee performance assessment, awareness campaign "Petrobras in Compliance", training sessions, Integrity Channel—communication channel, Workplace—organizational members' social network developed by Facebook	*"Any commercial partner is evaluated by Petrobras from an integrity point of view [i.e., Due Dilligence of Suppliers and Contractors]."* Petrobras employee #8 on multimedia campaign, 2018.

Figure 11. Collective action initiatives

The slide reads "Petrobras's Participation in Collective Actions:
- [World Economic Forum's] Partnering Against Corruption Initiative—PACI
  - Petrobras's return to the initiative in September 2020, after leaving it in 2014.
- United Nations Global Compact (Brazil Network)
  - Launch of the Advisory Board for Collective Actions, composed of 21 participants from companies in various sectors.
- [Ethos Institute's] Business Pact for Integrity and Against Corruption
  - Achievement of our best score on the Integrity Guide."

Source: Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.

2.4.2.3 Beacon of integrity

Summary: Petrobras's material-discursive practices to communicate its role as a beacon of integrity are primarily informed by the civic world and, to a lesser extent, the industrial world. Despite lingering issues such as its high debt, Petrobras's ability to survive is no longer called into question by its multiple stakeholders. As uncertainty decreases and the future seems more predictable, Petrobras communicates a less legalistic and more value-oriented approach to ethics and compliance. This new orientation is supported by notions consistent with the state of worthiness in the civic world, particularly integrity, transparency, and ethical conduct. Regardless of the obstacles it will find along the way, Petrobras claims to want to "do the right thing":

> *"There's no easy way, there's the right way."* (Petrobras employee #9 on multimedia campaign, 2018)

Petrobras's claimed intolerance to corruption and sense of ethical responsibility are objectified in the improved ECP, which is communicated as the only way to prevent, detect, and control corruption, especially in a disrupted context:

> *"Once the company positions itself in adopting anticorruption practices and encourages its suppliers to also implement compliance programs, which is the best response that has to be given when a company has some kind of integrity issue that it's been exposed to."* (Petrobras executive #7 on multimedia campaign)

Notions drawn from the industrial world are equally important. Notions such as hard work, technical expertise, and adaptability function as links between the present and the desired future. At the same time, notions from the domestic world reemerge. Petrobras's integrity operates as a connection between the desired future, in which Petrobras plays a new role, and the traditional past. That is, Petrobras restores its duty as a driving force for Brazil's development. Petrobras's overarching narrative—the exemplar anecdote of the company that was a victim of a corruption scheme and was able to recover—is the narrative of a central player in both economic and ethical developments in Brazil.

Description: The third and final element in Petrobras's trajectory is mostly based on its renewed role in society. Petrobras claims to be committed to changing the Brazilian business landscape into a more ethical one. It borrows Transparency International's expression—according to which state companies should act as beacons of integrity in their countries—to symbolize the company's claimed transformation into a beacon of integrity. Petrobras's texts suggest that a widespread implementation of an ECP is a necessary condition to achieve this new way of doing business or, in other words, to disseminate a culture of compliance. Petrobras claims to be prepared to spread this new culture across Brazil and the world and thus restore everything that is "sacred" (in the words of an employee) to the company:

> *"The vision and mission, as well as the strategies, goals, operations, processes, and activities must reflect <u>the company's full commitment to compliance actions</u>, providing a safe environment for decision making, in line with <u>the goal of being a benchmark in ethics, integrity, and transparency, in Brazil and worldwide</u>."* (Petrobras's code of good practices, 2020)

Petrobras repeatedly claims to be a benchmark, a change agent, a positive example, and a driving force:

> *"Petrobras is a company recognized for its technical excellence. Now the company is also becoming <u>a benchmark in management and compliance</u>, implementing <u>the best governance and compliance practices</u>, ensuring that this is disseminated to all its employees and seeking to be <u>a benchmark and a change agent</u> throughout the production chain in which it's situated."* (Petrobras executive #1 on a business conference, 2017)

Petrobras connects this newfound role with the traditional one—a go-getter that is the pride of Brazil. Petrobras once again sets a missionary tone to describe itself not only as one of Brazil's top companies, but also as a symbol of the country:

> *"If I can summarize the understanding of our <u>Mission</u> [...] perhaps <u>the best expression of our task</u> is to contribute to the recovery of the <u>self-esteem of</u>*

employees, investors, and Brazilians in what is their largest company, and
that we all want to make the best again.” (Petrobras's 2016 annual report)

Petrobras replaces the conventional term “mission” with “purpose” in most of its
post-scandal texts. More than a mere change of words, Petrobras redefines its very
existence. Petrobras's CEO explains this redefinition of the company's purpose through
a metaphor that expresses the emergence of a new being:

*“It's a purpose that's always been there, but it was being, let's say, I
remember that old way of making photographs, and when you developed, I
developed photographs, that thing would appear little by little. And so it was
with Petrobras's purpose. A lot of internal and external research had been
done, and then this purpose has been revealed, and it's always been there.”*
(Petrobras's CEO on multimedia campaign, 2017)

Table 10. Constitution of beacon of integrity according to the civic order of worth—key notions

Invoked Notions	Illustrative Quotes
Unity	*"Before we could come out and talk and show it, we had to do it. We had to really look inside, look at our processes, see where we went wrong. It's a moment of reinvention, a moment to talk about <u>who [Petrobras] is</u> today."* Petrobras employee #6 on multimedia campaign, 2018.
Integrity (as one of Petrobras's three values)	*"We have a Compliance Policy that describes and discloses our commitments to promote <u>the highest ethical values</u> and transparency in the conduct of our business, <u>with zero tolerance for fraud, corruption, and money laundering</u>."* Petrobras's 2018 annual report.
Transparency	*"The call for projects is a way to bring <u>transparency</u> and <u>participation of society</u> in the selection process."* Integrity Moment on transparency in the sponsorship selection process presented during Dialogues for Integrity, 2020.
Care, attention, commitment, zeal	*"Risk management is part of the company's <u>commitment to act ethically and in compliance with the legal and regulatory requirements</u> established in the countries where it does business."* Petrobras's 2016 annual report.
Ethical conduct	*"Society is increasingly demanding [...] <u>a different positioning from companies</u> [...] both in relation to <u>ethical positioning</u> and in relation to, for example, diversity in top management, at all levels of the company. I think this is a force that's also coming from outside."* Governance expert on Petrobras's multimedia campaign, 2017.

Table 11. Constitution of beacon of integrity according to the civic order of worth—key actors and material artifacts (subjects and objects in Boltanski and Thévenot's terms)

Invoked Subjects and Objects	Illustrative Quotes
(Close relationship, in the form of collaboration or collective action initiatives, with) regulators and other authorities, financial institutions, multilateral organizations, and civil society organizations (e.g., Brazil's Supreme Court and Controller General, World Economic Forum, United Nations, Instituto Ethos, Transparency International, Crédit Suisse, J.P. Morgan, UBS, and Santander)	See Figure 8 below. Petrobras gives voice to the Brazilian chapter of Transparency International.
Structure (e.g., Governance and Compliance Office, committees such as the Integrity Committee, compliance/integrity agents)	*"The company created the position of <u>Governance, Risk and Compliance Officer</u>, with the mission of ensuring procedural compliance and mitigating risks in its activities, including those of fraud and corruption."* Petrobras's 2014 annual report.
Written standards of conduct (e.g., Corruption Prevention Program, code of ethics, code of conduct, code of ethical conduct, code of good practices, code of competitive conduct, code of ethics for suppliers)	*"Compliance risks, especially the risks of fraud, corruption, money laundering, and reliability of the financial reports, are mitigated through internal controls and constant disclosure of our <u>Code of Ethics</u>, <u>Code of Conduct</u>, <u>Corruption Prevention Program</u>."* Petrobras's 2016 annual report.

(continues)

Control system (e.g., technologically-enhanced control mechanisms, internal investigations, anonymous reporting system, Administrative Accountability Process)	*"Automation of internal controls:* ▪ *Rationalization of the scope of the internal controls assessment through interaction with managers and with the Information and Communication Technology area and the Digital Transformation area;* ▪ *Use of process automation tools (RPA—Robotics Process Automation)."* Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.
Tools (e.g., awareness campaign "Petrobras in Compliance", training sessions, Integrity Moment—short presentations in the beginning of team meetings aiming to encourage reflection about a given topic, Integrity Pills)	See Figure 9 below. This tool consists in short videos aiming to encourage reflection about a given topic.
Laws (e.g., Anticorruption Act, Data Protection Act, U.S. Foreign Corrupt Practices Act, U.S. Sarbanes–Oxley Act, UK Bribery Act)	*"[Petrobras Corruption Prevention Program] is continuously improved and is adherent to the best market practices and anticorruption legislation, especially Law 12.846/2013 [Brazil's Anticorruption Act]; the Foreign Corrupt Practices Act (FCPA), the 1977 US federal law; and the UK Bribery Act, the 2010 UK anticorruption law."* Petrobras's 2017 annual report.
Events such as Dialogues for Integrity—membership in ethics and compliance community	*"We are working hard to be an increasingly safe, ethical and transparent company. That is why we are promoting the Petrobras Dialogues for Integrity [...] an online event (via Microsoft Teams), free of charge, and features lectures and thematic panels with experts in compliance, managers from the public and private sectors, as well as authorities, representatives of the academic community and of international organizations."* Dialogues for Integrity Program, 2020.

Figure 12. Relationships

The slide reads *"As the largest contractor in the country, Petrobras produces a systemic effect by demanding compliance from its suppliers—which have to raise their standards in order not to lose business. The main national company must be a 'beacon of integrity' for the Brazilian market."*

Source: Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.

Figure 13. Integrity Pills

The slide reads *"Integrity Pills:*
- *Short videos to increase employee awareness;*
- *Participation of top management and the Integrity Agents;*
- *29 contents disclosed;*
- *More than 157,000 views."*

On the right-hand side, the superimposed "cards" read: *"(1) Conduct, responsibility, and learning—Novak Djokovic;* (2) *Integrity and innovation—Bill Gates;* (3) *Integrity, equality, and respect—Martin Luther King, Jr.* [name covered]*; (4) Authenticity and integrity—Barack Obama."*

Source: Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.

Petrobras's successful legitimacy repair is celebrated in a video produced for an online event in December 2020. The video presents recurring metaphors such as the storm and the turn of a page, representing the Car Wash scandal and Petrobras's recovery, respectively (see Figure 10). In addition, several newspaper and magazine headlines confirm Petrobras's successful re-legitimation (see Figure 11).

Figure 14. Petrobras's communicated trajectory

A Petrobras employee observes the approaching lightning storms representing the Car Wash scandal.
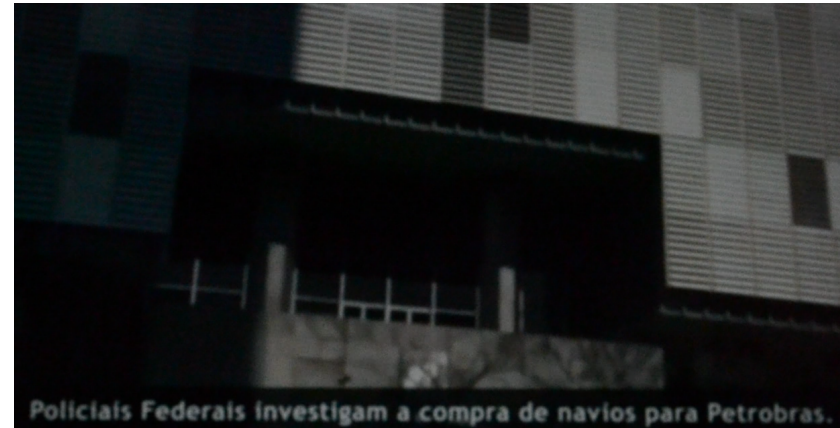
Subtitles read *"Federal police officers investigate the purchase of ships for Petrobras"* with the company's headquarters in the background.

After the final lightning bolt strikes, Petrobras "turns the page" by significantly expanding the ECP.

Employees enjoy the sunny weather brought about by the ECP.

Source: Video presentation during Dialogues for Integrity, 2020.

Figure 15. Legitimacy repair
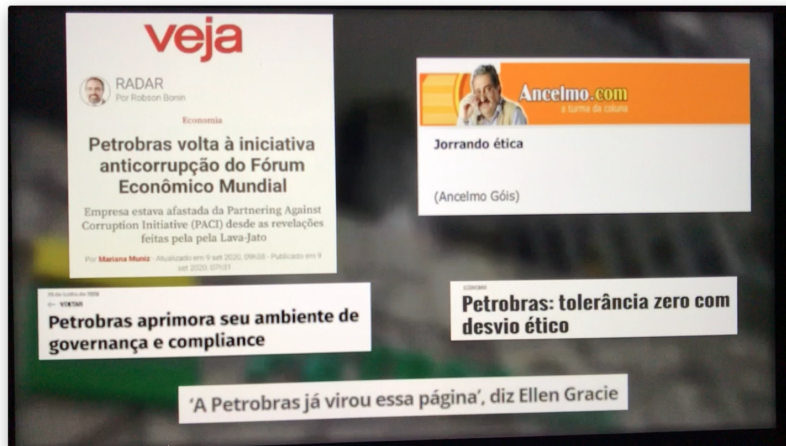
Headlines of newspapers and magazines read: *"Petrobras re-joins the World Economic Forum's anticorruption initiative," "Petrobras improves its governance and compliance environment," "Gushing ethics," "Petrobras: zero tolerance with ethical deviance," and "Petrobras has already turned this page, says [the first woman to sit on Brazil's Supreme Court]."*
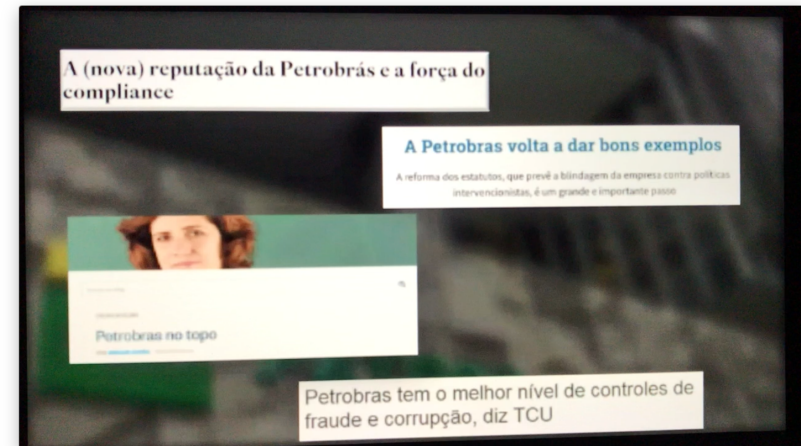
Headlines of newspapers and magazines read: *"Petrobras's (new) reputation and the strength of compliance," "Petrobras setting good examples again," "Petrobras at the top," and "Petrobras has the best level of fraud and corruption controls, says the Controller General."*

Source: Video presentation during Dialogues for Integrity, 2020.

2.4.3 Tensions in Petrobras's material-discursive practices

The EW framework helps explain the tensions in Petrobras's material-discursive practices. We have found four interrelated tensions, namely, degree of responsibility, depth of transformation, orientation, and positioning. First, degree of responsibility refers to the tension between Petrobras's self-victimization discourse and the acknowledgement of responsibility, as a legal person, for the corrupt acts. This tension results from two different representations of worth: the distinguished organization that would never deceive its stakeholders, represented in the domestic world, and the ethical corporate citizen that acts in the best interest of society, represented in the civic world. Actions suggesting the recognition of partial responsibility include Petrobras's agreement to pay US$2.95 billion to settle a U.S. corruption lawsuit. A collective investor action in the Netherlands can have a similar outcome. Petrobras also omits that it had implemented an ECP before the Car Wash scandal. The program created was the Corruption Prevention Program, a name that has not changed despite the shift from a legalistic to a value-based orientation. Moreover, Petrobras's code of ethics was created nearly a decade before the scandal. Petrobras also emphasizes its commitment to disseminating a culture of integrity throughout the company. This contradicts Petrobras's narrative, according to which only a few former executives were involved in corrupt activities.

Second, the tension related to the depth of transformation concerns the clash between the alleged transformative potential of ECPs and isomorphism as a result of their use as legitimating mechanisms. This tension results from a clash between two different higher principles: the civic world's genuine concern with collective welfare that takes the form of anticorruption mechanisms in the Petrobras case and the world of fame's concern with public opinion. On the one hand, the enactment of Petrobras's ECP is claimed to contribute to a positive transformation of the company's governance system, as recognized by multiple stakeholders, as well as to the inclusion of business ethics in Brazil's institutional environment. On the other, Petrobras presents very limited evidence of the effectiveness of its ECP. Indeed, Petrobras presents questionable measures of its program. For instance, the Integrity Culture Absorption Survey—a quarterly survey that measures the dissemination of the so-called culture of integrity, a proxy of program

effectiveness—measures the development of factors such as integrity, ethical leadership, ethical awareness, trust, and self-deception (see Figure 12 below). In the period from December 2019 to July 2020, the survey results indicate an improvement of nearly 10% in the first three months of the survey and an additional 22% in the following four months. This is surprising, considering that profound changes in organizational culture take time.

Figure 16. Integrity Culture Absorption Survey

The slide reads *"What we cannot measure, we cannot improve."* The chart shows the quick evolution from December 2019 (yellow) through March 2020 (green) to July 2020 (blue) in the following factors (from top to bottom, clockwise): general, self-deception, ethical leadership, ethical awareness, integrity, central theme, and trust.

Source: Slide presentation by CCO of Petrobras during Dialogues for Integrity, 2020.

Third, orientation refers to the tension between enabling and coercive forms of control. This tension results from how worth and the lack thereof are represented in the civic world—the organizational member who renounces her/his personal interests and strives for collective welfare as opposed to the individualistic organizational member who requires strict surveillance. Petrobras claims to have shifted from a legalistic to a value-based approach to ethics and compliance. A value-based orientation emphasizes ethical reflection and suggests that organizational members are encouraged to reflect and make ethical decisions. However, the same CCO responsible for shifting Petrobras's program orientation in 2019 repeatedly alludes to an allegory that suggests more coercive forms of control. This allegory classifies organizational members by color. To wit: green (i.e., very few incorruptible people), yellow (i.e., most people, who are susceptible to corruption if they are not under surveillance), and red (i.e., very few corrupt people):

> *"If we are in the presence of green leaders [...] who set an example and dedicate time in their schedules to disseminate the culture of integrity, the employees, also green, will be valued by meritocratic criteria. And the yellow ones, who follow the actions of the one at the top to guide their own conduct, will also follow the same priorities."* (Petrobras's CCO in Dialogues for Integrity, 2020)

Fourth, positioning concerns the tension between firm-centered change initiatives and multistakeholder initiatives. This tension results from two different representations of worth: the superior organization that has what it takes to establish a new way to do business on its own terms, represented in the domestic world, and the corporate citizen who acts in the best interest of society, represented in the civic world. Petrobras has established itself as a new ethics and compliance authority in Brazil and claims to intend to become an international benchmark. Its authority is exercised in commercial transactions with suppliers and contractors. They are required to implement an ECP as a condition to conduct business with Petrobras. In other words, Petrobras validates how ECPs are implemented in other Brazilian firms:

"Any kind of commercial partner is evaluated by Petrobras from an integrity point of view. It's very important for Petrobras that these companies that we have a relationship with also have strengthened mechanisms, that they're also reputable companies. So, this is also a way for Petrobras to influence the market." (Petrobras employee #8 on a multimedia campaign, 2018)

Conversely, Petrobras participates in various multistakeholder initiatives whose members have equal status and operate in favor of a common social goal—mitigating corruption.

2.5   Discussion

Petrobras develops a narrative that communicates to multiple stakeholders the responses to the Car Wash scandal. The construction of this narrative—"ongoing [process] of creating, using, and arranging symbols to generate accounts for events" (Kuhn & Simpson, 2020, p. 157)—is informed by most available justificatory regimes, thereby creating a sense of stability and orderliness even in the middle of an unprecedented crisis. It also creates a sense of compatibility between Petrobras and its stakeholders' principles, values, and beliefs. In this narrative, Petrobras gives voice to multiple stakeholders to shape and maintain a trajectory involving familiar characters and plots that are drawn upon to give and make sense of the critical events. The moral salience of the story helps Petrobras's stakeholders reconfirm their own values while they establish undesirable social traits.

Petrobras's narrative is objectified in a comprehensive ECP that calls for a rethinking of ontology in the sense that material objects are not passive participants in organizational life. To the same extent as the discursive aspect of communication, material objects such as Petrobras's ECP are agentive. Petrobras's legitimacy repair is largely based on "formations of artifacts into assemblages" (Harding, 2020, p. 229). While artifacts such as space can arguably be active actors in the survival of organizations, the Petrobras case shows that ECPs can also play a similar role—they are "performed relations" (Orlikowski, 2007, p. 1438) between an organization and its stakeholders.

Discourse and materiality are mutually constitutive of this organizational practice. The discursive resources mobilized by Petrobras in its texts are materially enacted in practice through the ECP.

The Petrobras case also shows how the legitimating role of an ECP, an ordinary organizational practice, gains salience after a corruption scandal in comparison with a stable environment. This is particularly relevant because the ECP is the cornerstone of Petrobras's crisis response strategy. Petrobras's share prices, regulator support that is demonstrated through governance certifications, its reacceptance into international anticorruption initiatives such as the Extractive Industries Transparency Initiative, and the ongoing institutionalization of ECPs in Brazil show that Petrobras's material-discursive practices have succeeded in restoring the company's legitimacy.

2.5.1 *Toward a model of legitimacy repair*

We propose a process model of legitimacy repair whereby organizations shape trajectories that give a sense of continuity, predictability, and adaptation to a new institutional order. As shown in Figure 13, an extreme event triggers a crisis in which an organization's legitimacy is severely damaged. After a period of organizational inertia, local and international regulatory pressure sets the organization's crisis response strategy into motion. The organization strategically weaves discursive resources and material artifacts into a material-discursive assemblage that is justified and legitimated across orders of worth.

