

## **Identity, Contagious and the Interactionism Perspective on Organizational Corruption**

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The objective of this study is to shed light on the manifestation of identities through symbolic interaction among individuals, groups and organizations, as an antecedent of organizational corruption. Usually, corruption produces undesirable impacts to both public and private organizations and, in particular, economic losses. The United Nations (UN) estimates that the amount of misappropriated resources in several categories of corruption corresponds to the expressive value of 5% of the Global Gross Domestic Product (GDP) (OECD, 2014). Transparency International (2020) shows that top scoring countries on the Corruption Perceptions Index (CPI) like Denmark, Switzerland and Iceland are not immune to corruption. While the CPI demonstrates these public sectors to be among the cleanest in the world, corruption still exists, particularly in cases of money laundering and other private sector corruption (TRANSPARENCY INTERNATIONAL, 2020).

Essentially, organizational corruption expresses an action for noncompliance of institutionalized rules, comprised in a delineated, legitimized and restrictive structure. Its agents, the individual, group or organization seek private gains, through strategies and procedures that corrupt the environment integrity, and normative structures (PINTO *et al.*, 2008; LANGE, 2008; SCHEMBER, SCHERER, 2017; CASTRO, PHILLIPS, ANSARI, 2020).

The literature on corruption consists on a variety of perspectives including ethical decision-making (JONES, 1991; BASHIR, HASSAN, 2019), government, political and legislative corruption (SCHLEIFER; VISHNY, 1993; NICE, 1986; JAIN, 2001; HAUSER 2019); normalization of corruption (ASHFORTH; ANAND, 2003; CASTRO, PHILLIPS, ANSARI, 2020) and social networks (NIELSEN, 2003; YU, KANG, RHODES, 2018). While management scholars have examined corruption at those different perspectives, the organizational subjective level studies are until underexplored.

Studies on corruption are still incipient in the organizational behavior perspective. Mainly they are focused on the gaps of the structure and antecedent of corruption (PINTO *et al.*, 2008; PERTIWI, 2018). In a broader view, the cross-country researchers focus on the political and economic macro aspects. In a more restrict and institutional dimension, they consider aspects related to management and governance. In a behavioral approach, the corrupt personality is generically treated in narrow conceptions associated, for instance, to character and sociopathy.

Generally, ontological aspects on corruption have been addressed secondarily in relation to political, managerial, economic and cultural contingencies (ANDVIG; FJELDSTAD, 2001; GLAESER; GOLDIN, 2006; HEIDENHEIMER, 1970; MISANGYI *et al.*, 2008; NYE, 1967; PINTO *et al.*, 2008; ROSE-ACKERMAN, 2006; SVENSON, 2005; TAYLOR, 2009). However, organizational corruption may also be understood through symbolic interaction among individuals, groups and organizations, and as a development factor. In an exploratory and discursive methodological perspective, these elements have their own identity formations (HATCH; SCHULTZ, 2004; PINTO *et al.*, 2008; JOSHI, MCKENDALL, 2018).

Symbolic interactionism is an alternative phenomenological method to the organizational studies, especially in cases where the researcher seeks to understand the meanings that make sense to the existence of organizations, investigating the empirical world as it presents itself, defined and interpreted by the participants (BLUMER, 1986; CASTRO, PHILLIPS, ANSARI, 2020). In this perspective the corrupt agent could be understood through the collective dynamics; their identity develops under direct or indirect influence of groups. Therefore, in this research we intend to answer the following question: how do identities manifest themselves and contribute to a contagious process in organizational corruption?

## Symbolic interactionism on organizational corruption

Our conception framework consists on the context of individual interactions, identity manifestations and collective contagium to understand organizational corruption. We adopt the symbolic interactionism to interact those constructs. The symbolic interactionism may be considered a scientific theory or a method based on the following ideas (SCHLENKER, 1980; BLUMER, 1986; BRYMAN, 1995; LOW, THOMSON, 2021):

- a) The meaning of things comes from some dynamic social interaction that individuals perform with one another;
- b) Meanings may be manipulated and modified through an interpretative process;
- c) The individual and society are inseparable and interdependent units;
- d) The answer of an individual to an action of another person is based on the first meaning attributed to this action;
- e) Social life is seen through a symbolic interactionism as an unfolding process to which a person interprets his or her environment and acts based on that interpretation;
- f) Reality is defined as beliefs that are intersubjectively shared among members of a social group.

