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## Collective corruption - How to live with it: Towards a projection theory of post-crisis corruption perpetuation

George Kominis, Adina Dudau\*

University of Glasgow, Adam Smith Business School, University Avenue, Glasgow, G12 8QQ, Scotland

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### ABSTRACT

This article draws on social psychology to explore the unconscious cognitive processes allowing for perpetuation of collective corruption in organisations in the aftermath of crises. In particular, we argue that, when faced with the cognitive dissonance produced by exposed collective corruption, and having to choose between changing behaviour or changing cognition, projection theory provides support for the latter. Thus, we identify the role of projection theory in overcoming cognitive dissonance in groups by projecting blame on to their leaders while continuing practices of corruption. These insights contribute to our understanding of perpetuation of collective corruption in organisations as well as at a societal level.

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### 1. Introduction

This paper concerns the spread of corruption in organisations, following important insights provided, *inter alia*, by Zyglidopoulos and Fleming's (2008), Greve et al.'s (2010) and Smith-Crowe and Warren's (2014). However, it extends this body of work by tackling the 'how' question – how organisations engage in the vicious cycle between unravelling and perpetuation of corrupt behaviour. We suggest that, where conscious rationalisation processes fail to justify corrupt behaviour, another type of rationalisation processes intervenes – unconscious processes such as that of attributive projection. Indeed, like Gabriel (1992) and de Vries (2004) in this journal, we are 'putting organisations on the analyst's couch', recognising that organisations can develop pathologies (like corruption – e.g. Gabriel, 1992; Yolles and Fink 2014a,b,c) just like individuals can.

Unconscious dynamics, typically used to explain psychological pathologies of the individual within a clinical perspective, can be suitably argued to provide compelling explanations for plural agency (e.g. Yolles and Fink 2014a,b,c). In this paper, we employ Yolles's work on social cognitive processes (Yolles and Fink

2014a,b,c) and de Vries's (2004) concept of social defences, in particular that of attributive projection, to understand how corruption is maintained in the aftermath of crises. Attributive projection is a defensive mechanism used by the collective to deal with the increased level of anxiety experienced in the face of a social crisis. The concept is used here in its Freudian sense: as a process through which a unitary or a collective agent attributes its unwanted thoughts and feelings to another unitary or a collective agent in an attempt to reduce or eliminate stress (Yolles, 2009). As such, it may act as a catalyst to accelerate the rate of change when this is necessary for the social collective to return to an acceptable psychological equilibrium. We illustrate this process through examples from the Romanian and Greek administrative contexts below.

On the 30th of October 2015, a fire blast in a Bucharest night club, *Colectiv*, leaves 64 dead and 150 injured, but also prompts one of the most intense collective actions against a head of government in Europe. This collective action focuses on the overthrow of the individual leader – the prime minister – perceived to be linked to what is magnified to be a situation of endemic corruption throughout the Romanian administrative system. A few features are of particular interest in this case. Firstly, the prime minister was never directly linked to the causes of this alleged systemic corruption. Secondly, the night club accident could only indirectly be related to the corruption in the health and safety regulatory system. Finally, the virulent anti-corruption public drive ended almost

\* Corresponding author.

E-mail addresses: [Georgios.Kominis@glasgow.ac.uk](mailto:Georgios.Kominis@glasgow.ac.uk) (G. Kominis), [Adina.Dudau@glasgow.ac.uk](mailto:Adina.Dudau@glasgow.ac.uk) (A. Dudau).

immediately after the government fell. This is a vexing case, but far from unique. A similar case emerges from Greece: in April 2014, a random accident in the *Happy Fun* amusement park, caused by a sudden gash of wind, leads to the demise of an Athens municipality's mayor. A child dies while inside an inflated plastic ball which has been thrown from a swimming pool onto a nearby busy road. The public would not rest until the mayor resigns on allegations of systemic corruption in the municipality, specifically relating to the fact that the amusement park has not passed the necessary health and safety checks, therefore operating without a licence. Like the Romanian prime minister, the Greek mayor could not be directly responsible for the accident, as corruption and unlicensed parks existed before his mandate and continue to exist after his demise. The two cases are intellectually challenging and thought-provoking, as well as offering an opportunity to explore theoretically the links between collective and individual guilt when collective corruption is exposed.