In the organization's connection to the traditional past, the domestic order of worth, whose higher common principles are pride and hierarchy, is the most salient justificatory regime. The organization's objective here is to give a sense of continuity to its stakeholders. In the organization's connection to the present, the industrial order of worth, whose higher common principles are technical efficiency and performance, is the most salient justificatory regime. Here, the organization aims to give a sense of predictability to its stakeholders. In the organization's connection to the desired future, the civic order of worth, whose higher common principle is collective welfare, is the most

salient justificatory regime. Justification according to this order of worth conveys the emergence of a new institutional order and the organization's successful adaptation to it. It also conveys the organization's commitment to influencing the development of this new order.

The justification of these trajectories can feature tensions that are likely to be resolved insofar as discourse is coherently instantiated in material artifacts. Legitimacy is repaired when multiple stakeholders deem the organization's actions consistent with its discourse. Depending on the organization's influence on the institutional field, its perceived recovery promotes the institutionalization of the practice on which the crisis response strategy was based. If the organization's discourse is not coherently instantiated in material artifacts, stakeholders perceive the organization's actions as window-dressing, which can pose additional threats to its legitimacy.

Figure 17. Justification and legitimation of organizational crisis responses strategies

Legitimacy repair justificatory regimes

Regulatory pressure

Organizational inertia

Legitimacy shock

Crisis

Extreme event

Continuity
- Salience of domestic order of worth, whose higher common principles are tradition, hierarchy
- Justification according to this order of worth gives a sense of continuity

Predictability
- Salience of industrial order of worth, whose higher common principles are technical efficiency, performance
- Justification according to this order of worth gives a sense of predictability

Adaptation
- Salience of civic order of worth, whose higher common principle is collective welfare
- Justification according to this order of worth conveys the emergence of a new institutional order—society's new demands—and the organization's successful adaptation to it; the organization also influences the development of this new institutional order

Tensions

Materiality coherent with discourse?

No — **Organizational practice perceived as window-dressing**

Yes — **Legitimacy repair** → **Institutionalization of organizational practice**

2.6 Future research

This paper encourages the cross-fertilization of ideas from different fields by integrating insights from research on anticorruption strategies and ECPs—research areas that have been developing separately. Interdisciplinary conversations are required to advance our knowledge of organizational responses to corruption. We suggest three avenues for research situated at the intersection of corruption scandals, anticorruption strategies, and ECPs: institutionalization of anticorruption practices in the context of inter-institutional collaborations, anticorruption multistakeholder initiatives, and organizational members' responses to management practices introduced after corruption scandals.

First, the analysis of corruption scandals can shed light on how institutional processes are accelerated in comparison with more stable settings. Brazil signed the OECD Anti-Bribery Convention in 2000, but the Anticorruption Act would not be implemented until 2013 as a response to social pressures. The crisis that followed Operation Car Wash spurred a transformation of organizational practices and what is deemed legitimate business conduct in Brazil. As the Petrobras case shows, crises are not restricted to local institutional boundaries. The enactment and enforcement of laws and regulations that sparked the ongoing institutionalization of ECPs in Brazil counted on interinstitutional collaborations between Brazilian and U.S. authorities. We suggest further research on such interinstitutional collaborations and their challenges, especially on how different orders of worth operating in these collaborations can coexist and dominate institutional fields.

Second, the literature on anticorruption multistakeholder initiatives can benefit from advances in research on corruption scandals, since the crises they trigger can promote collective action initiatives that include regulators, businesses, and civil society. The Petrobras case shows how a temporary action group—the team of prosecutors who led Operation Car Wash—had a major impact on the enforcement of Brazil's Anticorruption Act, resulting in the reproduction of ECPs, an organizational practice already widespread in other institutional contexts such as the U.S. This affected not only regulatory and organizational processes, including the way regulators preventively

collaborate with large corporations such as Petrobras, but also the participation of civil society in the anticorruption agenda. For instance, Transparency International created a Brazilian chapter in 2016 during the initial developments of the Car Wash scandal. Since then, it has been very active in assessing Brazil's advances (and setbacks) in its initiatives against corruption. It also helps promote ECPs in Brazil by providing training on their emergence and development according to international conventions and anticorruption cooperation practices. The Brazilian network of the UN Global Compact has also been active in collective action initiatives involving businesses.

Third, the analysis of management practices introduced after critical events, as well as the changes they cause in daily organizational life, can enhance our knowledge of how organizational members translate the new management practices into everyday activities. Stacchezzini, Rossignoli, and Corbella (2020) is a rare example of research that investigates how organizational members understand and execute the responsibilities arising from the implementation of an ECP. Research in this area can help bridge the gap between the individual lived experience of organizational change and the evaluation of how successful an organizational intervention can be. It can also provide the conditions to better understand the circumstances under which the strengths, limitations, and contradictions of management practices such as ECPs emerge and to what effects.

2.7   Conclusions

This paper examines how an organization responds to a corruption scandal through the implementation of an ECP. Informed by the EW framework, it explains how the program is justified, legitimated, and enacted in a material-discursive assemblage that is constituted through discourse, especially through a narrative in which Petrobras gives voice to key actors, and objectified in material artifacts. This in-depth research offers an original approach to examining ECPs insofar as it pragmatically examines the roles of discourse, material artifacts, and justification in the enactment of such programs. It also contributes to our understanding of how an ECP's legitimating character gains salience in the aftermath of a corruption scandal.

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Chapter 3
Implementation and development of an ethics and compliance program: a middle management perspective

Abstract

This paper examines how middle managers experienced the implementation and development of an ethics and compliance program. Based on semi-structured interviews and archival data, it shows how the program evolved in a context of regulatory reform and intense stakeholder pressure in Brazil. In 2015, the program was characterized by a coercive environment featuring strict rules and procedures, internal investigations, and an unprecedented sanctioning system. It was consolidated through major changes in key organizational processes, especially centralization of procurement processes and segregation of duties. In 2019, middle managers experienced a new phase in the program's development, characterized by an approach that advocated the moral development of employees. This paper argues that middle managers play three roles in the development of an ethics and compliance program under intense stakeholder pressure—pathfinder, investigator, and promoter. It contributes to a better understanding of ethics and compliance programs as dynamic processes and to the roles played by middle management in their development.

3.1 Introduction

Ethics and compliance programs (ECPs) have become a widespread organizational practice since the corporate corruption scandals in the 2000s decade and the regulatory reforms that followed (Ashforth, Gioia, Robinson, & Treviño, 2008; Martineau, Johnson, & Pauchant, 2017). ECPs are formal control systems designed to prevent illegal and unethical behavior. They comprise a wide variety of components that include organizational structure, policies, rules, tools, and activities. They often consist of ethics and compliance officers and personnel, codes of ethics, control mechanisms, anonymous reporting systems, sanctioning systems, and formal training.

Research on ECPs, especially on whether they are oriented toward compliance with the law or broader moral engagement, greatly developed during this period. Program orientation refers to the motivations to design and implement an ECP. These motivations can be predominantly instrumental as in compliance-based programs implemented by most Fortune 500 companies (Haugh, 2017). Compliance-based programs primarily focus on controlling employee behavior and are based on clear rules, control mechanisms, and tools designed to increase the transparency of organizational processes. Programs on this end of the orientation spectrum (1) are short-term-oriented, (2) do not focus on long-term development of high-order values, and (3) can lead to problems associated with coercive forms of control (Root, 2019; Singh, 2011; Soltes, 2020; Valentine, Hanson, & Fleischman, 2019).

Value- or integrity-based programs are on the other end of the orientation continuum. While they include compliance-based components, value-based programs place a greater emphasis on the organization's responsibility for the ethical behavior of its employees. Value-based programs primarily focus on enabling ethical decision-making processes and are based on the development of long-term high-order values as well as on ethical leadership instead of carrot-and-stick authority. These programs are informed by a more aspirational, less pragmatic approach to anticorruption (Eisenbeiss, van Knippenberg, & Fahrbach, 2015; Kaptein, 2009, 2011; Remisová, Lasaková, & Kirchmayer, 2019; Stansbury & Barry, 2007). For this reason, some organizations choose

a third option—a balanced program oriented toward both compliance with laws and regulations and ethical decision-making (Martineau et al., 2017).

The literature on ECPs is highly fragmented across disciplines. Disciplines such as law and political science tend to focus on the regulatory character of ECPs and their relation to extra-organizational controls such as non-prosecution agreements. Disciplines such as management and business ethics tend to focus on intra-organizational controls, ethical leadership, and the development of ethical behavior. This fragmentation hinders a systemic view of ECPs that connects laws and regulations, different forms of organizations, and organizational members. Moreover, research on ECPs mostly focuses on the institutional context or the organizational level of analysis insofar as it examines the determinants of a program's successful implementation. Limited knowledge of how employees experience and contribute to the implementation and development of ECPs hampers a comprehensive analysis of their strengths and limitations.

This paper addresses this issue by answering the following question: How do middle managers experience the implementation and development of an ECP in a context of intense stakeholder pressure and regulatory reform? Based on semi-structured interviews, it shows how the program evolved from a compliance-based toward a value-based orientation. In 2015, the program was characterized by a coercive environment featuring strict rules and procedures, internal investigations, and an unprecedented sanctioning system. It was consolidated through major changes in key organizational processes, especially centralization of procurement processes and segregation of duties. In 2019, middle managers experienced a new phase in the program's development, characterized by an approach that advocated the moral development of employees. It argues that middle managers play three roles in the development of an ECP under intense stakeholder pressure—pathfinder, investigator, and promoter.

The remainder of the paper is organized into five sections. The first section briefly reviews research on ECPs. The second section explains the methodological procedures. The third section presents the findings of the study, including the program's implementation and consolidation, the tensions experienced by middle managers, the

program's orientation shift, and the improvements experienced by middle managers. The fourth section discusses the roles played by middle management in the development of an ECP under intense stakeholder pressure.

3.2   Reviewing ethics and compliance programs

Recent corporate corruption scandals have often been followed by attempts at regulatory reform. Considering that any comprehensive anticorruption policy must also involve a commitment to self-regulation by organizations and their members, regulators have largely focused on organizational control systems in anticorruption reform. Since the enactment of laws and regulations such as the U.S. Sarbanes–Oxley Act, the Securities and Exchange Commission regulations, and the UK Anti-Bribery Act, ECPs have become the dominant organizational practice against corruption and other forms of illegal and unethical behaviors (Martineau et al., 2017). ECPs comprise a wide variety of components that include organizational structure, policies, rules, tools, and activities. They often consist of ethics and compliance officers and personnel, codes of ethics, control mechanisms, anonymous reporting systems, sanctioning systems, and formal training.

Program components are informed by various, sometimes conflicting, theoretical assumptions about corruption and other forms of wrongdoing as well as the ways they should be deterred. However, this apparent incoherence can be offset by a clear orientation. Program orientation is commonly described as a continuum. On one end of the spectrum are compliance-based programs. Organizations that implement such programs aim to signal to regulators that they are preventing corruption in their business transactions. In case of a corruption event, fines and other penalties can be significantly reduced if an ECP had already been implemented (Chen & Soltes, 2018). The incentive to evade liability should not be neglected, especially among multinational companies, whose potential liability increased as countries such as Brazil, Canada, France, Italy, Russia, Spain, and Ukraine, passed laws that include ECPs in enforcement actions (Chen & Soltes, 2018; Murphy, 2017; Pieth, 2018; Stacchezzini, Rossignoli, & Corbella, 2020). Research argues that such instrumental motivations can lead to ECPs decoupled from

organizational processes. Decoupled programs lack risk assessments before design and implementation (Martinez, 2019), root-cause analyses of ethics and compliance failures (Root, 2019), and compelling assessment metrics (Chen & Soltes, 2018). Research also argues that strictly regulatory motivations can undermine the ability of ECPs to promote long-term change (Tanner, Gangl, & Witt, 2019).

Compliance-based programs tend to favor coercive forms of control. Coercive forms of control can hinder an organization's ability to deter corrupt practices and other forms of wrongdoing. The unintended effects of coercive forms of control include (1) indoctrination, defined as "the inculcation of a learned unwillingness to consider the relative limitations of a system of thought, based on the authority of the teacher of that system" (Stansbury & Barry, 2007, p. 248), (2) internal communications breakdown, (3) distrust, (4) feelings of unfair treatment, (5) risk aversion, and (6) unethical behavior (Baer, 2008; T. MacLean, Litzky, & Holderness, 2015; T. L. MacLean & Behnam, 2010; Yockey, 2012). In manager-employee interactions, coercive forms of control encourage power dynamics that directly affect organizational members' capacity for discussing an order's feasibility and appropriateness (Berti & Simpson, 2021). They can give rise to Kafkaesque catch-22 situations "due to the vicious circles created by the proliferation of conflicting rules that create contradictory behavioral expectations and open spaces for power abuse." Catch-22 situations are "both the medium and the outcome of visible forms of systemic power" (Berti & Simpson, 2021, p. 261) in which organizational members, unable to question the status quo, experience helplessness, meaninglessness, and paralysis (Clegg, Pina e Cunha, Munro, Rego, & de Sousa, 2016). Organizational members are further paralyzed by the impossibility to discuss the absurdity of a situation embedded in a complex web of rules and procedures (Berti & Simpson, 2021).

On the other end of the orientation spectrum are value- or integrity-based programs. Organizations that implement such programs acknowledge that they are monitored not only by regulators, but also by stakeholders such as non-profit and civil society organizations (Ford & Hess, 2011; Katz, Higgins, Dickson, & Eckman, 2009). Value-based programs aim to foster socially desirable behavior through the inculcation of ethical values (Bussmann & Niemeczek, 2019; Singh, Wood, Callaghan, Svensson, &

Andersson, 2018; van der Wal, Graycar, & Kelly, 2016). They focus on long-term moral development of managers and employees. They recognize the influence of organizational culture on employee behavior and shifts the relationship between employees and management from carrot-and-stick authority to ethical leadership (Eisenbeiss et al., 2015; Pelletier & Bligh, 2006).

Value-based programs tend to favor enabling forms of control. ECPs that include enabling forms of control can mitigate abusive power dynamics insofar as they provide greater organizational transparency and openness to discussion in decision-making processes. They can also minimize bureaucratic absurdities through a more reasonable application of rules and procedures (Berti & Simpson, 2021). The effective implementation of an enabling ECP depends on giving organizational members the opportunity to discuss ethical issues and receive practical advice to solve them (Remisová et al., 2019; Stansbury & Barry, 2007). Since rules are inherently incomplete and cannot comprise all situations, ethical reflection is an important source of guidance for organizational members' decisions (Michael, 2006).

The legal environment and enforcement activities of regulators, especially monitoring, can influence how an ECP is implemented (Short & Toffel, 2010). A legitimacy crisis following a corruption scandal can also directly affect program design and implementation. Intense stakeholder pressure plays a major role in the organizational responses, which can range from isomorphic adaptation to inclusive ECPs implemented through multistakeholder initiatives—collaborative efforts that require that organizations work with regulators, other organizations, and civil society groups (Schembera & Scherer, 2017).

Knowledge of how program implementation is experienced and influenced by internal stakeholders is limited. Rare exceptions include Treviño, den Nieuwenboer, Kreiner, and Bishop (2014) and Stacchezzini et al. (2020). The former research discusses what ethics and compliance professionals do to face resistance against ECPs in their organizations. Ethics and compliance officers face major internal legitimacy challenges by engaging in what is called legitimacy work, defined as the deployment of various

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tactics that help them gain legitimacy in the eyes of other organizational members. Stacchezzini et al. (2020) explores how a program implementation process unfolds as a practice that employees mentally organize. They attribute meaning to the ECP and execute the responsibilities arising from it.

Middle managers play a pivotal role in change implementation in general and ECP implementation in particular. In imposed change, middle managers act as both leaders and followers insofar as they are as much recipients as they are implementers of their organization's plans. They must grasp something they did not design and negotiate the details with others equally removed from strategic decision making whereas they manage the tension between continuity and change (Balogun, 2007; Huy, 2001). Therefore, how they make sense of organizational change has a significant impact on the way it is implemented. Despite their relevance for change implementation, research is silent on how middle managers experience and influence the implementation and development of ECPs.

3.3   Methods

This paper addresses this issue by conducting a case study of a multinational company that implemented a comprehensive ethics and compliance program in response to a corruption scandal in Brazil. It examines how the company's middle managers experienced the implementation and development of the program from 2013—when an anticorruption program was created in compliance with Brazil's Anticorruption Act of the same year—to 2022. For ethical reasons, neither the company not its members are identified in this paper. I refer to the company's country of origin and relevance in that context, but not to other information that might lead to its identification, including industry and historical details. The company is referred to by the fictitious name Brasco.
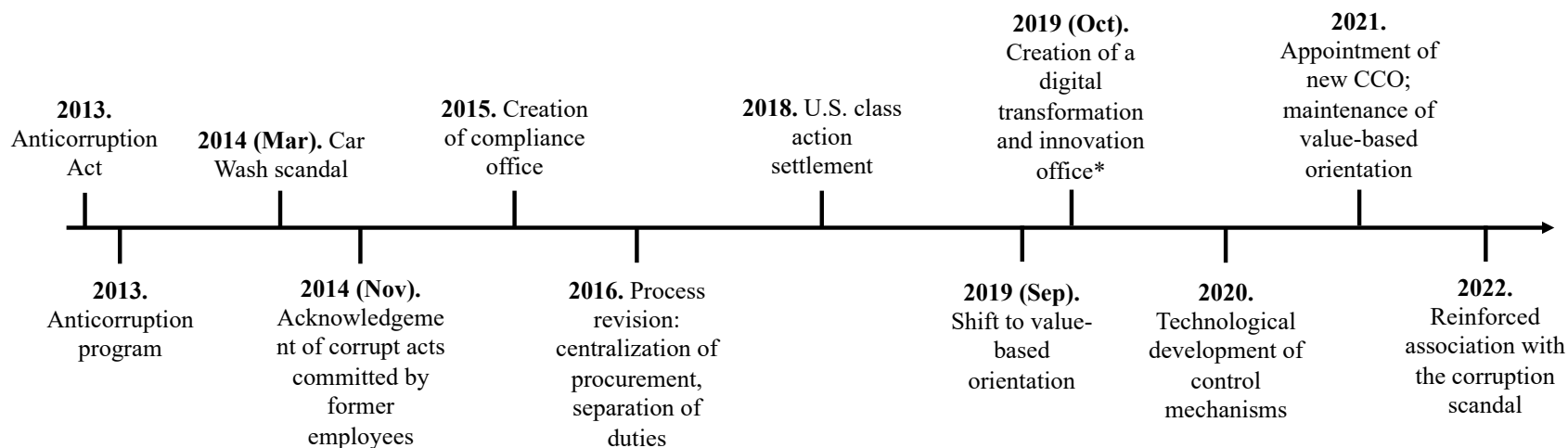
3.3.1 Research setting

In March 2014, the Brazilian police unveiled an unprecedented corruption scheme involving the country's political elite and some of the largest companies in the country, including Brasco. In the context of a money laundering investigation, the police gathered information about a notorious criminal who used gas stations and car wash facilities to launder money. The police linked the criminal's activities to one of the companies involved in the scheme. Operation Car Wash, as the investigation became internationally known, ran from 2014 to 2021 and produced 79 phases—separate investigations into suspected criminal activity (Ministério Público Federal, 2021). Rather than a single inquiry, it was a series of sprawling investigations. In Brazil, Operation Car Wash came to refer to the team of prosecutors leading the investigation. The team was dismantled in 2021, and shortly after the Supreme Court ruled that the judge who had presided over most of the Car Wash cases had been biased in his rulings against former president Luís Inácio Lula da Silva (Bourcier & Estrada, 2021).

The Car Wash scandal is described as one of the biggest corruption scandals in history (Transparency International, 2019). In Brazil, it was significantly bigger than other scandals in terms of political parties and businesses involved, arrest warrants, prosecutions, convictions, and plea deals (Castro & Ansari, 2017). It was characterized by unique political, economic, and social instability. Not only have the companies directly involved in the scandal been deeply affected, but also their entire supply chains.

Brasco is one of the largest multinational companies in Brazil and Latin America. It is closely associated with the Brazilian government, which interferes in the company's strategic and investment decisions as well as in its corporate social responsibility initiatives. When Brazil enacted the Anticorruption Act of 2013 in response to a series of public demonstrations, Brasco immediately complied by creating an anticorruption program. The intense stakeholder pressure that followed the scandal led Brasco to create a compliance office that would significantly expand the anticorruption program in the form of a comprehensive ECP. Figure 14 presents the key events related to the implementation and development of Brasco's ECP.

Figure 18. Timeline

2013. Anticorruption Act

2013. Anticorruption program

2014 (Mar). Car Wash scandal

2014 (Nov). Acknowledgement of corrupt acts committed by former employees

2015. Creation of compliance office

2016. Process revision: centralization of procurement, separation of duties

2018. U.S. class action settlement

2019 (Oct). Creation of a digital transformation and innovation office*

2019 (Sep). Shift to value-based orientation

2020. Technological development of control mechanisms

2021. Appointment of new CCO; maintenance of value-based orientation

2022. Reinforced association with the corruption scandal

* A lower-rank position was created in 2018, first under Strategy, Organization, and Management System and then under Production Development and Technology.

3.3.2 Data collection

This study is based on semi-structured interviews with twenty employees who held at least one middle management position in the company between June 2013 and April 2022. These positions—procurement, contract management, project management, project viability assessment, information technology, finance, and ECP execution—are potentially exposed to corrupt practices as well as to anticorruption policies designed to address them. Middle managers are defined in this research as "any manager two levels below the CEO and one level above line workers and professionals" (Huy, 2001, p. 73). The interviews were conducted from June 2019 to March 2022. First, four interviews were conducted between June and July 2019. Second, two interviews were conducted in December 2020. Third, fourteen interviews were conducted between January and March 2022. The final two interviews indicated that theoretical saturation had been reached (Glaser & Strauss, 1967), since no more significant themes or categories emerged. The specific departments where the participants worked or still work are not disclosed, but the main processes related to their management positions are informed in Table 9.