According to the interactionists, symbolic representations influence the formation of human behavior. It enables a comprehension of several social phenomena, among which organizational corruption could be inferred. Here reality consists in a system of significant actions' interpretations (MORGAN; SMIRCICH, 1980) where individuals negotiate social realities through a dialectical interaction between the "I" - inner desires of the individual, and the "me" - related to how the individual is expected to behave by the others in a particular situation.

Much of the research on organizational identity is based on the idea that identity is formed in the interaction between the "self" and the "other" in internal-external dialectic, from mirror images, which are reflected, expressed, and printed. The organization's members develop their identity in relation to what others perceive from them, and what they think they are.

The identity of the individual, group and organization arises from these dynamic interactions, because they are essentially relational, in the extent that no individual, group or organization can have its identity built from itself. It is also a way of differentiation, which corresponds to a particular self able to reference the continuity of certain behaviors. Identity refers to the character of what remains identical to itself, and individualization. It condenses a number of meanings, including the processes of construction of the self and the recognition processes, which relate to different records of social relations (GAULEJAC, 2005; LOW, THOMSON, 2021).

The dynamics of both organizational and individual identities are a social process, and they are manifested in the organizational dysfunctions as an obstacle to effectiveness (HATCH; SCHULTZ, 2004). Regarding corruption, as one of these disorders, the above assertions suggest the individual, groups and organizations corrupt identities are formed in an environment of dialogic interaction, under the influence of symbolic representations.

The symbolic representation is developed as a product and as a psychological and social drafting process of organizational reality according to individual perceptions, but it is also shared by a social group, which sets ordinary modes of thought, myths and rules that regulate and legitimize the collective behavior, while qualifying communication (BAUDRILLARD, 1994; LOW, THOMSON, 2021). The representations manifest themselves in the form of images, concepts, categories, theories, but they are not reduced to cognitive components.

This phenomenon involves the formation and the experience of certain institutional idealizations such as public accountability, respect for private property, transparency, justice as

well as the social mission of the organization. Idealization refers to what it is primarily an abstraction and imaginary. It means neither fair nor good. It constitutes a subjectively perceived idealization which manifests as a reference of what should be principled and in certain cases, should not be corrupted.

These representations manifested on the individual identity reveal two phenomena: a diffuse sense of belonging to one another and a sense of distance or alienation of oneself in relation to others. In this last, which is compatible as an antecedent of corruption, the individual experiences the feeling that people who hold power in the organization are indifferent to their needs. They also could feel a lack of social recognition and social values. The organization's members not only develop their identity in relation to what others say about them, but also in relation to how they perceive themselves (HATCH; SCHULTZ, 2004; JOSHI, MCKENDALL, 2018).

Studies on psychodynamics confirm the fact that individuals, at a certain time, may possess mutually excluding representations of an organization. The organization may thereby be perceived as both a "good" object, which is a source of rewards, but also as a "bad" object, source of frustration. These simultaneous and antagonistic perceptions produce a defensive reaction (cleavage phenomenon) which leads an individual or a group to separate the positive projections from the negative ones, and to follow whatever they decide to choose. It could influence the affectivity concerning the organizational rules (VRIES; MANFRED, 2009).

Gabriel (2012, p. 4) developed the concept of "organizational miasma" that corresponds to a state of contagious pollution-material, psychological and moral that afflicts all who work at the organization. As in the case of corruption, it explains some intriguing qualities, that particular dysfunctions absorb the culture of the organization. The boundaries between public and private lives do not seem to make more sense anymore in a reflective apparent pathology.

Pinto *et al.* (2008) consider that the group influence as contagious happens in two ways: (a) relational, when it stems from the interaction of one or more individuals and (b) structural equivalence, when individuals do not relate directly, but are influenced by a pattern of institutional behavior. According to the authors, when corruption becomes part of the organizational culture, the pressure to the involvement of individuals, especially the new members, usually occurs from top down, with the endorsement and participation of the ruling elite (MYINT, 2000).

The influence of the relationship group is manifested by social coercion. Individuals influence each other in a way that, even those ones, who could have a transgressive behavior, refrain themselves from the desire to undertake it. In the same way individuals with a history of ethical commitment could be encouraged by the external environment, to act contrary to their values (FREUD, 1974). In some cases, the social coercion works just like a contagious, metaphorically understood as the "broken window" theory (KELLING; COLES, 1996), an environment with many damaged windows left unrepaired for a long period. People in this place tend to break more windows, stimulated by the apparent legitimacy. Another related to contagious theory is the "pluralistic ignorance" theory in which individuals of the same group transgress because they believe that others will behave in the same way (PINTO *et al.*, 2008, p 13; PALMADE, 2005; ROTHSTEIN, 2011; CASTRO, PHILLIPS, ANSARI, 2020).

The contagious, as a hypnotic phenomenon, disseminates in the group establishing specific characteristic that will determine the behavior trend that they should have. "In a group, every feeling and every act are contagious, and contagious in a degree immediately sacrifices personal interests in favor of the collective interest" (FREUD, 1974: 98). People act differently in groups than individually, regardless of who they are. A sort of collective mind takes these individuals, and even when they act alone, they are under the influence of the social group; feelings of a group are always very simple and exaggerated.

From the perspective of symbolic interactionism, the contagious is also explained by the theory of roles, in which individuals assume behaviors inspired by people with whom they interact. Thus, people assume the expectation of identity that others have about themselves, considering been more appropriate and comfortable. The same occurs with the organization, whose identity is shaped in emerging contexts of interaction or social gatherings, as prescribes the new institutionalism (BERGER; LUCKMANN, 1989).

### Methodology

We adopted a methodology based on phenomenology. This method of inquiry is based on the premise that reality consists of events as they are perceived in human consciousness. The phenomenological method poses two distinct challenges: the thematic and the expressive dimensions of inquiry, which have implications for semantic and mantic, discursive and nondiscursive understanding (MORTARI; TAROZZI, 2010).

Six organizational corruption phenomenas was selected to understand identities manifestations and the collective contagious of organization corruption. The phenomena listed for convenience took place at companies and cooperatives from public and private sectors. In total, 13 people were interviewed (Table 1).

Data collection was based on the perceptual experience of professionals working in public and private organizations, with regard to the manifestation of identity and contagious in the organizational corruption. Through a phenomenological reduction it was possible to get the essence of the discourses from the investigated phenomenas. To register, systemize and analyze the oral transcriptions we use the thematic analysis. Thematic analysis is a search for themes that emerge as being important to the description of the phenomenon. The process involves the identification of themes through careful reading and re-reading of the data. It is a form of pattern recognition within the data, where emerging themes become the categories for analysis (FEREDAY; MUIR-COCHRANE, 2006).

**Table 1**  
**Phenomena sample: corrupt practices, organizations and interviewed**

<b>Corrupt practices and organizations</b>	<b>Interviewed</b>
1) Fraud in small family business.	The owner manager and an agent of control as complicit of the corruption practices.
2) Fraud and peculation in a large public agency, specializing in engineering and maintenance construction.	Two auditors who participated in the investigation of those practices.
3) Favoritism and bribery in a large City Hall.	Two correctional agents and a sector colleague of the corrupt agent. They are all public servers.
4) Embezzlement, favoritism and fraud in a large cooperative.	The lawyer who has directly participated in the investigation and trial, one member of the board of directors and one chief of staff of the general director of the public agency where the cooperative individuals worked.
5) Certified fraud for qualification in a competition conducted by the state-owned company.	The coordinator of the bidding process and the chairman of the ethics board.
6) Embezzlement in medium-sized cooperative.	The current president who succeeded the corrupt agent.

Through processing the data from our interviews, we have explored the speech meanings of the researched subjects. The complexity of representations required a more dialectical interpretation, so that the most hidden meanings could be understood, from a theoretical and instrumental inspiration of the discourse analysis (FAIRCLOUGH, 2001). The

intention was to absorb and deepen the significance of the messages and to interpret their meanings; *what one says and how it is said* (PUTNAM; FAIRHURST, 2001). The speeches were separated and targeted according to the concepts of identity, contagious and symbolic representations that have been expressed through the phenomena of the corrupt actions performed.

### **Organizational corruption phenomena: identity, contagious an symbolic manifestations**

Further six studied phenomena will be described.

#### **Phenomenon 1 - Fraud in a family business**

Phenomenon 1 takes place in a small company owned by a couple. One of the interviewees, who are also the owner, works part time on the project management and part time performing the company duties. The other employees work full time. The attendance record was defrauded by their employees for approximately two years. When the act of corruption was discovered, the owners punished lightly the corrupt agents by suspending certain benefits. The reason for not dismissing them was the difficulties in performing new hires, considering that this team was a rare professional asset in the market: *"I depend on a specialized team, so I was very condescending"*; besides, there was also the risk to harm the company, in case of any claims at the labor courts.