Table 12. Interviews

Respondent	Main Process	Period	Duration (minutes)
1	Project viability assessment	Jun-Jul 2019	89
2	ECP execution	Jun-Jul 2019	48
3	Contract management	Jun-Jul 2019	43
4	Contract management	Jun-Jul 2019	82
5	ECP execution	Dec 2020	66
6	Procurement	Dec 2020	63
7	Project management	Jan-Mar 2022	61
8	ECP execution	Jan-Mar 2022	45
9	Contract management	Jan-Mar 2022	61
10	Project management	Jan-Mar 2022	39
11	ECP execution	Jan-Mar 2022	61
12	Contract management	Jan-Mar 2022	49
13	Information technology	Jan-Mar 2022	51
14	Procurement	Jan-Mar 2022	47
15	Contract management	Jan-Mar 2022	60
16	Procurement	Jan-Mar 2022	49
17	Contract management	Jan-Mar 2022	38
18	Contract management	Jan-Mar 2022	46
19	Finance	Jan-Mar 2022	37
20	Contract management	Jan-Mar 2022	57

The interview guides varied slightly according to the area of expertise—procurement, ECP execution, and others. However, the three guides were designed to collect data on (1) the respondents' main activities, (2) how the ECP changed the way they worked, (3) how they and their department adjusted their practices to meet ethics and compliance requirements, (4) the phases of the ECP, (5) occasional difficulties to execute daily activities brought about by the program and how they were overcome, and (6) specific program components and their effectiveness in addressing the corrupt practices revealed in the corruption scandal.

This research is also based on various sources of secondary data. The dataset includes documents produced by Brasco from 2013 to 2022, especially those in which the responses to the scandal are reported, including anticorruption policies, ECP components—code of ethics, code of conduct, code of good practices—annual reports, financial statements, press releases, social media posts, multimedia campaigns, and slide presentations. Since the scandal was a highly publicized series of events, relevant data from published sources is available. Additional data includes Brazil's laws and regulations often referred to in the interviews, manuals and guidelines produced by the Controller General—Brazil's Anticorruption Act enforcer—and detailed journalistic accounts of the scandal and Brasco's role in it.

3.3.3 *Data analysis*

Our analysis identified Brasco's ECP, other responses to the scandal, and the context in which Operation Car Wash developed. The analytical process was mostly inductive and iterative (Gioia, Corley, & Hamilton, 2013; Strauss & Corbin, 1998) and comprised three interrelated stages.

In the first stage, we retraced the events leading to the implementation of the anticorruption program in 2013 and those related to its development following the scandal. In addition to Figure 1, various timelines operated as a "data organization device" (Langley, 1999) and provided an intermediary database for the identification of phases and themes regarding each phase. Relevant events include Brasco's organizational
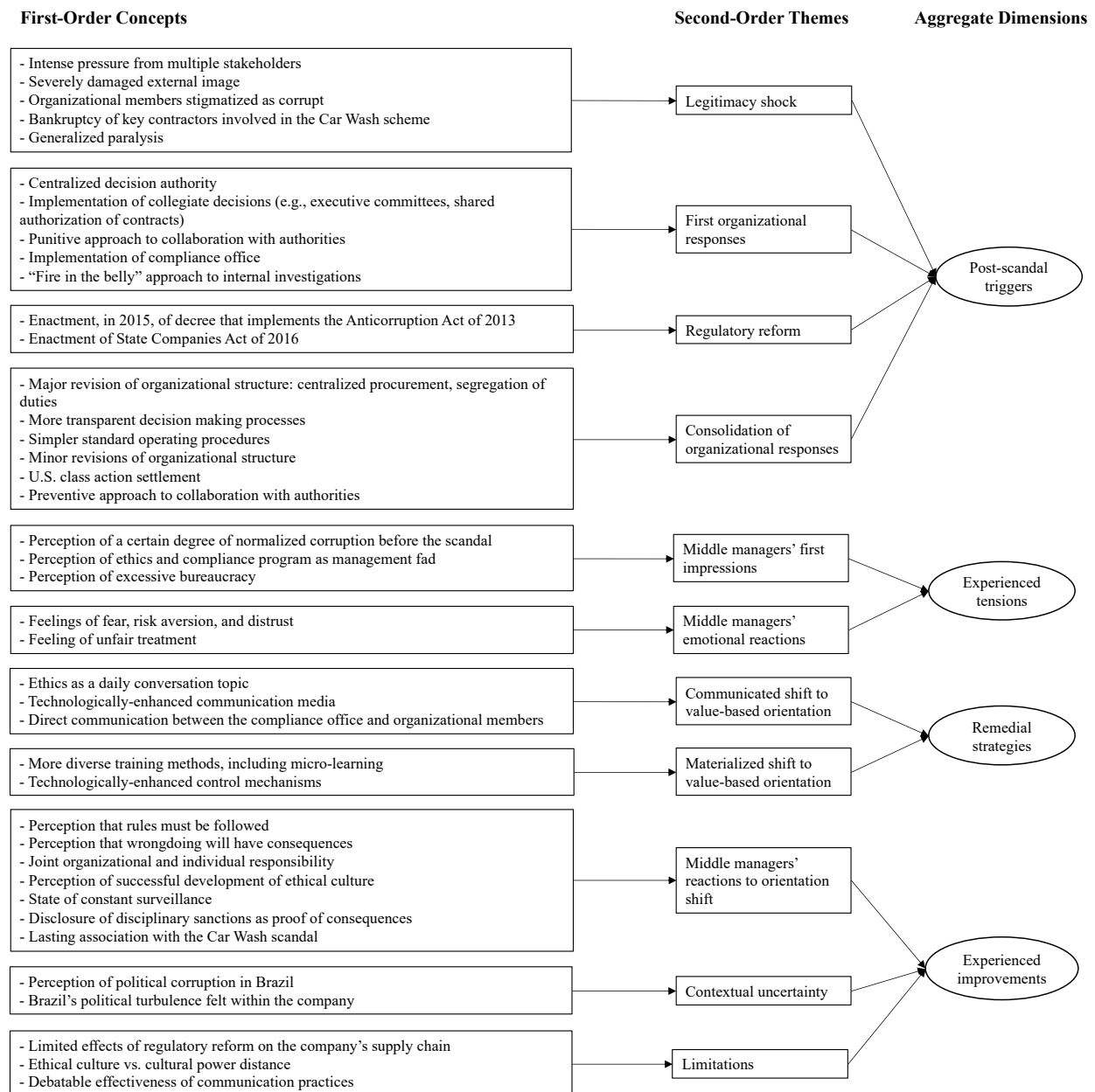
structures and top managers, the implementation of ECP components and other responses to the scandal, and the development of Brazil's anticorruption legislation. Research respondents contributed data on events that are not reported in the company's publicly available documents, including organizational restructuring processes and their main drivers as well as a claimed shift in the ECP orientation led by a Chief Compliance Officer (CCO) appointed in September 2019.

In the second stage, we proceeded to systematic data-driven categorization (Langley, 1999). The first rounds of open coding concerned Brasco's various responses to the scandal, particularly ethics and compliance concepts, processes, and activities as well as how they were communicated. Additional rounds of open coding focused on how the respondents experienced these changes, including the initial shock following the scandal, the stigmatization of the Brasco's employees, the lingering effects of the scandal, the degree of integration of the ECP into organizational processes, the different types of tensions, and the power conditions that reproduced them. After multiple iterations, in vivo codes have been refined and clustered into four code groups: (1) Brasco's anticorruption initiatives; (2) individual responses to contradictions; (3) collective responses to contradictions; and (4) outcomes.

In the third stage, I developed a data structure according to the Gioia Methodology's recommendations for rigorous qualitative research (Gioia et al., 2013). The first-order concepts are close to the raw data and reflect to a large extent the language used by the respondents. The second-order themes show an integration of multiple first-order concepts into more abstract themes. The aggregate dimensions go a step further into a greater level of abstractness. The data structure is represented in Figure 15.
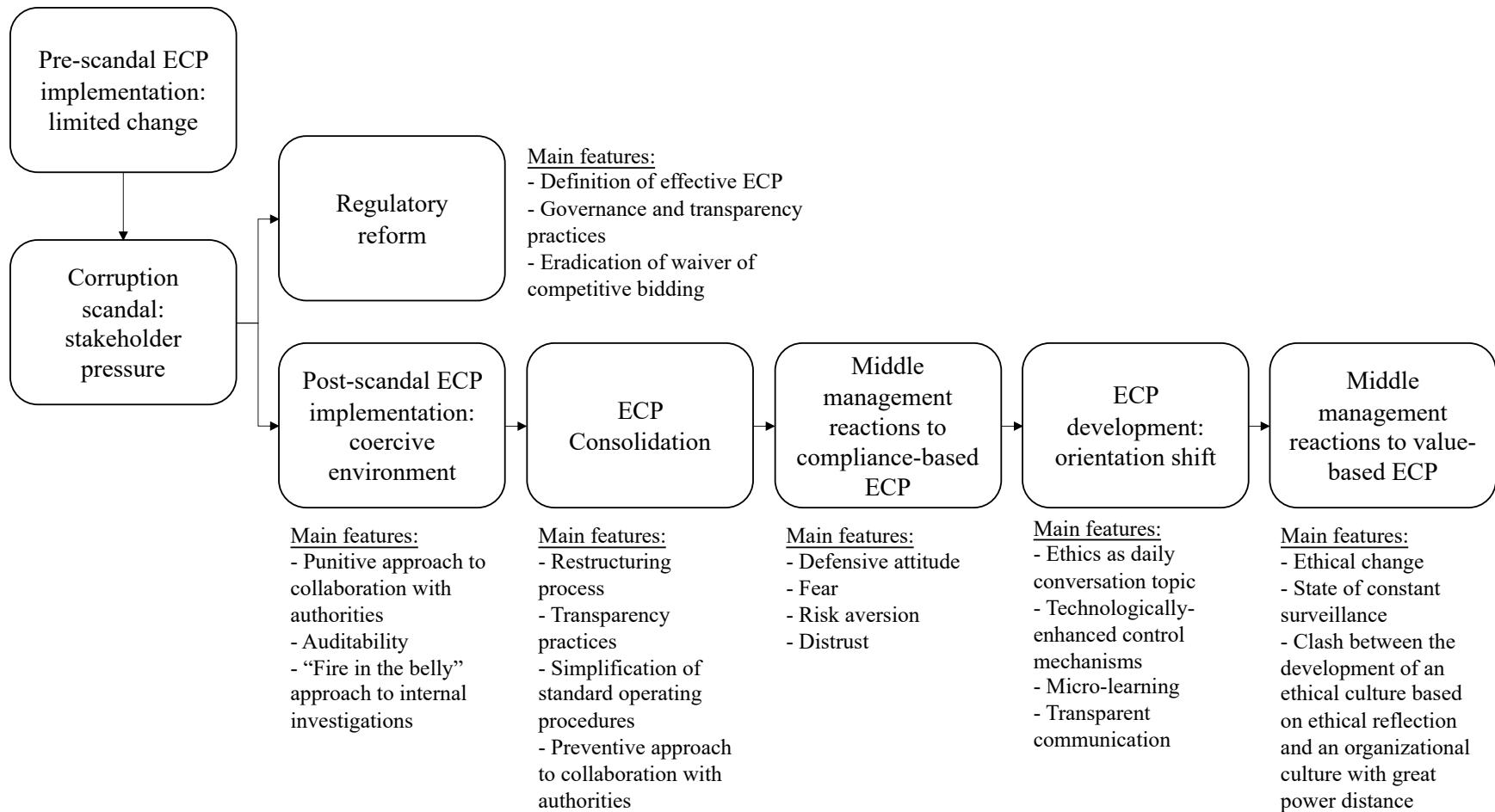
Figure 19. Data structure

First-Order Concepts **Second-Order Themes** **Aggregate Dimensions**

- Intense pressure from multiple stakeholders
- Severely damaged external image
- Organizational members stigmatized as corrupt
- Bankruptcy of key contractors involved in the Car Wash scheme
- Generalized paralysis

→ Legitimacy shock

- Centralized decision authority
- Implementation of collegiate decisions (e.g., executive committees, shared authorization of contracts)
- Punitive approach to collaboration with authorities
- Implementation of compliance office
- "Fire in the belly" approach to internal investigations

→ First organizational responses

- Enactment, in 2015, of decree that implements the Anticorruption Act of 2013
- Enactment of State Companies Act of 2016

→ Regulatory reform

- Major revision of organizational structure: centralized procurement, segregation of duties
- More transparent decision making processes
- Simpler standard operating procedures
- Minor revisions of organizational structure
- U.S. class action settlement
- Preventive approach to collaboration with authorities

→ Consolidation of organizational responses

Post-scandal triggers

- Perception of a certain degree of normalized corruption before the scandal
- Perception of ethics and compliance program as management fad
- Perception of excessive bureaucracy

→ Middle managers' first impressions

- Feelings of fear, risk aversion, and distrust
- Feeling of unfair treatment

→ Middle managers' emotional reactions

Experienced tensions

- Ethics as a daily conversation topic
- Technologically-enhanced communication media
- Direct communication between the compliance office and organizational members

→ Communicated shift to value-based orientation

- More diverse training methods, including micro-learning
- Technologically-enhanced control mechanisms

→ Materialized shift to value-based orientation

Remedial strategies

- Perception that rules must be followed
- Perception that wrongdoing will have consequences
- Joint organizational and individual responsibility
- Perception of successful development of ethical culture
- State of constant surveillance
- Disclosure of disciplinary sanctions as proof of consequences
- Lasting association with the Car Wash scandal

→ Middle managers' reactions to orientation shift

- Perception of political corruption in Brazil
- Brazil's political turbulence felt within the company

→ Contextual uncertainty

- Limited effects of regulatory reform on the company's supply chain
- Ethical culture vs. cultural power distance
- Debatable effectiveness of communication practices

→ Limitations

Experienced improvements

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3.4 Findings

This section is organized into five parts. The first part shows how Brasco implemented a comprehensive ECP in the context of intense stakeholder pressure. The second part presents the consolidation of the ECP against the background of a regulatory reform that directly influenced the program's development. The third part shows middle managers' reactions to Brasco's compliance-based ECP. The fourth describes Brasco's claimed ECP orientation shift. The fifth part shows how middle managers perceived Brasco's balanced program.

Figure 20. Implementation and development of the ECP

Pre-scandal ECP implementation: limited change

Corruption scandal: stakeholder pressure

Regulatory reform

Main features:
- Definition of effective ECP
- Governance and transparency practices
- Eradication of waiver of competitive bidding

Post-scandal ECP implementation: coercive environment

Main features:
- Punitive approach to collaboration with authorities
- Auditability
- "Fire in the belly" approach to internal investigations

ECP Consolidation

Main features:
- Restructuring process
- Transparency practices
- Simplification of standard operating procedures
- Preventive approach to collaboration with authorities

Middle management reactions to compliance-based ECP

Main features:
- Defensive attitude
- Fear
- Risk aversion
- Distrust

ECP development: orientation shift

Main features:
- Ethics as daily conversation topic
- Technologically-enhanced control mechanisms
- Micro-learning
- Transparent communication

Middle management reactions to value-based ECP

Main features:
- Ethical change
- State of constant surveillance
- Clash between the development of an ethical culture based on ethical reflection and an organizational culture with great power distance

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3.4.1 Post-scandal ECP Implementation

In March 2014, the first piece of evidence linking Brasco to the ongoing money laundering investigation came to public attention. As new evidence further supported this connection, the company's participation in a corruption scheme became public knowledge. According to Brasco's account of the scandal, corrupt practices were limited to a few of its former employees. However, intense pressure from multiple stakeholders in Brazil and in countries where its stocks are listed led the company to collaborate with authorities. At this stage, Brasco adopted a punitive approach to collaboration consisting in a series of internal investigations aimed to identify managers and employees accountable for corrupt acts. This also helped the company dissociate itself from these people. Brasco's severely damaged external image spilled over into organizational members' image. They were stigmatized as corrupt as more details of the scheme were revealed. As the Car Wash investigations developed, Brasco's investment plans were also brutally affected—key contractors in charge of the company's major projects and also involved in the scheme went bankrupt. Organizational members perceived a general state of paralysis in the company.

In response to intense stakeholder pressure, Brasco centralized decision authority, especially procurement and investment decisions, and implemented collegiate decisions. Examples include executive committees, created to assist the Board of Directors in its decisions, and shared authorization of contracts, meaning that any contract must be authorized by two managers of the same hierarchical level instead of one. In addition to the internal investigations, the pressure from Brazilian and U.S. regulators motivated the adoption of various governance and compliance measures overseen by the compliance office. The implementation of Compliance, announced in November 2014, occurred in April 2015. Compliance was given the necessary power and resources to make major changes in Brasco's anticorruption program created in 2013.

Once the scheme became public knowledge, one of the drivers of the new ECP was auditability. Brasco should be able to demonstrate to regulators its commitment to ethics and compliance materialized in the actual implementation of various program components. It selected about 100 employees for the role of compliance agent. Their main

objective was to disseminate governance and compliance measures within their respective business units, but they also collected evidence of program implementation:

> *"It was good to have the records of everything you did. This whole process was related to the class action in the U.S. The agreement with the Department of Justice. And in this agreement, you needed to generate evidence that you were taking action so that corruption wouldn't happen again."* (Participant #5)

Moreover, before the scandal Brasco had a training program for procurement employees and contract managers that addressed specific standard operating procedures and potential ethical and compliance issues. After the scandal, Brasco decided to place a greater emphasis on compliance and demonstrate it:

> *"There was a lot of courses that you made sure that the employee knew the standards, had information to be able to do their job. So, there already was a [training] program with information about compliance. What was identified in this period? Car Wash actually brought this up. Compliance is much more than just procurement. So, the compliance theme started being addressed in a broader way for the entire company. And that was what was needed at that moment. To what end? So that compliance was explored separately and had its weight at that moment."* (Participant #8)

Compliance continued Brasco's punitive approach to collaboration with authorities, as illustrated by the "fire in the belly" attitude observed during internal investigations. At that time, Compliance did not have an investigations department. Managers, especially middle managers, were selected to coordinate or be a member of an investigation committee according to their technical expertise and the acts being investigated. For instance, Brasco could call upon a procurement manager to investigate suspected corrupt acts related to procurement processes or contract management. Middle managers could therefore closely observe how internal investigations were being conducted:

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"You could see the fire in the guy's belly wanting to get the other guy, you know? Especially the Compliance people. After this kind of thing changed, I think [the ECP] improved a lot, you know? This was my main criticism. It's funny, in one of the committees that I coordinated I had a problem with the Compliance people. I had a problem with them because it was this fire in the belly thing." (Participant #9)

Brasco's multiple investigations following the scandal are often referred to as a witch hunt by research participants:

"It was kind of a police-like thing, you know. It was a witch hunt and it was so strong that we were afraid to even take a step forward because of audits and investigation committees. I think that no manager went unscathed at that time, not being in some committee, not giving some interview." (Participant #14)

3.4.2 ECP consolidation

Against the background of regulatory reform, Brasco consolidated its ECP. The reform that directly addressed the corrupt practices disclosed during the Car Wash investigations comprised the enactment of two pieces of legislation. First, the decree that implements Brazil's Anticorruption Act of 2013 was enacted in 2015, the same year in which the company created Compliance. The decree details what constitutes an effective ECP. Second, the State Companies Act of 2016 establishes various governance and transparency practices such as board constitution and functioning, conditions for executive appointment, risk management practices, reporting rules, and state monitoring criteria. Most importantly, it prohibits the main procurement practice that facilitated Brasco's involvement in the Car Wash scheme, namely the waiver of competitive bidding. Brasco had a specific procurement regulation that allowed for more flexibility in procurement processes. As a result, the company could invite a few previously registered contractors to present proposals instead of conducting a comprehensive bidding process. According to the State Companies Act, any company that meets the requirements

established in the call for tender can participate in the process. This regulatory reform created a significant barrier to bid rigging:

> *"We knew on the factory floor of some situations that were found out later, caught in the Car Wash investigation, but I don't see this happening anymore. And then I'd say that not only because of the [ECP], but also because of the change in legislation. This thing of wide publicity, of anyone being able to participate. This contributes a lot. So, the invitation [i.e., waiver of competitive bidding] gave an opportunity to someone who is ill-intended to rig a bidding for someone who had already been arranged."* (Participant #16)

The consolidation of Brasco's program is primarily characterized by a major restructuring process. The new organizational structure implemented in three waves in mid-2016 materialized two key drivers of Brasco's responses to the scandal: centralized procurement and segregation of duties. This new structure also aimed to address various vulnerabilities exposed to regulators through the implementation of more robust control mechanisms:

> *"There are controls that are extremely trivial. It's control like who has access to [Brasco's enterprise resource planning software]. Something banal. I go there every month, I have to run that thing and say 'this guy, this guy, and this guy are authorized'. But why is that? When I came to [my department], when I first did this control, there were people who had left the project several months ago and still had access to the system."* (Participant #1)

This period of major reorganization is also characterized by greater transparency in decision making processes, including the adaptation of office layouts to reduce the distance between managers and employees and to facilitate communication:

> *"There was a greater appreciation of ethics, of ethical conduct within the company. This also brought a movement of bringing down the walls, that I say, I say there was the fall of the walls in the company. Because, before that,*

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managers stayed in their offices, there was a very well-established hierarchical division in the company." (Participant #4)

Brasco's multiple standard operating procedures were also simplified in this period:

"The norms improved because they were simplified, you know? We no longer have a bunch of standards, although we still have a lot, but many of them became guidelines, and they're simpler and more straightforward, and there are far fewer of them." (Participant #16)

The 2016 major restructuring was followed by other minor organizational structural changes that would only be interrupted in 2021 during the COVID-19 pandemic. Compliance was also affected. In 2017, the office in charge of the development of the anticorruption program, which originally included risk assessments, was limited to governance and compliance. In 2018, while Brasco's external image was still severely damaged, a U.S. class action settlement helped consolidate the recovery process. Some people in the company showed a greater concern with U.S. law enforcement and the consequences of this class action than with potential sanctions by Brazilian authorities. In fact, the Sarbanes–Oxley Act was mentioned more often than Brazil's Anticorruption Act during the interviews.