The absence of the owner in the workplace provided an opportunity of transgression of the electronic point control and the contagious collectivization of the employees, in which they all could have some benefit from this attitude. Then the identity process moves towards the group and staff, which were previously considered reliable but when they were infected; they interact in order to disobey the working hours due to their personal interests. The symbolic aspect is manifested in the violation of the organizational rules and the lack of control by the directors. The owner has expressed her frustration towards the employees' non-compliance to the company's rules, by collectively take control of the group behaviors.

We may say, more objectively, that the owner's identity blends with the organizational identity, as it was noticed in the indignation of this statement, when she finds out the corrupt act, *"then, my world fell apart because I could not believe it; I just asked, 'since when?' But he could not answer me, because it has always been like that"*. On the other hand, in a dialectical perspective, it is arguable that the employees' discomfort towards the company's controlling meant a lack of identity ties among the staff, who were driven by private interests, and the values of the company owners.

However the company director gave also priority to her personal interests. When the employee' productivity depended on her presence, they could not always count on her because she was there just part time, due to the fact that she had to dedicate herself to another organization, as well. The owner's confidence in her staff self-control attitude in relation to their attendance control has been impaired by the weakening of the identity of employees with the organization.

Even though it is legitimate, the decision to control the staff, just using technology, has contributed to the situation of their lack of commitment and its contagious. Employees perceive themselves as a group with their own identity and emotional ties, providing a favorable environment for infection. It is possible that the younger employees and the individuals who were less identified with the organization, have initiated fraud procedures of attendance records, and this practice has infected the others, becoming a normal and routine behavior in the group, as stated by the owner: *"These people (new) ended up influencing even those who were opposed to it"*.

## **Phenomenon 2 - Bribery and fraud in public organization department**

The second phenomenon occurs in the regional coordination of a large government department of engineering. The main corrupt actor is a civil servant who performs passenger vehicle inspections and authorizes the transit of claimants, according to standardized criteria. Many of these inspections were conducted far away from the regional office, in rural areas, and on such occasions, the agent was given in cash the City Hall fees through fraudulent forms and the agent kept these values. The interviewed auditors considering the possibility that the employee has also been bribed to provide transit permits for irregular vehicles: *"...it may have happened the guy pay a kickback ... because ones car was totally irregular; the guy would spend R\$ 900 to fix it. Instead... well, I'll give you R\$ 600; if you release my car ... he may have done that"*.

Here, the interactions for practicing the corrupt actions take place between a government employee and private agents. Contagious is collectivized between the owners of transport vehicles, when they learned about the possibility of decreasing costs with irregular inspections, and they pay bribes to achieve their goals. The identity of the public servant is manifested with the inefficiency of his organization that had no interest in controlling their activities, a government unit in which *"other managers of the department performed acts of corruption as well, in a normal and impunity environment"*. When realizing the symbolic - ambivalence of lack of control and punishment - the corrupt agent identifies the opportunity to individually take advantage of the situation. Ones identity is revealed as the stones thrower quoted in the broken windows theory; since I benefit myself another broken window will make no difference (KELLING; COLES, 1996).

From the statements we perceive a lax organization regarding the control and absent in monitoring corrupt practices. Most of the acts of corruption were not found, and those responsible were not punished, largely because of the case of favoritism and bribes undocumented and unreported. This environment of impunity has infected the corrupt agent, who is moved by the representation of normal organizational corruption.

Another attempting of contagious occurs through a minority group of transgressors who interacts with another group predominantly made up of honest people. This paradox of having to live with antagonistic situations of identity reinforces that the individual cohesion with the organization comes separately and indirectly, through interpersonal interaction in the specific core of the organizational identity (ASHFORTH; MAEL, 1989). Thus, the interaction modes of the individual may continue to believe in the integrity of their organization, despite evidence of irregularities.

This positive perception of the organization promotes the idea of a transgressor identity profile of the corrupt agent. When prevailing in the organization, the ethics and morality orient the employees to behave in accordance with the law and with the internal rules. In this case the corrupt agent behavior would result from an individual initiative. A discursive interpretation of interviewee's statement confirms this observation: *"... When the guy had no proper nurture and education from his family, it is pointless; if you put a bandit in the middle of fifty honest people, that villain will steal"*. Therefore, when the environment is contaminated due to the inefficient means of control, it helps even more the activities of the corrupt agent (SUNDSTROM, 2019).

## **Phenomenon 3 - Bribery and fraud in the City Hall assistance sector**

The third phenomenon occurs in the citizen assistance of a City Hall's large department. In this place they are in charge of the renegotiation of taxes and debts. Here the corrupt agent has a career as a server, and he stood out among other co-workers, because of his knowledge

on this theme, positioning himself as a guiding reference for the newer servers. This position enabled the agent to perform, with certain exclusivity, certain procedures towards the residents. The corrupt act consisted in guiding the residents to seek for the support of a specific dispatcher to get off the debts through precatory titles. This procedure was unnecessary, since the discount could be achieved directly in the City Hall. Excessive indications for the same dispatcher eventually had warning the magistrates and the evidence of spurious earnings emerged. This public agent was supposedly bribed by the dispatcher.

Symbolic representations when shared by social groups express perceptions bounded by collective goals. The magistrates considered that the institutional logic was corrupted to the extent that the organization was able to meet the demands of the citizens, without the dispatcher. For the citizens, the corrupt agent would be helping them to get a reduction of their debts at the City Hall. The corrupt agent claims to have acted regularly indicating the dispatcher to the citizens. However, according to the report of control agents, this employee acted with rationality and objectivity, taking advantage of the excessive autonomy in serving citizens. He used his long time server condition, towards the other employees, to build a more powerful environment in which he manipulated rules and influenced the servers to benefit him.

The contagious which precedes the actions manifests itself in previous relationship of the employee at the Attorney Office. The agent had previously served as shyster together with some prosecutors when he was paid for extra and private services. This experience, added to the interaction with public prosecutors in an informal labor environment clashed with the ordering that was followed by other servers. From the corrupt agent perspective, the organization did not meet their remuneration expectations. It is possible that this lack of representation was aggravated by the extinction of some extra earnings they received from the prosecutors. The following speech denotes interpretations of the deviant behavior at the public office:

*"... Everyone was used to gain an extra, at their workplace, this propitiated it, it was a place where there were many servers that also had jobs in the private sector, and these works in the private sector, people often had even more profits than in the public service ... "*

The daily contact with the task reinforces the ties of identity, not necessarily with the organization, but with the functional group and the provided service, which is justified, above all, by the satisfaction with the rewards they have received. Here, the contagious can be powered by the special working conditions that distinguish functional groups operating in the same locality. This is what happens, for example with the prosecutors from City Hall who, unlike the other servers, works most of the time in their private offices with additional productivity gains.

The knowledge domain also facilitates covering up the action with the use of devices that seem to be normal the execution of illegitimate activities. The speech of one of the interviewees reinforces this conclusion: "... then you see, the institution is working that way, it is apparently not causing harm to anyone...". The interactions promoted by this agent, although favoring exclusively his own interests, did not cause any harm to the internal agents or citizens. Internally employees of the sector have proved indifferent to the favoritism' practices due to business reasons or because they were infected by the organization of permissiveness in relation to these actions.

#### **Phenomenon 4 - Embezzlement, favoritism and fraud in a cooperative of public servants**

The fourth phenomenon occurs in a cooperative of public servants. The main leader of the cooperative performs a series of acts of corruption: a) this individual buys building



materials, furniture and drinks with cooperative resources for private purposes, b) appropriates financial values of the organization (embezzlement), c) increases the allocation of representation, without the authorization of the board of directors (favoritism) and d) contracts family member without the minimum required education for the position, using fake diploma (favoritism and fraud).

The acts take place in a complex environment interaction with the active participation of boards of directors and fiscal, servers, managers and other members. The agent, when elected to chair the organization, was supported by an external group of public officers, parliamentarians and former leaders of the cooperative. This symbolic representation of protection, in some way, has influenced the arrogant behavior of this corrupt agent and deviations that were performed. The contagious was driven by the agent's increasing consumption pattern, which had now a wealthier group as reference and went on to attend the desired social rise. The group was recognized among some servers as having a transgressive identity profile associated with a historical sense of impunity; it may also have contributed to the contagious of the agent.