During the consolidation of the program, collaboration with local authorities gained a new connotation. Brasco changed a usually defensive attitude into an actual collaboration. What was largely limited to internal investigations and identification of corrupt employees who could be handed over to authorities took on a preventive role:

"Many people had to go to the Auditor General to explain something before doing it. I had to do that too. Having to go there to explain, 'I'm going to do this and this.' And the guy says, 'well, but then I can question you for this and this and this.' 'But then, what else do I need to do here so that you don't question me?' 'Do this, do this, do that.' That's how it goes, it's an interaction

that didn't exist before. Up to this point. An interaction that didn't exist before." (Participant #7)

3.4.3 *Middle management reactions to the compliance-based ECP*

Middle managers acknowledged improvements in Brasco's ECP, especially in 2018. However, coercive forms of control triggered tensions reproduced by individual- and organizational-level power conditions. There was a general perception of normalized corruption within Brasco before the scandal, at least to some extent. This does not mean that actual engagement in corrupt acts was widespread. Rather, corrupt practices such as bid rigging and nepotism were tolerated across Brasco's various business units, in part because organizational members did not believe that the status quo could be changed. The sudden shift from a laissez-faire to a coercive environment initiated a defensive attitude that contributed to middle managers' perception that the ECP would be just a short-lived management fad. They also felt like the program had brought excessive bureaucracy to Brasco's processes:

> *"You had a freedom, even if it was limited, but it was a freedom to do certain things your way, you know? Though there were already established controls, there was a flexibility, a look the other way kind of thing, you know? There were alternative ways to go around these controls. And then, from the moment that the program has been strengthening all this and making these alternative ways more difficult, and taking away from you, from the employee, from the manager, anyway, from whoever was involved in that dynamic, you know? The contract manager, Procurement, it doesn't matter, whoever was there that had that flexibility. Taking away this power from these people, it's natural that at first you say, 'it's bureaucracy, it created a barrier, it came to make things more difficult, I didn't have to do this before, now I only have to do it because of this Compliance'."* (Participant #20)

The coercive environment set off feelings of fear, risk aversion, and distrust among middle managers:

"From the moment I have a decision to make, and I see this whole integrity system there telling me, 'look, be careful of what you're going to do, be careful of what you're going to do', what happens? The manager avoids taking that risk or dilutes that risk with someone else." (Participant #2)

Confronted with a contradictory situation in which cutting corners is tolerated and at the same time everyone is expected to comply with new rules, some managers coerced their employees into doing what they were afraid to do:

"Just yesterday I was talking to a colleague of mine, her boss asked her to enter her password and username into a system to do something she didn't want to do. He asked her to do it, she thought it was not a reasonable technical thing to do, and then he told her to put her login information in his computer. She did it because she felt cornered by him yelling at her and then she did it." (Participant #1)

Organizational-level domination was also experienced. There was a feeling of unfair punishments following the conclusions of the multiple investigation committees. That is, some people believed that Brasco held accountable for corrupt practices even those who may not have been aware that some of their activities were part of a broader illegal process:

"One of the controversies is whether the punishments were uniform or not, you know? There was a certain climate of witch-hunting. There's a friend of mine who was formally punished, you know? And the people above him, they're in jail, you know? And he was doing the PowerPoint there, stuff like that. According to him, who's very reasonable, with no ill intentions, but he got a [minor penalty]. And he was even in court trying to get this overturned." (Participant #5)

Moreover, employees' actions in the past were assessed according to current rules and procedures, creating a Kafkaesque catch-22 situation:

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"I myself went through two situations after I left [my previous position]. In one of them I was required to make a written defense and everything for something that was more than proven. I was being judged, maybe it's a very strong word, but that's it, I was being judged for a situation that occurred, a decision that I made at a time when I had autonomy and legitimacy to make this decision. This legitimacy, with time, with the new standards and new norms, no longer exists. Today. But at that time, it existed. But I am being judged for something I did back then according to a vision that was created now." (Participant #4)

Another catch-22 situation refers to contradictory requirements between efficiency and compliance. In a heavy equipment movement operation, there was a severe damage to a piece of equipment. So as not to affect the project's timeline, an employee did what was necessary to quickly hire another company to be able to remake the damaged part of the unit. The service was deemed very successful by the project's stakeholders. It was delivered on time, with excellent quality, and below Brasco's cost estimate. However, Brasco's auditors questioned the speedy process:

"The auditors ended up questioning later. And this questioning, well, there really were mistakes in the process, but they were honest mistakes, and they were format mistakes, you know? They didn't do any harm to the content and the business that was actually done. And this was recognized later. But they generated a lot of wear and tear, and at a certain moment it was even discussed that some people could be punished." (Participant #7)

In 2018, the company also created a middle rank digital transformation and innovation position, first under the Chief Strategy, Organization, and Management Systems Officer and shortly after under the Chief Production Development and Technology Officer. The development of technological solutions would play a major role in the evolution of the ECP in 2020.

3.4.4 ECP development

In September 2019, Brasco appointed the third CCO since the implementation of the compliance office in 2015. A former prosecutor and an ethics and compliance expert, the CCO claimed a shift from a compliance- to a value-based program orientation. That is, the program would not only focus on compliance with laws, regulations, and internal rules and procedures, but also on the development of high-order values such as integrity and responsibility. By communicating aspirational values through media such as the so-called Integrity Moment, ethics became a daily conversation topic:

"We implemented something else. We always had the [operational] safety moments, which were those five minutes that you talk about safety before a meeting. [The new CCO] implemented the Integrity Moment. After those five minutes about safety, then we always had five minutes just about integrity. Then you'd show some campaign, some announcement, some information about it. So, he brought this into everybody's day to day, you know? People are always thinking about this." (Participant #9)

Most of the CCO's tenure from September 2019 to May 2021 occurred during the COVID-19 pandemic, with the entire administrative personnel working from home. However, the creation of a Digital Transformation and Innovation office allowed for a continuous flow of information from Brasco to managers and employees. New communication media implemented in early-2020, especially a videoconferencing application and an internal social network, provided organizational members with a quicker access to the materials produced by Compliance. Moreover, a direct communication between Compliance and each employee seemed to blur the disciplinary character of the program and dramatically change the way it was viewed within the company.

The claimed value-based orientation was gradually materialized in various new practices, including training methods such as micro-learning—short video clips discussing an integrity-related topic—and technologically-enhanced control mechanisms. Technological solutions allowed for more robust control mechanisms characterized by

less paperwork and a greater degree of automation. Technological solutions, historically restricted to Brasco's industrial operations, have been extended to a wide variety of administrative activities such as procurement, travel management, and document management:

> *"This 'active' control mechanism, you know? I didn't see it. We had the passive stuff. [Regulators] waited for someone to report something, there was some need to investigate something, to take action. Not necessarily waited, that wouldn't be the best word, but they could only act at that moment. And then now we have automated mechanisms, they can anticipate and act before any kind of accusation or something."* (Participant #16)

Brasco countered the tensions reproduced through coercive forms of control by increasing organizational transparency. Clearer rules and punishment criteria, some of which were already being developed before the orientation shift, were extensively communicated. For instance, the new CCO led a revision of Brasco's code of ethics, combining it with the guide of conduct and providing a more accessible language. All organizational members attested their knowledge of the new code of ethical conduct. Moreover, middle managers were free from conducting internal investigations. Before the orientation shift, Compliance created an investigations department consisting of a small group of employees trained to conduct corruption investigations. Other forms of illegal and unethical behavior were addressed by the Ombudsman. Well-functioning control mechanisms also contributed to a more accurate identification of who was accountable for a particular action.

The company countered power conditions characterized by systemic domination through a more reasonable application of internal norms. In addition to having a better understanding of Brasco's punishment criteria, suspected organizational members could defend themselves, even in the presence of a lawyer. Middle managers were also given greater autonomy not only to make decisions, but also to improve control mechanisms specific to their activities.

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3.4.5 Middle management reactions to the value-based ECP

The consistent development of the ECP until the orientation shift in 2020 contributed to an ethical change at Brasco. Since then, middle managers perceive that the status quo has changed. According to their perception, rules must be followed and, if they are not, any wrongful act will have consequences for those who are responsible for them. In this environment, corruption is no longer tolerated. A balanced program, in which coercive forms of control and ethical reflection coexist, reinforce a sense of joint responsibility including both Brasco and its members.

The notion of ethical culture, often reproduced during the interviews, is perceived as a symbol of Brasco's balanced approach. In addition to reinforcing his commitment against corrupt practices, the CCO repeatedly communicated the intention to gather all organizational members around an ethical culture whose values are reflected in program components such as the code of ethics, revised during his tenure:

"[The CCO] was someone that everybody's perception of him was very positive. The employees, everybody had a very good impression of him. Even the way he behaved, you know? He was a guy who had a very humble way of speaking, very eye to eye, you know? Virtually, but the employees were on the same level, you know? So, he had a dialog, he had a way of acting that I think was very important. And it really set this tone, you know? Of integrity as a culture." (Participant #19)

While middle managers recognize the benefits of ethical reflection, they value coercive forms of control reminiscent of the so-called witch hunt period. In particular, they want all organizational members to feel like they are in a state of constant surveillance through technologically-enhanced control mechanisms. Although Brasco does not communicate these control mechanisms to that end, middle managers are glad to know that everything that they and their colleagues do can be tracked if necessary. Moreover, they would rather Brasco kept disclosing disciplinary sanctions as proof that wrongdoing has consequences. The Car Wash scandal is referred to as Brasco's most traumatizing event in over 60 years, and it is still very fresh in their memory. Coercive

forms of control operate as a signal that the laissez-faire environment that enabled the development of the corruption scheme stayed in the past:

> *"On the bright side, when you tell stakeholders and even employees that somehow Car Wash had consequences, it's good to use Car Wash as an example. Because you make it clear that there are consequences, you know? That people can't just commit fraud and nothing happen. That yes, they will suffer some kind of consequence. So, [a lasting association with the Car Wash scandal] serves this purpose. Somehow, then, it reinforces that it's important to have a culture and this culture will have consequences for those who do what's not right."* (Participant #11)

The long-term sustainability of the ECP's balanced approach hinges on Brasco's ability to insulate itself from elements of contextual uncertainty, namely the perception of widespread political corruption in Brazil and the country's political turbulence felt within the company:

> *"Now in this government transition [in January 2019], we went through a big test, which was we had a team, a compliance office that implemented this integrity structure that we have, and we went through a new top management team. When we have these changes, we always have that possibility of revision, of redesigning activities."* (Participant #2)

The ECP, represented by the notion of ethical culture, plays a key role in minimizing uncertainty:

> *"From a corporate point of view, I think that we're going to keep saying that [i.e., reinforcing Brasco's ethical culture] for some time. Repeating that. And why do I think this is worth it? For one factor... one of the most important factors is: because we have a close relationship with the government. So, in a culture like the Brazilian culture which we know how it's permeated by this daily discussion about corruption, it's hard for you to say that [Brasco] will*

manage to dissociate itself from the government, will manage to dissociate itself from the Brazilian State." (Participant #6)

In addition to political turbulence in Brazil, Brasco's middle managers recognize the limitations of the ECP and the regulatory reform that influenced its development. The first limitation refers to the institutionalization of ECPs in Brazil. One of the drivers of the State Companies Act concerns the widespread implementation of ECPs in Brazil. This is reflected in Brasco's code of ethics for suppliers, which strongly encourages the implementation of ECPs. However, the wide variety of suppliers brought about by the State Companies Act hinders Brasco's ability to oversee whether programs are effectively integrated into organizational processes:

"In terms of supply chain, from a pragmatic point of view, many steps still must be taken, especially considering the breadth that the law brings, you know? If I take a different company [that does not have to comply with the State Companies Act], for example. It creates a vendor list, based on this vendor list it makes a due diligence program. So, it knows that it chose some suppliers because of their technical, financial, legal competence, whatever. It has the vendor list and it guarantees a program, a barrier of integrity in due diligence. How am I going to do this at [Brasco]? I can't make a vendor list. So, I have to do a due diligence for all potential suppliers in Brazil and in the world. So, the flip side of the story is how to create effective tools for you to hold accountable and penalize those who are in the game to cheat." (Participant #6)

The second limitation concerns a tension between the development of an ethical culture and the power distance inherent in Brasco's organizational culture. During an interview in 2017, Brasco's CEO recognized that power distance was a key challenge for the development of an organizational culture based on openness to discuss potentially divergent ideas that could contribute to decision making processes. This challenge persists:

"Our managerial culture is kind of a military culture, like 'I can't go against a top manager's decision.' Like I said, the hierarchical chain comments, it talks about compliance issues, but when compliance conflicts with what a top manager asked for or with making the project happen, the discourse freezes. And people are not actually firm in their positions." (Participant #1)

The third limitation refers to the debatable effectiveness of communication practices. While middle managers value the constant flow of information via the communication media implemented in 2020, they also feel like they receive too much information. Part of this information is lost in the process and, most importantly, key information such as who the compliance agents are is not communicated at all. Communication issues are exacerbated by the COVID-19 pandemic and the frequent restructuring processes:

"We do this so much that we don't have time to do change management. There's no time to do the proper communication. In terms of integrity, the main challenge is this. The guy who should be at the top, accessible, guiding and contributing to the workforce [i.e., the compliance agent], I have no idea who he is anymore. Something changes all the time, there's a [new organizational] structure all the time. I don't even know if the people who were there are still in [my unit], for example. After the restructuring." (Participant #16)

In sum, Brasco's ECP was implemented as part of broader institutional responses to a major corruption scandal. Under pressure, the Brazilian government responded by passing laws and regulations that define what an effective ECP is, establish new governance and transparency practices as well as procurement procedures. In this context of regulatory reform and intense stakeholder pressure, Brasco implemented a comprehensive ECP intended to demonstrate to regulators and the general public that compliance with the law was a top priority and that the company did not tolerate any form of corruption. This regulatory concern led to a compliance-based program characterized by a coercive environment that gave rise to various tensions among middle managers,

including a defensive attitude and feelings of fear, risk aversion, and distrust. These tensions were addressed by Brasco's remedial strategies following a program orientation shift. A balanced program including both coercive and enabling forms of control was strongly supported by technological innovations in communication and control. This allowed for a new perception of Brasco's ethical climate, in which ethical reflection and moral engagement became much more salient This might suggest a higher level of trust among organizational members. However, middle managers still value being in a state of constant surveillance. This way they trust that any misconduct will be detected and punished.

3.5   Discussion

Middle managers can play three different roles—pathfinder, investigator, and promoter—in ECP implementation, as shown in Figure 17. In a context of intense stakeholder pressure, organizations tend to exceed regulatory expectations and implement comprehensive ECPs (Schembera & Scherer, 2017). I argue that organizations tend to implement comprehensive compliance-based programs, especially when stakeholder pressure is followed by regulatory reform. In such a context, organizations are pressured to signal to regulators and other stakeholders that they have implemented an effective ECP. Their main objective is to stop the legitimacy bleeding and show evidence of concrete actions as quickly as possible. As a result, organizations foster a coercive environment in which middle managers play the first two roles: pathfinder and investigator.

Figure 21. Middle management roles in ECP implementation and development

In a context of intense stakeholder pressure and regulatory reform, organizations tend to design and implement comprehensive compliance-based ECPs	**Pathfinder** ▪ Manage the tension between imposed change with significant time constraints and generalized paralysis; frequent involvement of validating opinions ▪ Manage the tension between necessary change and resistance to change; ECP as management fad; ECP as bureaucracy ▪ Manage the tension between employee stigmatization and motivation

Investigator

▪ Manage the tension between less power (i.e., significantly reduced decision authority) and more responsibility (i.e., responsibility to lead or participate in internal investigations despite the lack of training in that area)

▪ Manage the tension between claimed values and observed practice

Pressured to signal to regulators and other stakeholders that it has implemented an effective ECP, the organization fosters a coercive environment

In this environment, middle managers play the roles of pathfinders and investigators

Promoter

▪ Reproduce the organization's view of the ECP; joint organizational and individual responsibility

▪ Promote the ECP to team and informal social networks

▪ Perceive that the organization "walks the talk"

As the ECP develops toward a value-based orientation, middle managers play the role of promoters

3.5.1 Pathfinder

Middle managers play a pathfinder role in which they manage the tension between imposed change and generalized paralysis. Because the organization wants to show evidence of concrete actions as quickly as possible, top management imposes change on middle managers with significant time constraints. At the same time, middle managers must deal with a generalized ignorance about how to proceed in mundane situations. The coercive environment further aggravates organizational paralysis because managers and employees are afraid to act. As a result, middle managers frequently request for validating opinions, especially legal opinions, before adjusting any process or activity according to the requirements of the ECP.

The pathfinder role also requires managing the tension between necessary change and resistance to change. While middle managers understand that responding to stakeholder pressure and regulatory reform is necessary, they can perceive ECPs as a management fad, as many others that came before them. This perception can be aggravated by the "invisibility" of some ethics and compliance requirements applied to ordinary activities. That is, middle managers can wonder how regulators and other stakeholders will notice that processes and activities have changed. Moreover, ECPs often require more steps and more people for a process such as a procurement process to be completed. Therefore, they are often perceived as increased bureaucracy.

The pathfinder role requires managing an additional tension, namely that between employee stigmatization and motivation. Employee stigmatization outside the organization is reinforced by the coercive environment inside the organization. Middle managers must navigate through the consequences of employee stigmatization, including low self-esteem, and attempt to create a climate that motivates them. At the same time, middle managers may be unavailable to their teams because they have another role to play.

3.5.2 Investigator

Middle managers play the role of investigator by managing the tension between less power and more responsibility. In contexts where ECPs are entirely new, top management can call on middle managers to lead or participate in internal investigations. Despite the lack of training in that area, middle managers are technically knowledgeable to assess whether an activity has been executed according to organizational rules and procedures. They are at the same time close to frontline work and far enough away from it to see the big picture (Huy, 2001).

The investigator role also requires managing the tension between claimed values and observed practice. A corruption scandal is rarely the product of a few bad apples. In most cases, middle managers have likely noticed some vulnerability in organizational structure, processes, or activities that could have facilitated corrupt acts. Under pressure and severe time constraints, organizations can postpone root-cause analyses of their failures and therefore not remedy the vulnerabilities that had been observed. Moreover, the top-down nature of ECP implementation can leave no room for middle managers to put forward their suggestions. Thus, middle managers can be confronted with the coexistence of the zero tolerance values that guide internal investigations and persistent vulnerabilities.

3.5.3 Promoter

The tensions caused by a coercive environment are not sustainable in the long term. Organizations are likely to re-orient their ECPs toward a value-based orientation. In this case, middle managers play the role of promoters, the third and final role. Middle managers play this role by acknowledging that their organization, managers, and employees have a joint responsibility to prevent, detect, and deter corruption. They also perceive the developed ECP as an effective anticorruption and legitimating mechanism and, therefore, reproduce the organization's view of the program and its benefits. The ECP is sold to different stakeholders—the organization promotes the program to external stakeholders whereas middle managers sell it to their teams and informal social networks.

Insofar as the claimed orientation shift is supported by concrete practices such as sound control mechanisms and transparent communication, middle managers perceive that the organization "walks the talk."

3.6   Conclusions

This paper examines the lived experience of the implementation and development of an ECP from a middle management perspective. It shows how an ECP implemented in a context of intense stakeholder pressure and regulatory reform in Brazil evolved along the program orientation continuum. In 2015, the program was characterized by coercive controls such as strict rules and procedures, internal investigations, and a revised sanctioning system. Major changes in key organizational processes, including centralization of procurement processes and segregation of duties, marked the consolidation of the program in the years that followed. In 2019, Brasco claimed to have changed the program's orientation toward a value-based approach that favored the moral development of employees. This paper shows the negative effects of Brasco's coercive practices, especially how middle managers reacted to them. It also shows the positive effects of the claimed orientation shift according to middle managers. I argue that middle managers play three roles in the development of an ECP under intense stakeholder pressure, namely pathfinder, investigator, and promoter. While the former two require managing various tensions on a daily basis, the latter presupposes that middle managers have bought into the organizational change.

This research offers a systemic view of ECPs that connects organizational initiatives, regulatory reform, and the lived experience of organizational members. It contributes to a better understanding of ECPs as more than mere control systems. ECPs are dynamic processes that develop according to the environment in which they are embedded. Unstable contexts characterized by uncertainty and inadequate anticorruption institutions provide a rich opportunity to analyze how volatile contextual elements influence the development of an ECP. Moreover, this research advances knowledge of how ECPs directly influence daily work in organizations. It provides an analysis of an

ECP's strengths, limitations, and contradictions as experienced by middle managers. It presents the unintended effects of coercive forms of control, including abusive manager-employee interactions and Kafkaesque catch-22 situations. Emotional effects include feelings of fear, risk aversion, distrust, and unfair treatment. This research also advances knowledge of how these vicious circles can be minimized. Finally, it proposes a categorization of the roles played by middle management in ECP implementation and development.

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Conclusion

This dissertation provides a systemic view of ethics and compliance programs (ECPs) that integrates a variety of perspectives from the different disciplines sharing an interest in this topic. It also cuts across levels of analysis by taking into consideration the components that constitute the ECP (e.g., code of ethics and control mechanisms), the social context and the regulatory framework in which it is situated, multiple stakeholders, and discursive and material practices. Moreover, it proposes a process approach to ECPs that ranges from the context in which ECPs are designed and implemented through implementation and monitoring processes to impact assessment. A process approach challenges the ambiguous claim "to do the right thing" (Weber & Wasieleski, 2013) as the main reason why organizations implement ECPs. It assumes that organizations are embedded in a business environment consisting of anticorruption laws and regulations, international conventions, principles, and standards, and multistakeholder initiatives. A process approach also challenges the promotion of more ethical and transparent business practices as the expected outcome of ECPs. Although more ethical and transparent business practices can contribute to reducing corruption, the impact of ECPs as anticorruption mechanisms is unclear. In contrast, a process approach encourages an objective definition of the anticorruption goals of ECPs and the development of metrics to measure the progress toward them. Moreover, the notion of organizational anticorruption performance contributes to public policy evaluation insofar as policy makers have a better understanding of organizations' roles in broader public policies. In other words, policy makers can follow the interactions that constitute ECPs and better assess their intended and unintended consequences as translations of management-based regulation.

This approach advances our understanding of ECPs as much more than organizational control systems. They are dynamic processes where regulators, organizations, and civil society meet to achieve a specific social goal—mitigating corruption. Over time, ECPs have grown to address various other forms of illegal and unethical behavior. While it would not be reasonable for any organization to build

separate programs for each form of wrongdoing, anticorruption initiatives should be significantly different from those against sexual harassment, for example. While the latter can be successful even when confined to organizational boundaries, the former requires interaction with multiple stakeholders to be effective. Corruption is a transnational phenomenon that relies on loopholes in the global financial system as well as on a wide variety of social actors such as banks, lawyers, accountants, and other professionals. Indeed, the globalization of corruption contributed to the development of ECPs, which originated in the U.S. and is becoming a global standard of ethical management, good governance, and corporate social responsibility (Chaves & Raufflet, 2022). This dissertation rescues the anticorruption objective of ECPs by examining how this management standard emerged and developed in a country where comprehensive ECPs did not exist before a major corruption scandal in 2014.

This dissertation bridges the gap between the vast literature on corruption and the fragmented literature on ECPs. It provides a comprehensive understanding of ECPs by integrating regulatory environments, organizations, organizational members, and social impact against the background of the grand societal challenge they are intended to tackle—corruption. It identifies the anticorruption mechanisms discussed in the literature and the theoretical assumptions that inform them. It examines the strengths and limitations of the various anticorruption mechanisms that constitute ECPs and classify them according to their ability to deter corruption. It uncovers connections among disciplines and identifies new research directions.

One research avenue that can benefit from cross-fertilization of ideas from different disciplines concerns the interactions between intra- and extra-organizational monitoring and assessment processes. While there is a vast body of research on external monitoring and law enforcement, research largely glosses over the potential integration of ECPs and multistakeholder initiatives. Multistakeholder initiatives bring together organizations from the public, private, and non-profit sectors to deliver solutions for grand societal challenges by leveraging the resources and capabilities of organizational actors across sectors (Brinkerhoff, 2002a, 2002b; van Tulder, Seitanidi, Crane, & Brammer, 2016). Research in this area should aim to understand the initiative's impact, comprising

the following elements: (1) the resources and capabilities provided by each member of the initiative; (2) the activities executed by each member in the implementation process, including those related to CPs, and their interactions; (3) the results that can be assessed by each participating organization; (4) the changes to anticorruption management practices; and (5) the social effects of the initiative. Adopting a process approach, research in this area would focus on *how* questions that address the whole process ranging from why ECPs are implemented to the progress they make toward the intended goals. I suggest future research that aims to explain how multistakeholder initiatives contribute to objectively establishing the goals of ECPs, developing ECP assessment metrics, and monitoring ECPs. In addition, I suggest future research that examines how multistakeholder initiatives help assess the progress of ECPs toward mitigating corruption as well as the opportunities and challenges of these collaborations for implementation, monitoring, and assessment processes and the roles played by each collaborating member.

Another research avenue that can benefit from interdisciplinary collaboration refers to the integration of the various stakeholders that can have an impact in the design and implementation of ECPs. The relationships between ECPs and bottom-up initiatives involving the press, customers, and civil society organizations are fairly absent from the literature on ECPs. Research in this area would identify and explain the social changes that led to anticorruption "social movements," illustrated by the increasing prominence of regulatory intermediaries—social actors who stand between regulators and organizations (Brès, Mena, & Salles-Djelic, 2019) such as the local chapters of Transparency International. Regulatory intermediaries increase the complexity of a typical two-party relationship between regulator and organization. These intermediaries voice civil society's concerns and actively influence processes of regulation by providing anticorruption expertise, facilitating the implementation of anticorruption initiatives, monitoring organizations, and building anticorruption communities (Abbott, Levi-Faur, & Snidal, 2017). Research on the emergence, development, and continuous evolution of regulatory intermediaries can shed light on macro-level factors that affect ECP design, implementation, and evaluation. I suggest future research at the intersection of regulation theories and management and organization theories that examines how multistakeholder initiatives influence anticorruption regulatory processes, including the development of

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specific ECP components. I also suggest research on how multistakeholder initiatives influence the adoption of specific ECP components.

In addition to research avenues on the macro-meso interactions discussed above, a process approach can contribute to advancing knowledge of meso-micro interactions. For example, although the study of specific ECP components was beyond the scope of this dissertation, I found that a leadership change, namely the assignment of a new Chief Compliance Officer, was key to a radical shift in how an ECP was experienced by organizational members. In this regard, this dissertation advances knowledge of how ECPs directly influence daily work in organizations, including abusive manager-employee interactions and Kafkaesque catch-22 situations. Research on meso-micro interactions can also advance our understanding of the emotional effects of ECP implementation on organizational members. It can also explain how organizations can minimize unintended outcomes. Research in this area can help bridge the gap between the individual experience of organizational change and the evaluation of the organizational intervention.

This dissertation also offers novel methodological opportunities for research on ECPs, an area where access to data is frequently challenging. In addition to the regulatory character of ECPs, it takes into consideration their legitimating character to examine them as discursively charged organizational practices. Discourse analysis provides the methods to address challenges related to access to data as well as the methodological tools for the examination of the processes whereby organizations mobilize discourses and material artifacts to restore their legitimacy. As expected in a discourse study, in which "the notion of context is presented as the steppingstone upon which a strong analysis should be built" (Langley & Abdallah, 2011: 228), this dissertation does justice to the highly complex research setting and brings the context to the fore. It encourages the cross-fertilization of ideas from different fields by integrating insights from research on anticorruption strategies and ECPs—research areas that have been developing separately. Given the complexity of corruption phenomena, interdisciplinary conversations are key to advancing our knowledge of organizational anticorruption strategies in general and ECPs in particular. I suggest three avenues for research situated at the intersection of corruption

scandals, anticorruption strategies, and ECPs: institutionalization of anticorruption practices in the context of inter-institutional collaborations, anticorruption multistakeholder initiatives, and organizational members' responses to management practices introduced after extreme events.

On a personal note, this research greatly improved my knowledge of corruption and ECPs. Corruption has existed since the earliest business transactions, but only recently we have come to better understand its various negative effects. And yet, despite the development of a wide variety of anticorruption initiatives, corruption remains a grand societal challenge, a wicked problem to which there are no easy responses and no guarantee of success. While this might discourage many researchers, others appreciate every little step forward. I relate to the latter. Thanks to the knowledge that has been built over the years, we have come to understand that anticorruption initiatives are not restricted to governments. Businesses have a major role to play, especially those that have more economic and political power than most countries. Most societies evolved to the point where paying bribes within national borders or to foreign officials is neither acceptable nor tax deductible anymore. We now expect businesses to have their share of responsibility in the general efforts against corruption, and ECPs have become synonym of organizational anticorruption mechanism.

In these four years that I have been studying ECPs, I have come to realize that organizations have significantly improved their ability to detect and deter corruption. However, we still have much to learn about the circumstances under which they can effectively prevent corruption. As for the limitations of ECPs, research has advanced our knowledge of the effects of both compliance- and value-based programs, but we still lack empirical evidence of how ECPs affect routine work in organizations. Finally, I have learned that research on ECPs opens various opportunities for cross-fertilization with other research areas in management and organization studies, including non-market strategies, cross-sector partnerships, organizational change, and routine dynamics. In other words, I have plenty of research to do for several years to come.

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Appendix 1: Papers selected for the integrative literature review (chapter 1)

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Adobor, H. (2006). Exploring the role performance of corporate ethics officers. Journal of Business Ethics, 69(1), 57-75	Adobor proposes a framework to assess how corporate ethics officers perform. The study is not restricted to individual characteristics. Rather, it examines the nature of the role played by ethics officers, including task complexity, task visibility, role conflict, and role ambiguity	Organizational structure	Management and organizations	Other	Ethics program
Alschuler, A. W. (2009). Two ways to think about the punishment of corporations. American Criminal Law Review, 46(4), 1359-1392	Alschuler compares the criminal liability of corporations with two ancient legal practices. The author argues that this liability punishes innocent shareholders and employees and should not be regarded as "collateral" or "secondary"	Laws and regulations	Law	Corruption (main focus)	Compliance program
Andreisová, L. (2016). Building and Maintaining an Effective Compliance Program. International Journal of Organizational Leadership, 5(1), 24-39	Andreisová provides on overview of compliance programs and their constituting initiatives such as standards of conduct, control mechanisms, and training. The paper also discusses how compliance programs should be ideally designed	Organizational structure	Management and organizations	Corruption (main focus)	Compliance program Ethics and compliance program
Angermund, N., & Plant, K. (2017). A framework for managing and assessing ethics in Namibia: An internal audit perspective. African Journal of Business Ethics, 11(1), 1-22	Angermund and Plant propose an ethics framework to be used by organizations to build ethical cultures and to help assess the effectiveness of these cultures	Organizational culture	Accounting and finance	Corruption (secondary focus)	Ethics program
Arciniegas, J. S. (2019). Compliance: norms as an instrument and a threat to the administration. Cuadernos de Administración-Universidad del Valle, 35(65), 118-130	Arciniegas examines the notion of compliance vis-à-vis the activity of business administration. He argues that the administration must combine a careful observation of laws and regulations with the exercise of economic freedom to conduct productive business activities	Laws and regulations	Law	Corruption (main focus)	Compliance program
Arlen, J., & Kahan, M. (2017). Corporate Governance Regulation through Nonprosecution. University of Chicago Law Review, 84(1), 323-387	Arlen and Kahan discuss pretrial diversion agreements (PDAs). PDAs are used by prosecutors in the U.S. to impose mandates on firms with an ineffective compliance program at the time of the crime. These mandates create new duties that alter firms' governance structures and organizational processes	Laws and regulations	Law	Corruption (main focus)	Compliance program
Baer, M. H. (2008). Insuring corporate crime. Indiana Law Journal, 83(3), 1035-1096	Baer proposes an insurance system to replace entity based liability. The author argues that entity based liability, especially in the way it is applied by the U.S. government, creates more social costs than benefits	Laws and regulations	Law	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Bazerman, M. H., & Tenbrunsel, A. E. (2011). Ethical Breakdowns. Harvard Business Review, 89(4), 58-+	Bazerman and Tenbrunsel discuss ethical breakdowns-poor ethical decision making due to employees and managers' blindness to certain unethical behaviors. According to the authors, the five barriers to an ethical organization explained in the paper are a much more frequent antecedent to corporate corruption than greedy leaders	Organizational culture	Management and organizations	Corruption (main focus)	Compliance program
Beeri, I., Dayan, R., Vigoda-Gadot, E., & Werner, S. B. (2013). Advancing Ethics in Public Organizations: The Impact of an Ethics Program on Employees' Perceptions and Behaviors in a Regional Council. Journal of Business Ethics, 112(1), 59-78	Beeri et al. analyze the effectiveness of an ethics program in a public sector organization. In this paper, effectiveness is measured as greater awareness of the organization's code of ethics, increased inclusion of employees in ethical decision making processes, and employees' perception of an improved ethical climate, greater organizational commitment, and higher quality of work life. Employee behavior was assessed through managers' evaluations	Standards of conduct Ethical leadership Control mechanisms Organizational culture	Management and organizations	Corruption (main focus)	Ethics program
Belak, J., Duh, M., Mulej, M., & Strukelj, T. (2010). Requisitely holistic ethics planning as pre-condition for enterprise ethical behaviour. Kybernetes, 39(1), 19-36	Belak et al. develop the concept of requisitely holistic planning of enterprise ethics connecting values, culture, and climate	Organizational culture	Management and organizations	Other	Ethics program
Benedek, P. (2012). Compliance Management - a New Response to Legal and Business Challenges. Acta Polytechnica Hungarica, 9(3), 135-148	Benedek provides an overview of what constitues compliance programs and their intended objectives	Organizational structure	Management and organizations	Other	Compliance program
Bharara, P. (2007). Corporations cry uncle and their employees cry foul: Rethinking prosecutorial pressure on corporate defendants. American Criminal Law Review, 44(1), 53-113	Bharara examines criminal liability of corporations. The author discusses both prosecutorial excesses and the proper scope of criminal liability	Laws and regulations	Law	Corruption (main focus)	Compliance program
Bu, Q. X. (2018). The Culture Variable Vis-à-Vis Anti-bribery Law: A Grey Area in Transnational Corporate Criminal Liability. European Business Organization Law Review, 19(1), 183-213	Bu provides a cultural analysis of bribery as an essential tool for shaping an effective global legal apparatus. The author also examines the implications for multinational companies' global compliance strategies	Laws and regulations International conventions	Law	Corruption (main focus)	Compliance program
Busse, R., & Doganer, U. (2018). The role of compliance for organisational change: Qualitative evidence from German SMEs. Journal of Organizational Change Management, 31(2), 334-351	Busse and Doganer study how the implementation of a compliance program affects employee acceptance and employee performance in small and medium-sized enterprises. In general, employees accept the program well because it provides them with clear rules. However, the program negatively affects their performance, especially in the initial stages of implementaiton	Standards of conduct	Management and organizations	Corruption (main focus)	Ethics and compliance program
Caliskan, S. (2019). Company Liability and Competition Law: Exposure of Company to Risk of Undesirable Behaviour of Directors. Liverpool Law Review, 40(1), 1-29	Caliskan examines the effectiveness of the UK enforcement strategy based on self-regulation. The author argues that this strategy is unlikely to deter executives from engaging in unethical behavior that exposes their organizations to risks of liability and loss	Laws and regulations	Law	Other	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Campa, D. (2018). Regulatory enforcement and the effectiveness of fraud training: A European investigation into earnings manipulation. Comptabilité - Contrôle - Audit, 24(1), 81-111	Campa examines the effectiveness of fraud training in reducing financial statement manipulation. The author finds that fraud training reduces earnings manipulation, especially in countries with weaker regulatory enforcement	Formal training	Accounting and finance	Corruption (main focus)	Ethics program
Chang, H. H., & Sokol, D. D. (2020). Advocacy versus enforcement in antitrust compliance programs. Journal of Competition Law & Economics, 16(1), 36-62	Chang and Sokol examine the influence of regulators on organizations' adoption of compliance programs in Taiwan	Laws and regulations	Law	Corruption (main focus)	Compliance program
Chen, D. T., Werhane, P. H., & Mills, A. E. (2007). Role of organization ethics in critical care medicine. Critical Care Medicine, 35(2), S11-S17	Chen et al. discuss the advantages of implementing an ethics program, or at least some components, in critical care units	Organizational culture	Management and organizations	Other	Ethics program
Chen, H., & Soltes, E. (2018). Why Compliance Programs Fail and How to Fix Them. Harvard Business Review, 96(2), 115-125	Chen and Soltes offer an explanation of why compliance programs fail. According to them, compliance is often treated as a legal box-checking exercise without appropriate metrics that link compliance initiatives to specific goals	Organizational structure	Accounting and finance	Corruption (secondary focus)	Compliance program
Chilima, S. K. (2019). Addressing moral decadence: Towards an effective compliance and ethics program. Africa Journal of Management, 5(1), 98-111	Chilima discusses the notion of moral decadence observed in Malawi and its implications. The author also discusses potential avenues for the design and implementation of an effective compliance program in this context	Organizational culture	Management and organizations	Corruption (main focus)	Ethics and compliance program
Chow, D. (2012). China under the Foreign Corrupt Practices Act. Wisconsin Law Review(2), 573-607	Chow discusses the liability risks for U.S. multinational companies operating in China and suggests the adoption of an effective compliance program to mitigate these risks	Laws and regulations	Law	Corruption (main focus)	Compliance program
Christina, A., & Fort, T. L. (2020). Finding the fit: Why compliance and ethics programs should seek to match individual and corporate values. Business Horizons, 63(4), 451-462	Christina and Fort discuss the fit between company and employee. The paper focuses on organizational culture, especially on how employees are hired to further develop and maintain an ethical culture as well as on how employees identify a company that fits their own personal values	Organizational culture	Management and organizations	Other	Ethics and compliance program
Coates, K., & Zulli, A. (2018). Compliance Plus? Proposed Fine Reductions for Audited, Strengthened Compliance Programmes. Journal of European Competition Law & Practice, 9(6), 351-360	Coates and Zulli assess the status of compliance programs in the European Union and in North America. They propose that the European Commission become a leading regulation authority in innovative approaches to encouraging effective programs	Laws and regulations External monitoring	Law	Corruption (main focus)	Compliance program
de Colle, S., & Werhane, P. H. (2008). Moral motivation across ethical theories: What can we learn for designing corporate ethics programs? Journal of Business Ethics, 81(4), 751-764	de Colle and Werhane analyze the question "why should I do the right thing?" from the perspective of three different ethical theories. The authors suggest the concept of moral imagination as a way to reconcile the three theoretical approaches and enhance the effectiveness of ethics programs	Organizational culture	Management and organizations	Other	Ethics program
Drew, M. (2007). Information risk management and compliance - expect the unexpected. BT Technology Journal, 25(1), 19-29	Drew discusses the advantages of information risk management for a company's overall compliance program. The author argues that careful risk assessment increases the effectiveness of compliance programs	Control mechanisms	Management and organizations	Other	Other