The interactions take place with an internal and an external group. The external group of public officers, parliamentarians and heads consisting the political power foundation of support performed by the agent in the cooperative. Here, the expressed identity was from the group's interests that worked at companies and government autarchies and they have a well-known negative image in previous their administrations:

*[...] It was a group that by its own history, we already knew from other administrations ... we knew it was not a very appropriate thing to do ... but this is something that comes from the government. ... (laughs) isn't it?!; as it's a procedure that comes top down, so if they do that on the top... she also does it here ... and she said they were supporting her ... and in fact, they were ... then to her it was way too good. She kept herself on this position... with the help of an important politician who was popularly known as a corrupt person.*

The external political support helped this individual to choose the internal group, "people who were sponsored by her, had a better salary, she gave certain privileges for them." In the internal organizational environment the identity of this head manifested itself with the position, the status and therefore the opportunities she had to divert resources while performing her duties, without the need for effective interactions with other employees:

*[...] she was not a graduated employee from the organization, where she came; she did not occupy important positions, and she was not a person who had evidence there, so it looks like she had to make even more efforts to promote herself in this environment that she was; [...] wishing to be accepted, to be more integrated in this group, which was a group of very powerful people.*

The lack of qualifications to justify her technical merit for the position she took, denotes the overlap of the policy variable. On the other hand, the symbolic representation of a failure of the other civil servants in reporting it, strength the group identity which was helped through corrupt practices that remained unchanged even during their investigation period. When unveiled the scheme, the group members promoted the isolation of this chief, and they denied any previous interaction with her.

The contagious of corrupt practices seems to have be extended to the weakening of the control structures, largely because of the division of functional groups, either opposed to favoritism practices or not. In fact the forms of governance and control happen to be weakened when the head underestimates its uses.

## **Phenomenon 5 - Forgery in a public organization**

The fifth phenomenon is the enablement certificate forgery to public competition. A document was required to participate in bidding processes, and fraud occurred within the government agency. The case was handled within the organizational perspective. The organization used a false document to qualify itself for a competition but it was punished with a prohibition on participate in future bids for two years. The company appealed and the punishment decreased to six months.

In these situations, one of the tricks employed by this corrupt organization, was to blame its employee who was directly involved in the illegal practice. Although it does not relieve the company from being punished. In this game, what counts is the victory over the other competitors, even if it is necessary to corrupt the internal organization agent. Winning the competition outweighs any organizational identity of ethical behavior. The public agents talks indicates that corrupt practices in general are carried out by companies that have no chance of being selected in competition.

The expectation that they all are potential fraudsters is sustainable by the pluralistic ignorance theory of contagious. The assumption is manifested in the dynamic and interactive training of the competitors' identity. It becomes real only because it was before imagined as real. Yet, it is possible that some companies in a position to beat the competition also choose to fraud or some other form of corruption, moved by the thought that the others will do it as well. This possibility is plausible if they consider the contagious force of the prevalence of the economic interest in the business ethics. The spread of immorality materializes in advanced combinations of the group of companies participating in the competition. This is also a typical approach used by cartels of construction companies in public works biddings in recent scandals in Brazil (PARDINI *et. al.*, 2016).

In this phenomenon, identity perspectives, contagious and symbolic representations are manifested in the organizational context. The interactions and contagious succeed themselves among the involved organizations, in which to belong to a group, it was necessary to identify oneself to these transgression dynamics (JOSHI, MCKENDALL, 2018).

In the specific case of falsification of documents required to participate in bidding procedures, the interactions among the agents demonstrate the absence of responsibility of these agencies. The document, which is issued by the public office, is sent to the regulator engineering agency that registers the authorization with a claim that the responsibility for its accuracy belongs to who issued it, in this case the public establishment itself. Failures in processing the documentation encourage the illicit performance among construction and public officials.

## **Phenomenon 6 - Misappropriation of resources in a cooperative**

Phenomenon six takes place at a providing services' cooperative. The leader appropriates the organization's financial values for personal benefit through illegal actions. The acts done uncontrollably indebted the organization and increased the risk of insolvency. With the discovery of the resources diverted by this corrupt agent, he was exonerated by the Company Assembly.

In this kind of action corrupt leaders make use of their status and power to control resources from public organizations and companies of the third sector seeking to benefit their particular company. Despite the individual has dedicated most of his career to this public organization, after starting his own business, his identity with his new enterprise was much closer and more explicit than it was with the other organization, which has been used with the purpose to divert resources for his own benefits.