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Duchon, D., & Drake, B. (2009). Organizational Narcissism and Virtuous Behavior. Journal of Business Ethics, 85(3), 301-308	Duchon and Drake discuss organizational narcissism and argue that narcissistic organizations cannot behave ethically. According to the authors, organizations do have identities, but narcissistic organizations lack a moral identity. Compliance programs have little or no effect on behavior in such organizations	Organizational culture	Management and organizations	Other	Ethics program
Eastman, L. K. (2010). Revising the Organizational Sentencing Guidelines to Eliminate the Focus on Compliance Programs and Cooperation in Determining Corporate Sentence Mitigation. Minnesota Law Review, 94(5), 1620-1650	Eastman discusses the U.S. Federal Sentencing Guidelines for Organizations and the criteria that allow companies to reduce their sentences-the existence of a compliance program at the time of the misconduct and cooperation in investigations. The author argues that sentence mitigation provisions should be eliminated	Laws and regulations	Law	Corruption (main focus)	Compliance program
Eisenbeiss, S. A., van Knippenberg, D., & Fahrbach, C. M. (2015). Doing Well by Doing Good? Analyzing the Relationship Between CEO Ethical Leadership and Firm Performance. Journal of Business Ethics, 128(3), 635-651	Eisenbeiss et al. propose a model of the relationship between CEO ethical leadership and firm performance. According to the model, CEO ethical leadership influences organizational culture, which promotes firm performance under the condition that the company has a strong compliance program	Ethical leadership Organizational culture	Management and organizations	Other	Ethics program
Ford, C., & Hess, D. (2011). Corporate Monitorships and New Governance Regulation: In Theory, in Practice, and in Context. Law & Policy, 33(4), 509-541	Ford and Hess examine how corporate monitorships - a product of settlement agreements - operate in practice in organizational contexts. The paper identifies the factors that explain why settlement agreements are failing to reform corrupt cultures through improved compliance programs	External monitoring Multistakeholder initiatives	Law	Other	Compliance program
Frith, L. (2013). The NHS and market forces in healthcare: the need for organisational ethics. Journal of Medical Ethics, 39(1), 17-21	Frith examines the increasing participation of private and third sector service providers in the English health care system. The author also suggests the development of ethics programs to address potential ethical issues raised by this new environment	Organizational structure	Management and organizations	Other	Ethics program
Gabel, J. T. A., Mansfield, N. R., & Houghton, S. M. (2009). Letter vs. Spirit: The Evolution of Compliance into Ethics. American Business Law Journal, 46(3), 453-486	Gabel et al. analyze the regulators' requirements regarding the implementation of "effective compliance *and* ethics programs." That is, organizations must follow the law while also do something that is broadly characterized as ethics	Laws and regulations	Law	Corruption (main focus)	Ethics and compliance program
Gazley, A., Sinha, A., & Rod, M. (2016). Toward a theory of marketing law transgressions. Journal of Business Research, 69(2), 476-483	Gazley et al. present and test a model of law transgression that relates past transgression to intent to transgress in the future. The authors find that a lack of control (i.e., penalties, rewards, risk perceptions and existence of compliance programs) influences illegal behavior	Control mechanisms Sanctioning systems	Management and organizations	Other	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Greenberg, J. (2002). Who stole the money, and when? Individual and situational determinants of employee theft. Organizational Behavior and Human Decision Processes, 89(1), 985-1003	Greenberg analyzes how individual and situational factors can deter employee theft. He finds that people are likely to steal from their companies, but they are unlikely to steal from individual coworkers, especially in organizations that have not implemented an ethics program	Organizational structure	Management and organizations	Corruption (main focus)	Ethics program
Hamann, S. (2019). Effective corporate compliance: a holistic approach for the SEC and the DOJ. Washington Law Review, 94(2), 851-886	Hamann proposes that U.S. regulators should take a more integrated and holistic approach to compliance by incorporating the seven elements of an effective compliance program contained in the Federal Sentencing Guidelines into deferred and non-prosecution agreements and penalty settlements. The author also suggests a greater use of independent monitorships	Laws and regulations External monitoring	Law	Corruption (main focus)	Compliance program
Hamin, Z., Othman, M. B., & Kamaruddin, S. (2017). When Money is the Reason: Preliminary Evidence of Legal Business Compliance with Anti-Money Laundering (AML) Obligations. Pertanika Journal of Social Science and Humanities, 25, 145-154	Hamin et al. examine the low compliance levels in Malaysia, where legal practitioners are regarded as reporting institutions under the anti-money laundering legal framework. Their preliminary findings suggest that legal professional privilege, business rationality, and cost-benefit analyses significantly contribute to lawyers' unwillingness to comply with anti-money laudering regulations	Laws and regulations	Law	Corruption (main focus)	Compliance program
Haugh, T. (2017). The criminalization of compliance. Notre Dame Law Review, 92(3), 1215-1269	Haugh discusses a criminalized approach to compliance. The author argues that this approach is inherently ineffective because employees have greater opportunities to rationalize their future unethical or illegal behavior	Organizational culture	Law	Corruption (main focus)	Compliance program
Haugh, T. (2017). The Trouble with Corporate Compliance Programs. MIT Sloan Management Review, 59(1), 55-62	Haugh argues that companies do not design effective compliance programs for lack of understanding of how employees engage in corruption. The paper also suggests that companies are not interested in advancing their knowledge of employee behavior because their motivation to implement a compliance program reflects regulatory concerns	Organizational culture	Law	Corruption (secondary focus)	Compliance program
Helin, S., Jensen, T., Sandstrom, J., & Clegg, S. (2011). On the dark side of codes: domination not enlightenment. Scandinavian Journal of Management, 27(1), 24-33	Helin et al. argue that codes of ethics and ethics programs may be used as instruments to further domination, rather than as instruments of enlightenment and self-regulation	Standards of conduct	Management and organizations	Other	Ethics program
Hemphill, T. A., & Cullari, F. (2009). Corporate Governance Practices: A Proposed Policy Incentive Regime to Facilitate Internal Investigations and Self-Reporting of Criminal Activities. Journal of Business Ethics, 87, 333-351	Hemphill and Cullari examine the U.S. public policy framework incentivizing the use of corporate internal investigations and self-reporting of the results to federal authorities. They also assess policy issues inhibiting companies from using corporate internal investigations and self-reporting	Sanctioning systems	Management and organizations	Corruption (main focus)	Ethics and compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Hess, D. (2007). A business ethics perspective on Sarbanes-Oxley and the organizational sentencing guidelines. Michigan Law Review, 105(8), 1781-1816	Hess assesses the ability of laws and regulations such as the Sarbanes-Oxley Act to mitigate fraud. From a business ethics standpoint, he proposes a balanced approach to compliance programs that can influence employee behavior	Laws and regulations Organizational culture	Law	Corruption (main focus)	Compliance program
Hess, D. (2009). Catalyzing Corporate Commitment to Combating Corruption. Journal of Business Ethics, 88, 781-790	Hess discusses policy reforms that may further encourage companies to implement effective compliance programs, disclose information concerning their anticorruption activities, and participate in multi-stakeholder initiatives	Multistakeholder initiatives	Law	Corruption (main focus)	Ethics and compliance program
Hoekstra, A., Talsma, J., & Kaptein, M. (2016). Integrity Management as Interorganizational Activity: Exploring Integrity Partnerships That Keep the Wheel in Motion. Public Integrity, 18(2), 167-184	Hoekstra et al. propose a typology of interorganizational collaborations in compliance initiatives	Multistakeholder initiatives	Management and organizations	Other	Integrity program
Hofeditz, M., Nienaber, A. M., Dysvik, A., & Schewe, G. (2017). "Want to" Versus "Have to": Intrinsic and Extrinsic Motivators as Predictors of Compliance Behavior Intention. Human Resource Management, 56(1), 25-49	Hofeditz et al. study organizational members' intention to conform to the requirements of compliance program. They find that employee behavior is influenced by extrinsic motivators across all levels of an organization, whereas top management is mostly influenced by intrinsic motivators	Organizational structure	Management and organizations	Other	Compliance program
Houghton, S. M., Gabel, J. T. A., & Williams, D. W. (2009). Connecting the Two Faces of CSR: Does Employee Volunteerism Improve Compliance? Journal of Business Ethics, 87(4), 477-494	Houghton et al. examine whether there is a valid relationship between firms' external corporate social responsibility behaviors and compliance with internal legal and ethical standards. The authors find that there is a relationship between both organizational practices, but the underlying mechanism that connects them requires future study	Organizational structure Organizational identity	Management and organizations	Corruption (secondary focus)	Ethics and compliance program
Huang, J. Y. (2015). Effectiveness of US anti-money laundering regulations and HSBC case study. Journal of Money Laundering Control, 18(4), 525-532	Huang provides a macro analysis of the U.S. anti-money laundering legislation, including the challenges to determine what an effective compliance program is	Laws and regulations	Law	Corruption (main focus)	Compliance program
Jepson, V. (2018). Apparent conflicts of interest, elected officials and codes of conduct. Canadian Public Administration-Administration Publique du Canada, 61, 36-52	Jepson examines the concept of an apparent conflict of interest in the context of elected officials. The author also examines why there is a reluctance to include an appearance standard in codes of conduct	Standards of conduct	Law	Corruption (main focus)	Ethics program
Jorge, G., & Basch, F. F. (2013). How has the private sector reacted to the international standard against transnational bribery? Evidence from corporate anticorruption compliance programs in Argentina. Crime Law and Social Change, 60(2), 165-190	Jorge and Basch examine the history of compliance programs from American law through international conventions to local legislation and assess how the international antibribery standard has affected compliance programs in Argentina	International conventions Laws and regulations	Law	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Kaal, W. A., & Lacine, T. A. (2014). The Effect of Deferred and Non-Prosecution Agreements on Corporate Governance: Evidence from 1993-2013. Business Lawyer, 70(1), 61-119	Kaal and Lacine examine the implications of non- and deferred prosecution agreements, originated in the 1990s, on the governance of corporations and entire industries. The implications include business changes, board changes, senior management, monitoring, cooperation, compliance program, and waiver of rights	Laws and regulations	Law	Corruption (main focus)	Compliance program
Kaptein, M. (2009). Ethics Programs and Ethical Culture: A Next Step in Unraveling Their Multi-Faceted Relationship. Journal of Business Ethics, 89(2), 261-281	Kaptein examines the relationship between ethics programs and the development of an ethical culture. The paper proposes eight dimensions of ethical culture and identifies nine components of ethics programs. The study shows that the relationships between the individual components of an ethics program and the dimensions of an ethical culture vary in strength, nature, and significance	Organizational culture	Management and organizations	Other	Ethics program
Kaptein, M. (2010). The Ethics of Organizations: A Longitudinal Study of the US Working Population. Journal of Business Ethics, 92(4), 601-618	Kaptein proposes a model for measuring the ethics of organizations. According to the model, ethics programs and ethical organizational culture are forms of control that can have an effect on unethical behavior and subsequently on organizations and stakeholders	Organizational structure Organizational culture	Management and organizations	Corruption (main focus)	Ethics program
Kaptein, M. (2011). Understanding unethical behavior by unraveling ethical culture. Human Relations, 64(6), 843-869	Kaptein proposes an eight-dimension model for organizational ethical culture to explain unethical behavior	Organizational culture	Management and organizations	Other	Ethics program
Kaptein, M. (2015). The Effectiveness of Ethics Programs: The Role of Scope, Composition, and Sequence. Journal of Business Ethics, 132(2), 415-431	Kaptein proposes a best sequence for adopting components of a compliance program based on how directly related they are to less unethical behavior	Organizational structure	Management and organizations	Other	Ethics program
Katz, J. P., Higgins, E., Dickson, M., & Eckman, M. (2009). The Impact of External Monitoring and Public Reporting on Business Performance in a Global Manufacturing Industry. Business & Society, 48(4), 489-510	Katz et al. examine the importance of external monitoring and public reporting on firm financial performance and stock market reaction to information on manufacturing practices	External monitoring Multistakeholder initiatives	Management and organizations	Other	Compliance program
Kieffer, S. M., & Sloan, J. J. (2009). Overcoming Moral Hurdles: Using Techniques of Neutralization by White-Collar Suspects as an Interrogation Tool. Security Journal, 22(4), 317-330	Kieffer and Sloan examine how techniques of neutralization are used by white-collar criminals to justify their illegal behavior. The authors argue that the recognition of these techniques can help investigators in interrogations of suspected offenders	Laws and regulations	Law	Corruption (main focus)	Ethics program
Klinkhammer, J. (2013). On the dark side of the code: organizational challenges to an effective anti-corruption strategy. Crime Law and Social Change, 60(2), 191-208	Klinkhammer compares three different explanations to the Siemens case. According to the paper, this case of structural corruption can be explained through the concept of useful illegality, which combines the principal-agent model and cultural factors that undermine anticorruption strategies	Organizational structure	Management and organizations	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Koehn, D. (2020). A virtue ethics critique of ethical dimensions of behavioral economics. Business and Society Review, 125(2), 241-260	Koehn analyzes and critiques the key assumptions of behavioral economics. Her critique focuses on the ethical dimensions of behavioral economics and the potentially negative effects on compliance programs	Organizational culture	Management and organizations	Other	Compliance program
Lin, J. (2019). Corporate crime control in China: an observation from culture perspective. Journal of Money Laundering Control, 22(3), 472-479	Lin evaluates the potential acceptance of compliance programs in China, as part of a country-level anticrime policy, from a cultural perspective	Organizational culture	Economics and political science	Corruption (main focus)	Compliance program
Livshiz, T. (2014). Choosing Between Saw and Scalpel: FCPA Reform and the Compliance Defense. Columbia Journal of Law and Social Problems, 47(4), 417-452	Livshiz discusses the aggressive enforcement of the U.S. Foreign Corrupt Practices Act and the introduction of a compliance defense that attempts to inoculate corporations from liability if they have implemented an effective compliance program at the time of wrongdoing	Laws and regulations	Law	Corruption (main focus)	Compliance program
Logan, W. A. (2003). Criminal law sanctuaries. Harvard Civil Rights-Civil Liberties Law Review, 38(2), 321-391	Logan discusses partiality for the criminal law and its enforcement in the U.S. by retracing how the government invoked the criminal law in response to reported incidents in three institutions-the Catholic Church, family, and corporations	Laws and regulations	Law	Other	Compliance program
Lombardi, R., Cano-Rubio, M., Trequattrini, R., & Fuentes-Lombardo, G. (2020). Exploratory evidence on anticorruption activities in the Spanish context: A sustainable governance approach. Journal of Cleaner Production, 249, 14	Lombardi et al. examine the interaction between companies' Board of Directors and the implementation of corruption prevention plans in Spain. The authors propose an integrated anticorruption model, including not only an organizational compliance program but also specific legislation and risk assessment	Laws and regulations Multistakeholder initiatives	Economics and political science	Corruption (main focus)	Compliance program
Lombardi, R., Trequattrini, R., Cuozzo, B., & Cano-Rubio, M. (2019). Corporate corruption prevention, sustainable governance and legislation: First exploratory evidence from the Italian scenario. Journal of Cleaner Production, 217, 666-675	Lombardi et al. examine the main issues and drivers of organizational anticorruption initiatives in Italy. They also analyze the interaction between companies' Board of Directors and the implementation of corruption prevention plans. The authors propose an integrated anticorruption model, including not only an organizational compliance program but also specific legislation and risk assessment	Laws and regulations Multistakeholder initiatives	Economics and political science	Corruption (main focus)	Compliance program
MacLean, T. L., & Behnam, M. (2010). The dangers of decoupling: the relationship between compliance programs, legitimacy perceptions, and institutionalized misconduct. Academy of Management Journal, 53(6), 1499-1520	MacLean and Benham demonstrate how decoupling a compliance program from the core business of an organization can enable what the program was designed to prevent: widespread misconduct. As a result, the study also shows the eventual loss of external legitimacy as another unintended effect of decoupling	Organizational structure	Management and organizations	Other	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
MacLean, T., Litzky, B. E., & Holderness, D. K. (2015). When Organizations Don't Walk Their Talk: A Cross-Level Examination of How Decoupling Formal Ethics Programs Affects Organizational Members. Journal of Business Ethics, 128(2), 351-368	MacLean and colleagues build on MacLean & Behnam (2010) to quantitatively demonstrate the relationship between decoupled compliance programs and organizational members' legitimacy perception and behavior	Organizational structure	Management and organizations	Corruption (secondary focus)	Ethics program
Majluf, N. S., & Navarrete, C. M. (2011). A Two-Component Compliance and Ethics Program Model: An Empirical Application to Chilean Corporations. Journal of Business Ethics, 100(4), 567-579	Majluf and Navarrete examine the reliability and validity of a survey implemented by a non-profit organization as an ethical behavior measuring instrument. They also assess the effects of compliance programs over employee behavior and firm performance, as perceived by employees	Control mechanisms Multistakeholder initiatives	Management and organizations	Corruption (secondary focus)	Ethics program
Martín, V. G. (2020). The Criminal Liability of the Compliance Officer: An Approach Through Several Hard Cases. Journal of Penal Law and Criminology-Ceza Hukuku Ve Kriminoloji Dergisi, 8(1), 59-71	Martín reflects on the criminal liability of the compliance officer in the context of increasing popularity of the notion of criminal liability of legal persons	Laws and regulations	Law	Corruption (main focus)	Compliance program
Martineau, J. T., Johnson, K. J., & Pauchant, T. C. (2017). The Pluralist Theory of Ethics Programs Orientations and Ideologies: An Empirical Study Anchored in Requisite Variety. Journal of Business Ethics, 142(4), 791-815	Martineau et al. propose a pluralist approach to explaining ethics programs, containing six orientations or ideologies corresponding to as many types of organizational practices. This approach goes beyond the traditional categorization of compliance programs along a compliance-integrity continuum	Organizational structure	Management and organizations	Other	Ethics program
Martinez, V. R. (2019). The Outsized Influence of the FCPA? University of Illinois Law Review(4), 1205-1226	Martinez discusses the influence of the U.S. Foreign Corrupr Practices Act (FCPA) in making antibribery efforts the top priority in multinational companies that implement compliance programs. The author argues that companies should not allow the FCPA to dominate their compliance programs. Rather, they should assess their risks and design their programs accordingly, also making sure that other laws and regulations are properly considered	Laws and regulations	Law	Corruption (main focus)	Compliance program
Martinez, V. R. (2020). Complex Compliance Investigations. Columbia Law Review, 120(2), 249-307	Martinez proposes the evaluation of compliance programs and subsequent reforms from a processual perspective, including the stages of prevention, detection, investigation, and remediation	Organizational structure Multistakeholder initiatives	Law	Corruption (main focus)	Compliance program
Mayorga, D. (2013). Managing continuous disclosure: Australian evidence. Accounting Auditing & Accountability Journal, 26(7), 1135-1169	Mayorga examines how listed companies in Australia manage their continuous disclosure obligations. The author investigates the key internal and external antecedents that influence the continuous disclosure process, the internal structures used in the process, and the issues that influence managers' decision-making process	Laws and regulations	Accounting and finance	Other	Compliance program

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Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
McGreal, P. E. (2008). Corporate Compliance Survey. Business Lawyer, 64(1), 253-277	McGreal's survey summarizes legal developments related to compliance programs, understood as a code of conduct, policies, and procedures that allow an organization to comply with legal regulations and internal ethical standards	Laws and regulations	Law	Corruption (main focus)	Other
McGreal, P. E. (2019). Implications of extrajudicial enforcement of the US Foreign Corrupt Practices Act for anti-corruption compliance and ethics programs. University of Illinois Law Review(4), 1151-1172	McGreal discusses the implications of the common extrajudicial enforcement of the U.S. Foreign Corrupt Practices Act. The author argues that organizations face a broad risk of foreign bribery given the broad scope of the law. This causes them to expand the scope of their compliance programs, which interferes with doing business. Conversely, settlements provide guidance concerning effective compliance programs, which may encourage organizations to adopt more credible programs	Laws and regulations	Law	Corruption (main focus)	Ethics and compliance program
McKendall, M., DeMarr, B., & Jones-Rikkers, C. (2002). Ethical compliance programs and corporate illegality: testing the assumptions of the Corporate Sentencing Guidelines. Journal of Business Ethics, 37(4), 367-383	McKendall et al. test the hypothesis that compliance programs, as advocated by the U.S. Sentencing Guidelines, will result in less organizational illegality	Laws and regulations	Management and organizations	Corruption (secondary focus)	Compliance program
Michael, M. L. (2006). Business ethics: The law of rules. Business Ethics Quarterly, 16(4), 475-504.	Michael challenges the idea that more laws and regulations can be effective responses to corporate scandals. He examines rules and their inherent incompleteness and dependency on sanctions. He argues that, given the very nature of rules, they may interfere with ethical decision making processes	Laws and regulations	Management and organizations	Other	Ethics program
Murphy, J. E. (2017). Policies in conflict: undermining corporate self-policing. Rutgers University Law Review, 69(2), 421-494.	Murphy examines the existing legal system and how it relates to the design and implementation of compliance programs. The author argues that the legal system is the main barrier to the development of effective compliance programs	Laws and regulations	Law	Corruption (main focus)	Compliance program
Novicevic, M. M., Buckley, M. R., Harvey, M. G., & Fung, H. (2008). Self-evaluation bias of social comparisons in ethical decision making: The impact of accountability. Journal of Applied Social Psychology, 38(4), 1061-1091	Novicevic et al. analyze how accountability and judgment biases relate to ethical decision making. The study found that individuals who thought they were more ethical than their peers demonstrated higher responsiveness to increases in accountability than did those who thought they were less ethical than their peers	Organizational structure	Management and organizations	Other	Ethics and compliance program
O'Connell, W., & Bligh, M. (2009). Emerging from Ethical Scandal: Can Corruption Really Have a Happy Ending? Leadership, 5(2), 213-235	O'Connell and Bligh examine how a company was able to repair its reputation after a corruption scandal. They analyze newspaper articles from scandal exposure to scandal emergence to explore the media's role in framing perceptions of ethical leadership actions and eventually changing the organization's reputation	Ethical leadership	Management and organizations	Corruption (main focus)	Ethics program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Oded, S. (2011). Inducing corporate compliance: A compound corporate liability regime. International Review of Law and Economics, 31(4), 272-283	Oded proposes a two-layer corporate liability regime under which corporations that self-report their employee misconduct incur a sanction that is reduced by the variable enforcement costs saved due to their self-reporting. The author argues that this liability framework aligns both social and corporate interests	Laws and regulations	Law	Other	Compliance program
Paha, J. (2018). Cartel Conduct and Antitrust Compliance with Imperfect Information about Enforcement Risk. Journal of Institutional and Theoretical Economics-Zeitschrift Fur Die Gesamte Staatswissenschaft, 174(3), 448-475	Paha proposes a model of compliance training as a form of information acquisition. The proposed model analyzes the effects of compliance training on the actions of managers whose decisions are subject to enforcement risk and imperfect information about law enforcement	Formal training	Economics and political science	Corruption (main focus)	Compliance program
Palazzo, B. (2002). U.S.-American and German business ethics: An intercultural comparison. Journal of Business Ethics, 41(3), 195-216	Palazzo analyzes the cultural foundations of business ethics practices in the U.S. and in Germany. This comparative study explains why formal compliance programs have become mainstream in the U.S. whereas German companies are very reluctant to adopting them	Organizational structure	Management and organizations	Corruption (secondary focus)	Ethics program
Palazzo, G., & Rethel, L. (2008). Conflicts of interest in financial intermediation. Journal of Business Ethics, 81(1), 193-207	Palazzo and Rethel examine four different types of conflicts of interest in financial intermediation. The four categories are personal-individual conflict, impersonal-individual conflict, personal-organizational conflict, and impersonal-organizational conflict	Laws and regulations Organizational structure	Management and organizations	Corruption (main focus)	Ethics program
Parker, C., & Nielsen, V. L. (2009). Corporate Compliance Systems Could They Make Any Difference? Administration & Society, 41(1), 3-37	Parker and Nielsen assess the potential of compliance programs to influence organizational behavior. The authors also compare the formal adoption of compliance programs and how they are managed in practice	Organizational structure	Law	Other	Compliance program
Pelletier, K. L., & Bligh, M. C. (2006). Rebounding from corruption: perceptions of ethics program effectiveness in a public sector organization. Journal of Business Ethics, 67(4), 359-374	Pelletier and Bligh examine employee perceptions regarding an ethics program implemented by a public sector organization in response to a corruption scandal. The authors test three critical organizational and managerial conditions for program effectiveness (awareness of ethics codes, decision-making techniques, and availability of resources) in addition to ethical leadership	Organizational structure	Management and organizations	Corruption (main focus)	Ethics program
Pieth, M. (2018). Corporate compliance and human rights. Criminal Law Forum, 29(4), 595-601	Pieth discusses compliance programs as a fundamental requirement to prevent corporate liability in areas such as corruption and money laundering. The author also discusses the advantages of similar policies in the human rights field	Laws and regulations	Law	Other	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Pope, K. R., & Lee, C. C. (2013). Could the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 be Helpful in Reforming Corporate America? An Investigation on Financial Bounties and Whistle-Blowing Behaviors in the Private Sector. Journal of Business Ethics, 112(4), 597-607	In light of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pope and Lee study how the availability of financial incentives and anonymous reporting channels relate to reporting intentions of questionable acts. They also study whether the availability of financial incentives can lead people to reveal their identities. They find that financial incentives can increase people's propensity to report questionable acts and reveal their identities. However, the existence of an anonymous reporting channel does not affect people's propensity to report questionable acts	Anonymous reporting systems	Accounting and finance	Corruption (main focus)	Compliance program
Proença, E. J. (2004). Ethics orientation as a mediator of organizational integrity in health services organizations. Health Care Management Review, 29(1), 40-50	Proença examines the effects of five compliance program components on integrity and the mediating role played by program orientation. The author finds that compliance programs do influence organizational integrity	Organizational structure	Management and organizations	Other	Ethics program
Remisová, A., Lasaková, A., & Kirchmayer, Z. (2019). Influence of Formal Ethics Program Components on Managerial Ethical Behavior. Journal of Business Ethics, 160(1), 151-166.	Remisová et al. study the influence of compliance programs on managerial ethical behavior. Based on perceived effectiveness, the study examines program components often associated with different orientations such as regular control, code of ethics, and ethics roundtables and workshops	Standards of conduct Formal training Ethics advice	Management and organizations	Other	Ethics program
Reynolds, S. J., & Bowie, N. E. (2004). A Kantian perspective on the characteristics of ethics programs. Business Ethics Quarterly, 14(2), 275-292	Reynolds and Bowie provide insights as to how a compliance program should be designed from a moral point of view, rather than exclusively from a social science perspective. According to the theory put forward in the paper, the ethics program should be adopted because it is the right thing to do, the design and implementation of the program should respect the free will of the employees, and the program should be adopted by a process that is agreed to by all organizational members	Laws and regulations	Management and organizations	Other	Ethics program
Riley, A., & Sokol, D. D. (2015). Rethinking compliance. Journal of Antitrust Enforcement, 3(1), 31-57	Riley and Sokol discuss the potential and limitations of current antitrust policies. The authors suggest the creation of proactive encouragement of compliance programs. This would involve cooperation between authorities and the business community to create a regulatory scheme that rewards good behavior and punishes bad behavior	Laws and regulations	Law	Corruption (main focus)	Compliance program
Roberts-Lombard, M., Mpinganjira, M., Wood, G., & Svensson, G. (2016). A construct of code effectiveness: empirical findings and measurement properties. African Journal of Business Ethics, 10(1), 19-35	Roberts-Lombard et al. assess the use of codes of ethics by top companies operating in South Africa. The authors found evidence of the positive effect of a code of ethics on business practices. However, they note that the diversity of ethical value systems within a particular company can clash with the business philosophy of the company	Standards of conduct	Management and organizations	Corruption (main focus)	Ethics program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Rogers, S. B. (2008). The World Bank Voluntary Disclosure Program (VDP): A distributive justice critique. Columbia Journal of Transnational Law, 46(3), 709-731	Rogers discusses voluntary disclosure, a new World Bank initiative intended to combat the illicit diversion of funds. According to this initiative, contractors that confess corruption related to prior World Bank projects, name other collusion members, and implement a compliance program are spared the expected penalties	Laws and regulations	Law	Corruption (main focus)	Compliance program
Root, V. (2017). Coordinating compliance incentives. Cornell Law Review, 102(4), 1003-1086	Root discusses the misplaced focus of enforcement actions on compliance with a particular set of laws instead of on whether the misconduct is a result of a systematic organizational failure. She also discusses the segmentation of enforcement authority, which has created an information and coordination issue among regulators	External monitoring Laws and regulations	Law	Corruption (main focus)	Compliance program
Root, V. (2019). The Compliance Process. Indiana Law Journal, 94(1), 203-251.	Root draws on cognitive psychology, behavioral economics, and behavioral ethics to propose the evaluation of compliance failures from a processual perspective. The compliance process comprises the distinct, albeit interrelated, stages of prevention, detection, investigation, and remediation	Organizational structure Multistakeholder initiatives	Law	Corruption (secondary focus)	Compliance program
Roque, A., Moreira, J. M., Figueiredo, J. D., Albuquerque, R., & Goncalves, H. Ethics beyond leadership: can ethics survive bad leadership? Journal of Global Responsibility, 20	Roque et al. examine the collapse of the ethical culture of a multinational company, as perceived by a CEO and a CCO during a leadership change process	Organizational culture	Management and organizations	Other	Ethics program
Safta, M. (2018). Integrity in the business environment. Juridical Tribune-Tribuna Juridica, 8(3), 811-822	Safta provides on overview of integrity issues in the Romanian business environment and of actions taken by the Romanian government. The paper also discusses how compliance programs should be ideally designed according to international standards	Laws and regulations	Law	Corruption (main focus)	Other
Salbu, S. R. (2018). Mitigating the Harshness of FCPA Enforcement Through a Qualifying Good-Faith Compliance Defense. American Business Law Journal, 55(3), 475-535	Salbu discusses the implications of anticorruption regulation enforcement policy in the U.S. The author argues that the current highly adversarial relationship between enforcement agencies and firms is counterproductive in the battle against global corruption	Laws and regulations	Law	Corruption (main focus)	Compliance program
Sample, J. (2015). Compliance and ethics programmes and the Federal Sentencing Guidelines for Organizations in the United States: implications for international HRD specialists. Human Resource Development International, 18(3), 295-307	Sample reviews the structure of the U.S. Federal Sentencing Guidelines for Organizations for human resource development in the U.S. and international contexts	Laws and regulations	Management and organizations	Corruption (secondary focus)	Ethics and compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Scanlan, A. B., & Purdon, C. (2007). Compliance program management for financial services institutions in today's environment. Business Lawyer, 62(2), 735-746	Scanlan and Purdon discuss current challenges faced by financial services institutions to maintain effective compliance programs, including the increasing complexity of the regulatory framework, the "enterprise-wide" approach to compliance generally used, and the increased focus by regulators on compliance risk management	Laws and regulations	Law	Other	Compliance program
Schonfelder, K., Velamuri, S. R., & Liu, W. (2016). Evolution of international and Chinese anti-bribery and corruption compliance programs. Corporate Governance-the International Journal of Business in Society, 16(3), 437-451	Schonfelder et al. examine anticorruption compliance practices adopted by multinational companies in China and compare them to international standards. They find a high level of convergence in international standards, but there is limited disclosure of anticorruption compliance practices by Chinese companies	Laws and regulations	Management and organizations	Corruption (main focus)	Compliance program
Schwartz, M. S. (2002). A code of ethics for corporate code of ethics. Journal of Business Ethics, 41(1-2), 27-43	Schwartz challenges the notion that codes of ethics are ethical and proposes a set of universal moral standards by which companies can be ethically audited for compliance. He applies the proposed code of ethics for corporate codes of ethics to four large companies and finds that all of them have room to improve the ethical character of their codes	Standards of conduct	Management and organizations	Other	Ethics program
Schwartz, M. S. (2012). The State of Business Ethics in Israel: A Light Unto the Nations? Journal of Business Ethics, 105(4), 429-446	Schwartz examines the state of business ethics in Israel by analyzing the existence of business ethics education, formal ethics programs, perceptions of corporate executives. He finds that most universities offer at least one elective business ethics course. He also finds that several large companies have at least a code of ethics and that most executives believe they work for ethical companies. However, the author discusses existing issues related to nepotism, favoritism, discrimination, and other forms of unethical behavior	Organizational structure	Management and organizations	Corruption (secondary focus)	Ethics program
Schwartz, M. S. (2013). Developing and sustaining an ethical corporate culture: the core elements. Business Horizons, 56(1), 39-50	Schwartz portrays an ethical corporate culture as a means through which companies can minimize illegal or unethical activity, including corruption. He also discusses three key elements of such a culture: core ethical values, a formal ethics program, and ethical leadership	Organizational culture Ethical leadership	Management and organizations	Corruption (secondary focus)	Ethics program
Schwartz, V. E., & Goldberg, P. (2014). Carrots and sticks: placing rewards as well as punishment in regulatory and tort law. Harvard Journal on Legislation, 51(2), 315-363	Schwartz and Goldberg discuss the implications of the U.S. Foreign Corrupt Practices Act and False Claims Act enforcement policy. The authors argue that offering "carrots" in addition to these "sticks" would optimize corporate compliance, reduce corruption, and restore fairness to enforcement actions	Laws and regulations	Law	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Short, J. L., & Toffel, M. W. (2010). Making Self-Regulation More Than Merely Symbolic: The Critical Role of the Legal Environment. Administrative Science Quarterly, 55(3), 361-396	Short and Toffel take a self-regulation approach to test program practice improvement and effectiveness. The authors argue that the legal environment significantly influences the likelihood that organizations will effectively implement the self-regulatory commitments they symbolically adopt	Laws and regulations	Management and organizations	Other	Other
Simões, E., Duarte, A. P., Neves, J., & Silva, V. H. (2019). Contextual determinants of HR professionals' self-perceptions of unethical HRM practices. European Journal of Management and Business Economics, 28(1), 90-108	Simões et al. examine the relationship between the existence of a compliance program and/or corporate social responsibility practices and human resources professionals' perceptions of ethical issues	Organizational structure	Management and organizations	Other	Ethics program
Simpson, S. S., & Piquero, N. L. (2002). Low self-control, organizational theory, and corporate crime. Law & Society Review, 36(3), 509-547	Simpson and Piquero compare a general theory of crime and an integrated organizational theory to test hypotheses related to organizational crime. They find that corporate offending propensity and behavioral indicators of low self-control are unrelated. They also find that offending is inhibited in organizations that have a working compliance program and whose members perceive the illegal act as highly immoral	Organizational culture	Law	Other	Compliance program
Singh, J. B. (2011). Determinants of the Effectiveness of Corporate Codes of Ethics: An Empirical Study. Journal of Business Ethics, 101(3), 385-395	Singh assesses what determines the effectiveness of codes of ethics and the organizational infrastructure put in place to accompany them. The study is based on perceptions of effectiveness against other compliance program components. The author finds that codes of ethics are mostly perceived to be effective when they have been useful in the recent past	Standards of conduct	Management and organizations	Other	Ethics program
Singh, J. B. (2015). Changes in the contents of corporate codes of ethics: an institutional interpretation. European Business Review, 27(4), 369-388	Singh examines the institutionalization of codes of ethics in Canada. The author finds a convergence towards isomorphism in the sense of similar content, which can be explained as a response to expectations by stakeholders such as the press and non-governmental organizations	Standards of conduct	Management and organizations	Other	Ethics program
Singh, J. B., Wood, G., Callaghan, M., Svensson, G., & Andersson, S. (2018). Operationalizing business ethics in organizations: The views of executives in Australia, Canada and Sweden. European Business Review, 30(4), 494-510	Singh et al. assess what determines the effectiveness of codes of ethics. The comparative study involves companies from three different countries and is based on executives' perceptions. The authors find that four groups of measures pertaining to internal management are positively correlated to executives' perceptions of the value of codes of ethics	Standards of conduct	Management and organizations	Other	Ethics program
Solas, J. (2016). The banality of bad leadership and followership. Society and Business Review, 11(1), 12-23	Solas focuses on bad followership to discuss why the proliferation of compliance programs and codes of conduct has not been able to stop corruption and other forms of wrongdoing	Standards of conduct	Management and organizations	Other	Ethics and compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Soltes, E. (2020). Paper Versus Practice: A Field Investigation of Integrity Hotlines. Journal of Accounting Research, 58(2), 429-472	Soltes measures the effectiveness of integrity hotlines from two different perspectives: as a misconduct reporting channel and as an opportunity to seek guidance about how to appropriately solve an ethical dilemma	Anonymous reporting systems Ethics advice	Accounting and finance	Corruption (secondary focus)	Ethics program
Stacchezzini, R., Rossignoli, F., & Corbella, S. (2020). Corporate governance in practice: the role of practitioners' understanding in implementing compliance programs. Accounting Auditing & Accountability Journal, 33(4), 887-911	Stacchezzini et al. draw on Schatzki's work to argue in favor of a practice approach to studying compliance programs. The authors argue that compliance program implementation unfolds as a practice that practitioners mentally organize according to four dimensions: practical and general understandings, rules, and teleoaffective structures	Organizational structure	Accounting and finance	Corruption (secondary focus)	Compliance program
Stankiewicz, J., & Lychmus, P. (2017). Corporate core values and professional values of Generation Y from the perspective of the effectiveness of ethics programs. Management-Poland, 21(1), 95-110	Stankiewicz and Lychmus examine how current standards of ethical behavior relate to professional values of millennials	Organizational structure	Management and organizations	Other	Ethics program
Stansbury, J. (2009). Reasoned Moral Agreement: Applying Discourse Ethics within Organizations. Business Ethics Quarterly, 19(1), 33-56	Stansbury discuss the potential for discourse ethics, conceptualized in terms of the rules of practical discourse, to facilitate decision making processes	Organizational structure Ethical leadership	Management and organizations	Other	Ethics program
Stansbury, J., & Barry, B. (2007). Ethics programs and the paradox of control. Business Ethics Quarterly, 17(2), 239-261	Stansbury and Barry frame ethics programs as (institutionalized) control systems in order to examine their potential unintended effects, such as indoctrination, politicization of ethics, and atrophy of competence	Organizational structure	Management and organizations	Other	Ethics program
Tanner, C., Gangl, K., & Witt, N. (2019). The German Ethical Culture Scale (GECS): Development and First Construct Testing. Frontiers in Psychology, 10, 17	Tanner et al. propose a German Ethical Culture Scale (GECS) to assess corporate ethical culture. The scale integrates compliance- and values-based orientations with the notion of ethical culture, especially the factors that inhibit or foster ethical behavior. The scale is tested on a sample of German and German-speaking Swiss managers and employees	Organizational culture	Management and organizations	Other	Ethics program
Thomas, T., Schermerhorn, J. R., & Dienhart, J. W. (2004). Strategic leadership of ethical behavior in business. Academy of Management Executive, 18(2), 56-66	Thomas et al. discuss the role of leadership in the establishment of a context within which people behave ethically as a matter of routine	Ethical leadership Organizational culture	Management and organizations	Corruption (secondary focus)	Integrity program
Trapp, N. L. (2011). Staff Attitudes to Talking Openly About Ethical Dilemmas: The Role of Business Ethics Conceptions and Trust. Journal of Business Ethics, 103(4), 543-552	Based on the case study of Denmark and Brazil affiliates of a global healthcare company, Trapp examines what influences employee attitudes to talking openly about ethical issues. According to the paper, interest in discussing ethical issues is influenced by employee conceptualizations of business ethics and the level of trust, credibility, and confidence among employees	Organizational culture	Management and organizations	Other	Ethics program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Tremblay, M., Martineau, J. T., & Pauchant, T. C. (2017). Managing Organizational Ethics in the Public Sector: A Pluralist Contingency Approach as an Alternative to the Integrity Management Framework. Public Integrity, 19(3), 219-233	Tremblay et al. propose the application of the pluralist contingency approach (Martineau et al., 2017) to the public sector in order to overcome the limitations of the widespread two-dimensional integrity management framework, which integrates the compliance- and values-based approaches	Organizational structure	Management and organizations	Corruption (secondary focus)	Ethics program
Treviño, L. K., den Nieuwenboer, N. A., Kreiner, G. E., & Bishop, D. G. (2014). Legitimating the legitimate: a grounded theory study of legitimacy work among Ethics and Compliance Officers. Organizational Behavior and Human Decision Processes, 123(2), 186-205	This empirical research takes a grounded theory approach to unpack the work performed by compliance officers in response to legitimacy challenges inside their organizations. By shedding light on what they call legitimacy work, Treviño et al. contribute to a better understanding of the tactics on which compliance officers rely to do their work	Organizational structure	Management and organizations	Corruption (secondary focus)	Ethics and compliance program
Valentine, S. R., Hanson, S. K., & Fleischman, G. M. (2019). The Presence of Ethics Codes and Employees' Internal Locus of Control, Social Aversion/Malevolence, and Ethical Judgment of Incivility: A Study of Smaller Organizations. Journal of Business Ethics, 160(3), 657-674	Valentine et al. evaluate the relationships among the existence of a code of ethics and employees' locus of control, social aversion, and ethical judgment of workplace incivility. They argue that codes of ethics contribute to people's perceptions of control and therefore encourage ethical reasoning in situations that involve the mistreatment of coworkers	Standards of conduct	Management and organizations	Other	Ethics program
Valentine, S., & Fleischman, G. (2008). Ethics programs, perceived corporate social responsibility and job satisfaction. Journal of Business Ethics, 77(2), 159-172	Valentine and Fleischman's propose a model according to which perceived corporate social responsibility (CSR) mediates the relationships between codes of ethics/ethics traning and job satisfaction. This exploratory study indicates that perceived CSR fully or partially mediates the positive relationships between codes/training and job satisfaction	Standards of conduct Formal training	Management and organizations	Other	Ethics program
van der Wal, Z., Graycar, A., & Kelly, K. (2016). See No Evil, Hear No Evil? Assessing Corruption Risk Perceptions and Strategies of Victorian Public Bodies. Australian Journal of Public Administration, 75(1), 3-17	van der Wal et al. examine perceptions of corruption risks and strategies to mitigate these risks in Australian public sector organizations. They find that control mechanisms currently in place are mostly against fraud	Organizational structure Formal training Ethical leadership Organizational culture	Management and organizations	Corruption (main focus)	Integrity program
Wagner-Tsukamoto, S. (2009). Consumer Ethics in Japan: An Economic Reconstruction of Moral Agency of Japanese Firms - Qualitative Insights from Grocery/Retail Markets. Journal of Business Ethics, 84(1), 29-44	Wagner-Tsukamoto develops an economic model of corporate moral agency that differentiates unintentional moral agency, passive intentional moral agency, and active intentional moral agency. The model was applied to the Japanese retail and groceries market to analyze perceptions of business ethics	Organizational structure	Management and organizations	Other	Ethics program
Wang, K. Y. (2016). Valuable Nepotism?: The FCPA and Hiring Risks in China. Columbia Journal of Law and Social Problems, 49(3), 459-493	Wang analyzes the U.S. Foreign Corrupt Practices Act and the liability risks a company faces while conducting business in China. These risks are examined with respect to the Sons and Daughters program, an initiative created to hire descendants of prominent Chinese officials and executives	Laws and regulations	Law	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Warren, D. E., Gaspar, J. P., & Laufer, W. S. (2014). Is Formal Ethics Training Merely Cosmetic? A Study of Ethics Training and Ethical Organizational Culture. Business Ethics Quarterly, 24(1), 85-117	Warren et al. measure the effectiveness of ethics training by examining the effects of training on ethical organizational culture. Proxies for ethical organizational culture are observed unethical behavior, intentions to behave ethically, perceptions of organizational efficacy in managing ethics, and the firm's normative structure, whereas unethical behavior is measured as willingness to report unethical behavior	Formal training Organizational culture	Management and organizations	Other	Ethics program
Weber, J. (2006). Implementing an organizational ethics program in an academic environment: The challenges and opportunities for the Duquesne University schools of business. Journal of Business Ethics, 65(1), 23-42	Weber analyzes the introduction, integration, and promotion of an ethics program in business schools. The case study examines the program's core components and how they were embedded in the organizational context	Organizational structure	Management and organizations	Other	Ethics program
Weber, J., & Wasieleski, D. M. (2013). Corporate Ethics and Compliance Programs: A Report, Analysis and Critique. Journal of Business Ethics, 112(4), 609-626	Weber and Wasieleski report the current state of compliance programs among American business organizations according to members of the Ethics and Compliance Officers Association. They conclude that these programs have multiple components that are implemented developmentally, are influenced by regulatory and legal efforts and have evolved into more sophisticated approaches that include risk assessment and employee performance appraisal	Organizational structure	Management and organizations	Corruption (main focus)	Ethics and compliance program
Webley, S., & Werner, A. (2008). Corporate codes of ethics: necessary but not sufficient. Business Ethics - A European Review, 17(4), 405-415.	Webley and Werner explore why reported ethical issues in organizations do not seem to be abated despite the widespread adoption of codes of ethics. The authors argue that ineffective ethics programs and deficiencies in organizational cultures are the key issues to be addressed	Standards of conduct Organizational culture	Management and organizations	Corruption (secondary focus)	Ethics program
Weissmann, A., & Newman, D. (2007). Rethinking criminal corporate liability. Indiana Law Journal, 82(2), 411-451	Weissmann and Newman argue, from a strictly legal perspective, in favor of a system that ties criminal liability to the lack of an effective compliance program as a way to encourage the design, implementation, and continuous improvement of compliance measures	Laws and regulations	Law	Corruption (secondary focus)	Compliance program
Witten, R. M., Parker, K. A., Holtmeier, J., & Koffer, T. J. (2009). Prescriptions for Compliance with the Foreign Corrupt Practices Act: Identifying Bribery Risks and Implementing Anti-Bribery Controls in Pharmaceutical and Life Sciences Companies. Business Lawyer, 64(3), 691-737	Witten et al. prescribe compliance recommendations for organizations operating in two specific industries based on the prior identification of bribery risks in those industries. A processual approach is implied in the text: in the context of the FCPA, organizations should first identify specific types and levels of bribery risks in their respective industries; then design and implement compliance initiatives that are able to control such risks	Laws and regulations	Law	Corruption (main focus)	Compliance program

Article	Contributions	Anticorruption Initiatives	Discipline	Type of Misconduct	Terminology
Yagmur, A. (2020). The Moderating Role of Ethics Program "Follow-Through" on the Effects of Ethical Leadership over Ethical Behavior and Ethical Climate. Turkish Journal of Business Ethics, 13(1), 18-25	Yagmur examines how ethics program "follow-through" relate to ethical leadership, ethical behavior, and ethical climate. The author finds that the perception of program follow-through (1) increases the positive effect of ethical leadership on employee's avoidance of unethical behaviors and (2) reduces the effect of ethical leadership on ethical climate	Organizational structure Ethical leadership Organizational culture	Management and organizations	Other	Ethics program
Yockey, J. W. (2011). Solicitation, Extortion, and the FCPA. Notre Dame Law Review, 87(2), 781-839	Yockey explores the implications of bribe requests and extortionate threats from public officials outside of the U.S. in the context of the U.S. Foreign Corrupt Practices Act	Laws and regulations	Law	Corruption (main focus)	Compliance program
Yockey, J. W. (2012). FCPA settlement, internal strife, and the "culture of compliance". Wisconsin Law Review(2), 689-716	In the context of the U.S. Foreign Corrupt Practices Act enforcement, Yockey discusses how an organization's willingness to cooperate with an investigation and the promotion of a "culture of compliance" may not converge to serve the organization's best interests	Laws and regulations	Law	Corruption (main focus)	Compliance program

Appendix 2: Data sources (chapter 2)