In this case, the strategy of the corrupt agent is to use authoritarianism to distance

himself from other cooperative staff so he could act freely and perform his illegal strategies. This centralization of discretionary power, while effective, facilitates the accomplishment of corruption acts (LANGE, 2008; KLITGAARD, 1991). In these cases the practice of authoritarianism perceived by respondents helps both to inhibit some staff regarding any suspicious attitude, and to persuade others who have been offered favoritism. The head used his responsibility of the prerogative of the position to perform this corruption practice:

*[...] The board, she had a certain advantage, in relation to contracts ... shall we say, all good contracts, all jobs, all the work front that she won through bidding, it was only to a group ... often relatives and the sons, daughters, wives; then, the cooperative had no access to it.*

These treatment differences can not be sustained for a long time due to the damage produced by the loss of the managerial expropriation, which can generate the reverse contagious from the disadvantaged individuals who would pressures to investigate the facts. On the other hand, favored employees behave passively when dealing with the irregularities practiced by the main cooperative manager.

*[...] omission ... yes, I don't know how it was done, but in accounting, the act took place two and a half months before we find out ... so well, no one said anything, we had to find it out; so of I think there was omission... yes there was. Now, because the group was selective! because they also had privileges! First, I think the individuals thinks firstly in their job ... shall we say ... he heard about the withdrawal, but the guy is the president, he's the boss, I have nothing do do with that, if I say something, I can lose my job, I need it, now I just can't leave it and find another job making the same amount of money I make here.*

The omission process is characterized by the spread of silence exercised by the workforce, much due to the fear of a job loss. The transgressor group uses the same silence to ensure the confidentiality of illegal actions. This lack of response contributes to the collective immobility against the need to reverse the organizational corruption framework. It is possible that the omission of leaders during the period in which the corrupt acts were practiced were also associated with the symbolic representation of impunity generated by the corrupt agent.

The very inefficient control assets carried out by the former manager contributed to the contamination of the working atmosphere. The vulnerability to fraud is expressed also by the symbolic representations of the absence of any audits and the use of archaic management tools.

## **Results discussion**

The interactions indicate the first type of contacts generated through the relationship among agents who engage themselves in actions of corrupt nature. In the organizational corruption phenomena, the interactions are propagated in the internal and external environments and they follow the dynamics of the involved actor's strategy - the head and external and external support staff. The ambience of these actors' practices varies across the environment in the private sector, government agencies and society in general.

These contacts take into account the interests of each individual, group or organization. In the studied phenomena, interactive demonstrations manifest themselves: a) between the group and the shareholder, b) between the internal agent and the group of entrepreneurs, c) between the internal agent and the external public (citizens) through another external individual who received privileges d) through the support of an external group performing favoritism for some internal agents, e) between the internal agent and a group of organizations, preceded by interactions among the organizations, f) with internal interactions in order to get private

individual benefits.

The type and size of the organization, its control and ownership structure influence the dynamics of interactions aiming the expropriation of resources. Unlike private organizations, internal and external interpersonal contacts are used more often to accomplish management positions, particularly at public companies. The external political support to legitimize the internal corrupt agent in those strategic positions potentiates the personal instruments covering up deviant behaviors. The selection and the favoring of internal supporters are also used as devices to perpetuate the required power to implement spurious practices.

Interactions for the purpose of collective corrupt actions conducted in the small private ownership proved to be destined to meet firstly, the personal interests of the group, which do not necessary mean the expropriation of shareholders. Here, when prevailing the lack of personal interactions between the head and the agent, it nurtures the possibilities of deviant behavior by the agents.

In larger organizations it increases the interactionism complexity in relationships permeating the phenomenon of corruption, due to the presence of structure and control mechanisms - boards of directors, supervisory board and specific agencies of accounting, financial and ethical monitoring - which contributes to mitigate it. Still, when the protagonist of the corrupt action is the main chief, the trend is conducting personal strategies to inhibit or undervalue the functioning of these governance structures.

In some cases, the backgrounds of the phenomenon are manifested in the interactions of the organizational knowledge domain of the corrupt agent and they are facilitated by the contacts that encourage the spread of corrupt actions. The agent uses the hierarchy of duty processes he or she operates to divert resources from in the internal or external environment of the organization's activities.

The corrupt agent makes use of his successful trajectory of spurious interactions to continue expropriating new resources. Similarly, in an opposite direction, the interactions between the control agents help to uncover the practices of resource deviations. In the corruption phenomena the identity manifests itself in the predisposition that comes along with the individual trajectory, group or organization to have deviant behavior and also in the personality changes promoted by interactions with other individuals that lead the person to identify oneself with the benefits that these spurious actions may represent.