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
OECD	1997	OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions	https://www.oecd.org/corruption/oecdantibriberyconvention.htm	This convention is a legally-biding instrument that requires the implementation of anticorruption regulation	49	
Farid (Folha de S. Paulo)	2000	Petrobras's shares in the New York Stock Exchange	http://www1.folha.uol.com.br/folha/dinheiro/ult91u2374.shtml	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	
Oliveira (Agência Brasil)	2003	Petrobras's reputation in Brazil before the Car Wash scandal	http://memoria.ebc.com.br/agenciabrasil/noticia/2003-10-03/dutra-diz-que-aniversario-da-petrobras-e-simbolo-da-capacidade-de-luta-do-povo	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	
Agência Petrobras	2006	Oil production	https://www.agenciapetrobras.com.br/Materia/ExibirMateria?p_materia=1351	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	
Luna & Khalip (Reuters)	2007	Pre-salt discoveries	https://br.reuters.com/article/topNews/idBRN0820855620071108	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Moffett (The Wall Street Journal)	2007	Petrobras historical ascension after the pre-salt discoveries	https://www.wsj.com/articles/SB11884398884911313 8	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	3	
Petrobras	2009	New Brazilian oil and gas regulation after the pre-salt discoveries	https://www.investidorpetrobras.com.br/resultados-e-comunicados/apresentacoes/	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	28	
Petrobras	2009	Business plan	https://www.investidorpetrobras.com.br/resultados-e-comunicados/apresentacoes/	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	103	
Associated Press	2010	Petrobras's historical share offer	https://www.theguardian.com/business/2010/sep/24/petrobras-70bn-worlds-largest-share-offer	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	
Landim (Folha de S. Paulo)	2010	Petrobras's reputation in Brazil before the Car Wash scandal	http://www1.folha.uol.com.br/fsp/mercado/me1211201 054.htm	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	
Mautone (UOL Economia)	2010	Petrobras's historical share offer	https://economia.uol.com.br/noticias/redacao/2010/09/24/petrobras-deve-ficar-entre-as-cinco-maiores-empresas-do-mundo.htm	Contextual information on the Brazilian oil and gas industry in general and Petrobras in particular	1	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
OECD	2011	OECD Guidelines for Multinational Enterprises	https://www.oecd.org/daf/inv/mne/48004323.pdf	Good practices advocated by the OECD	95	
Petrobras	2011	Corporate Annual Report 2011	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption before the enactment of the Anticorruption Act	78	
Câmara dos Deputados	2012	Request concerning the anticorruption bill: OECD	https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=535085	Official request to invite the OECD to help craft the Anticorruption Act	1	
Petrobras	2012	Corporate Annual Report 2012	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption before the enactment of the Anticorruption Act	70	
Governo do Brasil	2013	Anticorruption Act	http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/l12846.htm	Institutes administrative and civil liability of legal persons in acts against the public administration in Brazil or abroad	11	
Petrobras	2013	Corporate Annual Report 2013	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act	75	
UN Global Compact (Brazil Network)	2013	Guide to Corruption Risk Assessment	https://www.pactoglobal.org.br/solucao/6	Guidelines to corruption risk assessment and promotion of ethics and compliance programs as mechanisms to mitigate such risks	74	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Cardoso (Globo.com)	2014	Intention to create a Compliance Office	http://g1.globo.com/economia/noticia/2014/11/apos-denuncias-petrobras-cria-diretoria-de-governanca.html	Measures taken by Petrobras in response to the Car Wash scandal	1	
Petrobras	2014	Denials and corrections	https://web.archive.org/web/20140804203017/http://www.petrobras.com.br/fatos-e-dados/home/categoria/desmentidos-e-correcoes.htm	Measures taken by Petrobras in response to the Car Wash scandal	1	
Petrobras	2014	Corporate Annual Report 2014	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	94	
Valle & Katz (Revista Exame)	2014	Internal investigations	https://exame.com/brasil/petrobras-abriu-investigacao-interna-por-pressao-da-pwc/	Measures taken by Petrobras in response to the Car Wash scandal	1	
Controladoria Geral da União	2015	Hospitality and gift policy	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/cartilha_anticorrupcao.pdf	Guidelines to Brazilian companies operating outside of Brazil	16	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Controladoria Geral da União	2015	Guidelines to the private sector	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/programa-de-integridade-diretrizes-para-empresas-privadas.pdf	Guidelines to the implementation of an ethics and compliance program in private sector companies	28	
Controladoria Geral da União	2015	Guidelines to the public sector	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/guia_estatais_final.pdf	Guidelines to the implementation of an ethics and compliance program in state companies	104	
Governo do Brasil	2015	Anticorruption Act's implementing decree	http://www.planalto.gov.br/ccivil_03/_Ato2015-2018/2015/Decreto/D8420.htm	Institutes ethics and compliance programs as organizational anticorruption mechanisms	15	
O Estado de S. Paulo	2015	Deposition of the CEO to the Car Wash task-force	https://www.youtube.com/watch?time_continue=1776&v=9TkDOJZlLOg&feature=emb_logo	Measures taken by Petrobras in response to the Car Wash scandal		0,5
Petrobras	2015	Audited financial statements	https://web.archive.org/web/20150426005000/http://www.petrobras.com.br/fatos-e-dados/divulgamos-nossas-demonstracoes-contabeis-auditadas.htm	Measures taken by Petrobras in response to the Car Wash scandal	1	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2015	Corporate Annual Report 2015	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	108	
Petrobras	2015	Corruption Prevention Program	https://petrobras.com.br/pt/quem-somos/perfil/compliance-etica-e-transparencia/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	28	
Petrobras	2015	Multimedia campaign: What is being done to prevent corruption?	https://www.youtube.com/watch?v=NqHN4aeP6BQ	Detailed information on Petrobras's ethics and compliance practices		0,05
Petrobras	2015	Multimedia campaign: What is being done to recover the embezzled money?	https://www.youtube.com/watch?v=ySYxolFLoMc&list=PLJGZ8X1mZTR_PDUEBQSGN47KWCT6EvYR9&index=1	Detailed information on Petrobras's ethics and compliance practices		0,05
UN Global Compact (Brazil Network)	2015	Anticorruption Pact	https://www.pactoglobal.org.br/filtrar-publicacoes	Assessment of good practices advocated by the UN Global Compact	56	
Watts (The Guardian)	2015	CEO's resignation	https://www.theguardian.com/world/2015/feb/04/petrobras-chief-resigns-brazil-corruption-scandal	Measures taken by Petrobras in response to the Car Wash scandal	1	
Netto	2016	Operation Car Wash	N/A	Contextual information on the Car Wash scandal	416	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Paduan	2016	Operation Car Wash	N/A	Historical information on Petrobras, from its creation to the Car Wash scandal	400	
Petrobras	2016	Multimedia campaign: Which measures has Petrobras been taking to avoid embezzlement?	https://www.youtube.com/watch?v=4jPxuPQb6hA&list=RDCMUC4_m_Lx5ngLtVq8eOXPdF_w&start_radio=1&rv=4jPxuPQb6hA&t=3	Detailed information on Petrobras's ethics and compliance practices		0,05
Petrobras	2016	Multimedia campaign: What is Petrobras doing to make its contracting safer?	https://www.youtube.com/watch?v=cXTS-BK0ojE	Detailed information on Petrobras's ethics and compliance practices		0,05
Petrobras	2016	Multimedia campaign: A calm sea never made a good sailor	https://www.youtube.com/watch?v=8PNHLNLx4l4	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2016	Corporate Annual Report 2016	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	243	
UN Global Compact (Brazil Network)	2016	Guidelines to clients and suppliers	https://www.pactoglobal.org.br/solucao/6	Guidelines to clients and suppliers and promotion of compliance programs as mechanisms to mitigate corruption risks	40	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Bloomsberg Businessweek	2017	Operation Car Wash	https://www.bloomberg.com/news/features/2017-06-08/no-one-has-ever-made-a-corruption-machine-like-this-one	Contextual information on the Car Wash scandal	3	
Controladoria Geral da União	2017	Implementation of integrity programs	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/manual_profip.pdf	Manual to the implementation of an ethics and compliance program	59	
OECD	2017	OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector	https://www.oecd-ilibrary.org/docserver/9789264252462-en.pdf?expires=1620744176&id=id&accname=guest&checksum=442292139F5F715957FF646B221BB112	Good practices advocated by the OECD	118	
Petrobras	2017	Multimedia campaign: Petrobras at #HSM2017 - Governance, compliance, and the importance of organizational culture	https://www.youtube.com/watch?v=Dp-QujguPSk	Short interview of an ethics and compliance executive in a management colloquium highlighting Petrobras's ethics and compliance practices		0,02
Petrobras	2017	Multimedia campaign: What is compliance after all?	https://www.youtube.com/watch?v=FLpEEY8v14I	Short interview with an ethics and compliance expert and a Petrobras executive advocating internal ethics and compliance programs		0,05

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2017	Multimedia campaign: Understand the meaning of Due Diligence	https://www.youtube.com/watch?v=T8BLDbcbXWg	Short interview with an ethics and compliance expert and a Petrobras executive advocating the ripple effect of ethics and compliance programs across supply chains		0,07
Petrobras	2017	Multimedia campaign: Corporate Governance	https://www.youtube.com/watch?v=N-F8dYJOnJk	Short interview with an ethics and compliance expert and a Petrobras executive advocating good practices of corporate governance		0,07
Petrobras	2017	Multimedia campaign: The importance of governance in business	https://www.youtube.com/watch?v=yF-S4hgaz5c	Short interview with an ethics and compliance expert and a Petrobras executive advocating good practices of corporate governance		0,07
Petrobras	2017	Multimedia campaign: Management, purpose, and organizational culture	https://www.youtube.com/watch?v=junDkj8g0Dg	Short interview with Petrobras's CEO about the company's purpose and organizational culture		0,10
Petrobras	2017	Corporate Annual Report 2017	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	135	
Petrobras	2017	Reference Form 2017	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	948	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2017	Repercussions of the Car Wash scandal in the press	N/A	Consequences of the Car Wash scandal according to then CEO Pedro Parente	3	
Revista Veja	2017	Disciplinary measures	https://veja.abril.com.br/economia/petrobras-afasta-diretor-de-compliance-apos-erro-grave/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	1	
Watts (The Guardian)	2017	Operation Car Wash	https://www.theguardian.com/world/2017/jun/01/brazil-operation-car-wash-is-this-the-biggest-corruption-scandal-in-history	Contextual information on the Car Wash scandal	3	
Almeida (TN Petróleo)	2018	Class action settlement	N/A	Consequences of the Car Wash scandal vis-à-vis the U.S. Foreign Corrupt Practices Act, which inspired Brazil's Anticorruption Act	3	
Controladoria Geral da União	2018	Evaluation of integrity programs of investigated companies	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/manual-pratico-integridade-par.pdf	Manual for regulators to assess integrity programs similar in spirit to the U.S. Sentencing Guidelines	76	
Mota (BBC Brasil)	2018	Political influence at Petrobras	https://www.bbc.com/portuguese/brasil-44323966	Contextual information on the political influence at Petrobras	1	
Neira & Papp (O Estado de S. Paulo)	2018	Compliance as culture	N/A	Thematic section on compliance advocating in favor of ethics and compliance programs in Brazil	7	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Nuñez & Santos (Transparency International Brazil)	2018	Business Integrity National Agenda	https://anticorrupcao.direit orio.fgv.br/projetos/negoci os	Larger initiative that includes the assessment of ethics and compliance practices in Brazil	87	
OECD	2018	OECD Due Diligence Guidance for Responsible Business Conduct (for MNE)	http://mneguidelines.oecd. org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf	Good practices advocated by the OECD	100	
Petrobras	2018	Multimedia campaign: 10 Anticorruption actions—we are reviewing this story	https://www.youtube.com/ watch?v=Ez3FJnS0RmQ	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 1	https://www.youtube.com/ watch?v=IAFncfukOAo	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 2	https://www.youtube.com/ watch?v=3DBOWrD5Bsc	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 3	https://www.youtube.com/ watch?v=Yt8y3ZOaG1M	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 4	https://www.youtube.com/ watch?v=ktfyydQIGPk	Discursive practices in response to the Car Wash scandal		0,02

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—before talking we needed to do	https://www.youtube.com/ watch?v=GrP-du8Kgu4&list=PLJGZ8X1 mZTR-1e6swx_BzdaHov9oLurY0 &index=2	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 6	https://www.youtube.com/ watch?v=K5GXoKxO5Yw	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 7	https://www.youtube.com/ watch?v=T0JfaTqnfdk	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 8	https://www.youtube.com/ watch?v=up37e2xvbDc	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 9	https://www.youtube.com/ watch?v=6XO5ZCfCG5w	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—video 10	https://www.youtube.com/ watch?v=oIeYxDoMnrM	Discursive practices in response to the Car Wash scandal		0,02
Petrobras	2018	Multimedia campaign: 10 Main anticorruption actions—rewind	https://www.youtube.com/ watch?v=h-cYHX0NFdw	Discursive practices in response to the Car Wash scandal		0,02

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2018	Corporate Annual Report 2018	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	131	
Petrobras	2018	Reference Form 2018	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	838	
Petrobras	2018	Class action settlement	https://petrobras.com.br/en/news/petrobras-signs-agreement-in-principle-to-settle-class-action-in-the-u-s.htm	Consequences of the Car Wash scandal vis-à-vis the U.S. Foreign Corrupt Practices Act, which inspired Brazil's Anticorruption Act	1	
Sanen & Donegá (Transparency International Brazil)	2018	Integridade e Empresas no Brasil	https://comunidade.transparenciainternacional.org.br/asset/25:bica-integridade-e-empresas-no-brasil?stream=1	Assessment of good practices advocated by TI Brasil	56	
Various	2018	Class action settlement	N/A	Consequences of the Car Wash scandal vis-à-vis the U.S. Foreign Corrupt Practices Act, which inspired Brazil's Anticorruption Act	60	
Various	2018	Class action settlement	N/A	Consequences of the Car Wash scandal vis-à-vis the U.S. Foreign Corrupt Practices Act, which inspired Brazil's Anticorruption Act	24	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Wilkinson (Transparency International)	2018	State-Owned Enterprises: Beacons of Integrity? The Case for Implementing the 10 Anti-Corruption Principles for State-Owned Enterprises	https://images.transparencycdn.org/images/2018_SOE_Paper_EN.pdf	Assessment of good practices advocated by TI	35	
Controladoria Geral da União	2019	Brazilian companies operating in foreign countries	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/empresas-brasileiras-no-exterior.pdf	Guidelines to Brazilian companies operating outside of Brazil	22	
Petrobras	2019	Corporate Annual Report 2019	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	42	
Petrobras	2019	Reference Form 2019	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	832	
Controladoria Geral da União	2020	Evaluation of integrity programs in plea deals	https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/acordo-de-leniencia_orientacoes-as-empresas.pdf	Guidelines to companies similar in spirit to the U.S. Sentencing Guidelines	13	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Martini (CNN Brasil)	2020	Exposure in the press related to the Car Wash scandal	https://www.cnnbrasil.com.br/nacional/2020/09/10/lava-jato-pf-cumpre-mandados-de-busca-e-apreensao-na-sede-da-petrobras-no-rj	Contextual information on Petrobras' continued exposure in the press related to the Car Wash scandal	1	
OECD	2020	Corporate Anti-corruption Compliance Drivers, Mechanisms and Ideas for Change	http://www.oecd.org/daf/anti-bribery/Corporate-anti-corruption-compliance-drivers-mechanisms-and-ideas-for-change.pdf	Good practices advocated by the OECD	94	
Petrobras	2020	Corporate Annual Report 2020	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	220	
Petrobras	2020	Reference Form 2020	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Measures taken by Petrobras to curb corruption after the enactment of the Anticorruption Act, especially a comprehensive ethics and compliance program	824	
Petrobras	2020	Awards and certifications	http://www.petrobras.com.br/en/about-us/our-history/awards-and-certifications/	Contextual information on Petrobras' history	1	
Petrobras	2020	Shareholding structure	https://www.investidorpetrobras.com.br/en/overview/shareholding-structure/	Contextual information on Petrobras' history	1	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Petrobras	2020	Shares, dividends, and debt	https://www.investidorpetrobras.com.br/en/shares-dividends-and-debt/shares/	Contextual information on Petrobras's history	1	
Petrobras	2020	Dialogues for Integrity	https://www.youtube.com/playlist?list=PLJGZ8X1mZTR_aMh1uMYBc2ylBFzFZw_gf	Detailed information on Petrobras's ethics and compliance practices		15,5
Petrobras	2020	Code of ethics	https://petrobras.com.br/data/files/32/E1/14/8E/1F103710FADC1F27D438E9C2/Codigo_de_Conduta_Etica29062020.pdf	Detailed information on Petrobras's ethics and compliance practices	18	
Petrobras	2020	Code of ethics for suppliers	https://petrobras.com.br/data/files/59/75/C1/97/623D6710A93DC867A3E99EA8/Guia%20de%20conduta%20etica%20para%20fornecedores.pdf	Detailed information on Petrobras's ethics and compliance practices	14	
Petrobras	2020	Code of conduct	https://petrobras.com.br/pt/quem-somos/perfil/compliance-etica-e-transparencia/	Detailed information on Petrobras's ethics and compliance practices	18	
Petrobras	2020	Code of good practices	https://petrobras.com.br/pt/quem-somos/perfil/compliance-etica-e-transparencia/	Detailed information on Petrobras's ethics and compliance practices	73	

Author	Year	Data	Address	Relevance	Length (Pages)	Length (Hours)
Transpaency International Brazil	2020	Brazil: Setbacks in the Legal and Institutional Anti-Corruption Frameworks - 2020 Update	https://transparenciainternacional.org.br/retrocessos/#	Contextual information on the current Brazilian political and legal environment	35	
Vianna & Hising (Globo.com)	2020	Exposure in the press related to the Car Wash scandal	https://g1.globo.com/pr/parana/noticia/2020/05/11/lava-jato-aldemir-bendine-ex-presidente-da-petrobras-e-condenado-por-corrupcao.ghtml	Contextual information on Petrobras's continued exposure in the press related to the Car Wash scandal	1	
Bourcier & Estrada (Le Monde)	2021	Operation Car Wash	N/A	Contextual information on the Car Wash scandal, particularly the role played by the U.S. Department of Justice	3	
Harris (Financial Times)	2021	Operation Car Wash	https://www.ft.com/content/759fc4d5-7ac7-4db9-8310-981bc5bc6fe8	Contextual information on the Car Wash scandal, particularly the termination of the task-force	5	
Petrobras	2021	Current governance practices	https://www.investidorpetrobras.com.br/en/investors-services/downloads-center/	Contextual information on current governance practices at Petrobras	1	
UN Global Compact (Brazil Network)	2021	Corruption in the private sector	https://www.pactoglobal.org.br/filtrar-publicacoes	Good practices advocated by the UN Global Compact	23	
Petrobras	2013-2021	Facts and Figures blog	https://petrobras.com.br/fatos-e-dados/	Contextual on Petrobras' responses to the Car Wash scandal	130	

Appendix 3: Interview guide for procurement managers (chapter 3)

1.   Can you tell me about the department you are currently working for?

2.   What do you do in your department? What are your main activities?

3.   Can you describe a typical day at work?

4.   How did the compliance program change the way you work?

5.   How did your department adjust its practices to meet compliance requirements?

6.   How did you adjust your activities to meet compliance requirements?

7.   Could you give me an example?

8.   What were the problems you ran into?

9.   What did you do to "fix" the problems?

10.   From a procurement perspective, do you think the compliance program addresses the causes of the events in 2014?

11.   Could you give me an example?

12.   Do you perceive Compliance as a sort of "ally" of procurement workers?

13.   How do you think they help you do your job?

14.   How would you describe an integrity culture, a theme that has been gaining traction since 2019?

15.   How does Compliance communicate the program's development?

16.   How do you think the compliance program has helped the company recover from the bad publicity in 2014?

17.   Do you think it is integrated into the company's processes?

18.   If you could improve something in the compliance program, what would it be?

19.   Why?

20.   What are your hopes for Compliance in the company?

Appendix 4: Interview guide for ethics and compliance managers (chapter 3)

1.   Can you tell me about the department you are currently working for?

2.   What do you do in your department? What are your main activities?

3.   Can you describe a typical day at work?

4.   What were the main challenges of the implementation of the compliance office in 2015?

5.   What were the main challenges of the development of the program over the years?

6.   How did your department adjust its practices to overcome such challenges?

7.   How did you adjust your activities to these changes?

8.   Could you give me an example?

9.   What were the problems you ran into?

10.   What did you do to "fix" the problems?

11.   Do you use any specific tools to support your work? For example, newsletters, intranet posts, banners, events?

12.   How do you think they help you?

13.   How do you think other departments, such as procurement and business units, perceive Compliance?

14.   What do you do to show these people what your department is about?

15.   Could you give me an example?

16.   How would you describe an integrity culture, a theme that has been gaining traction since 2019?

17.   How do you think the compliance program has helped the company recover from the bad publicity in 2014?

18.   Do you think it is integrated into the company's processes?

19.   What are your hopes for compliance in the company?

Appendix 5: Interview guide for non-procurement, non-ethics and compliance managers (chapter 3)

1.   Can you tell me about the department you are currently working for?

2.   What do you do in your department? What are your main activities?

3.   Can you describe a typical day at work?

4.   How did the compliance program change the way you work?

5.   How did your department adjust its practices to meet compliance requirements?

6.   How did you adjust your activities to meet compliance requirements?

7.   Could you give me an example?

8.   What were the problems you ran into?

9.   What did you do to "fix" the problems?

10.   From your department's perspective, do you think the compliance program addresses the causes of the events in 2014?

11.   Could you give me an example?

12.   How would you describe your department's relationship with Compliance?

13.   How would you describe an integrity culture, a theme that has been gaining traction since 2019?

14.   How does Compliance communicate the program's development?

15.   How do you think the compliance program has helped the company recover from the bad publicity in 2014?

16.   Do you think it is integrated into the company's processes?

17.   If you could improve something in the compliance program, what would it be?

18.   Why?

19.   What are your hopes for Compliance in the company?