The change from one identity profile to another is motivated by the opportunities that the new situation could create to these individuals. The evidenced cases demonstrate that they alternate their perceptions which are manifested in those perspectives a) the group in relation to personal benefits produced by the transgression; b) the internal agent due to the possibilities offered by the inefficiency of control means, c) the internal agent having opportunities to have self benefits in the public service due to his technical knowledge d) the internal agent having benefits and diverting resources because the position and the organization e) representatives of organizations with the generated opportunity to take part in bidding processes, even with irregularities in earlier cases, f) the internal agent with the possibility of resource deviations from the organization he operates to his own business.

The identity change process reflects the projection in other individuals or groups and the situation provided by this new stage. If other leaders and organizations engage in acts of corruption and the impunity prevails, they think: *Why shouldn't I move to this condition which favors me?* Naturally it establishes a distance of identifications with the control instruments. The permanency of a group identity with transgression practices extend to the investigation and discovery of corrupt actions, when suddenly it breaks up the identity and any involvement in the crimes performed is denied.

The behavior ambiguity is also present in carrying out illegal activities in other public or private organization having the intention to promote the agent's own business. Even though

it is suggested that the domestic agent interest and his dedication in the daily duties fulfilled in the company belonging to other entrepreneurs, the real commitment and sense of belonging manifest themselves in the parallel operation of his own organization.

## **Conclusion**

Based on phenomenological procedures it was possible to identify regularities and distinctions between the researched phenomena. Empirical results reinforce some recurring assertions in the literature and indicate certain regularities among which:

- a) The breakdown of institutional logic in the organizational corruption feeds and it is fed, circumstantially by the interaction among its various stakeholders;
- b) These identities are also referred to the agents because their behavior encourages and make more difficult the organizational corruption;
- c) The identity of the same agent is multifaceted and it may be described from different perspectives: individual, group, organization, internal, external, public, private, leader, subordinate, corrupt agent, control agent among others;
- d) The dynamics of the identities' formation is constructed from representations, symbols and meanings which guide the interactive phenomena of control, conflict and contagious;
- e) The identity of each agent is also a symbolic representation and therefore it is subjected to the other agents' perceptions;
- f) The interactive dynamics determine the contingencies of autonomy, discretion, self-control, normal representation, as well as the internalization and projection, which could determine or not the integrity of the organizational identity.

It is also possible to infer that the corrupt agents acted driven by an illusory representation of normality and absence of risks, common among individuals, groups and organizations when they are taken by narcissistic disorder and conflict with organizational identity. For these agents, the regulatory environment is unbearably restrictive to meet their particular demands. Usually they overlap the other identities and underestimate the imminent risks, driven by an atomistic and illusory representation of normality and power.

What proved to be a predominant motivation of all actors, including those who fought against corruption, was either the reconciliation or not of their private interests with the organizational goals. Everyone wanted recognition, a reward and an autonomy that the organization could not fully grant them. Some of them even thwarted in their demands, were managed and underwent control. Others, however, reacted against corruption, to get a normative distinction that they thought they deserved. Even when some private interests were shown submerged and contained in the homogeneity of a group or organization, these interests demonstrated to be potentially capable of mobilizing the agents' identities and to cause conflicts. To do so, perhaps it was enough that certain intersubjective demands, such as security, was not sufficiently satisfied. The prevailing impression, in all the investigated phenomena, is that there is a certain limit bearable for the dissatisfaction of individuality, influenced by the interactive dynamics of identities, which conditions the disinterest and disengagement of corrupt agents in relation to organizational integrity.

The representations that are built come from the idea that certain behavior or meanings are shared within the group. From the individual's perspective, this means: If everyone thinks and does it, so it is safe for me to think and do the same. Another kind of contagious was the pluralistic ignorance, especially when the expectation influence the dynamic and interactive formation of identities and became real only because it was previously thought of as real. Some representations of corrupt agents about what is right and what it is wrong, about which benefits are earned and what is allowed or not, were very likely to have been influenced by the illusory

perception of these agents about themselves and what others think about them. In all phenomenas, the identity of corrupt agents could be recognized in the context of certain groups tolerant of their behavior, strengthening the representation of normality of their acts. These groups moved around symbols and meanings which represented more the desire of reality than the reality itself.

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