Adopting a psychology perspective, we argue that groups engage in unconscious rationalisation processes, which are activated when facing cognitive dissonance, such as that experienced in the aftermath of a preventable crisis. Such events prompt reflection on the behaviour contributing to the crisis, as well as on the cognition about that behaviour. If the behaviour is so widespread and engrained into everyday life, such as corruption is in some cultures, it cannot be easily abandoned. Furthermore, not to change cognition over issues that are perceived to be normatively wrong (Torsello & Venard, 2016), like corruption, cannot be rationally justified. Unconscious cognition seems to be the only way forward to overcome cognitive dissonance, and social psychology offers some insights into these unconscious processes. It is through such processes that we explain the perpetuation of corrupt behaviour in organisations and society at large.

In order to theoretically engage with these issues, we proceed as follows. Firstly, we narrate the *Colectiv* and *Happy Fun Park* cases, to set the scene and bring clarity to theoretical arguments made later in the paper. Then, we draw on theory to unpack the issues illustrated through the two cases. Within this, we explore the literature around corruption in individual and groups, we look at sense-making and scapegoating occurring in crisis aftermaths and we draw on social psychology theory to further illuminate the cognitive processes associated with the perpetuation of collective corruption. The analysis and discussion link these strands together, addressing the 'how' question of corruption perpetuation. The implications are far reaching for both theory and practice and are expanded on in the concluding section.

## 2. The *Colectiv* story

This is a perplexing case: it appears to be about an accident causing massive loss of human lives (64) in a business setting, yet the accident is attributed to widespread corruption in a whole nation, and on these grounds it is seen to have contributed directly to the overthrow of the government accused of corruption.

Romanians had been well attuned to corruption cases well before 2012, when Victor Ponta, leader of the Social Democratic Party (PSD), became prime minister. In point of fact, Eurobarometer corruption attitude surveys have historically placed Romania at the top of European rankings in terms of the percentage of the population being aware of corruption taking place, as well as in terms of the percentage of the population being involved in corruption themselves (European Commission, 2014). It is therefore difficult to argue that Ponta was the cause of systemic corruption in Romania during the time the incident occurred. And yet, there was something about the accident at *Colectiv* which seemed to tip the scale of public perception in that unlikely direction.

Looking at the event at the centre of the crisis, that is, the fireworks accident causing the *Colectiv* nightclub to burn down during a rock concert, one can argue that it was produced through a number of failings. Notably, outdoors fireworks were used indoors, regulations around fire-retardant materials were not complied with, one of the two exit doors was closed, and the club admitted a much larger number of people than they were permitted (CCPM, 2016). Yet in the aftermath of the crisis, corruption was identified by the public as the central issue underpinning the accident (e.g. Dudau, 2015; Tran, 2015). At close analysis, however, only one aspect of this case could be linked to corruption, concerning the fact that the nightclub in question had a health and safety inspection on the very day of the fire and that the inspectors did not detect the wrong building material being used in the club's ceiling (CCPM, 2016). Presumably, the inspectors failed to assess these issues due to a pre-existing relationship with the club owners marked by petty corruption (Dudau, 2015).

What followed the crisis was rather surprising. Heated accusations on all media channels, social media and on the streets of Bucharest reached alarming proportions. Corruption was at the heart of these accusations; if these started with night clubs' owners and government inspectors, it soon extended, much like the fire in the *Colectiv*, to comprise all business owners and all government agencies (Dudau, 2015). In a matter of days, the attention shifted from those directly engaged in petty corruption to Romanian prime minister Victor Ponta. Spontaneous demonstrations filled the streets of all Romania's major cities days after the fire to protest against systemic corruption at all levels of government, seen as having fallen into a culture of financially motivated and contagious sloppiness (ibid.). Ponta, after all, had remained in power despite facing charges for fraud, tax evasion and money laundering (Tran, 2015). On the back of these street movements, the government resigned on the 5th of November 2015. The protests ended that day and, before long, public and political unrest settled (Ruscior, 2015).

While the story is complex and elements of it are unexpected, it has a few clear features which can serve as illustrations of our arguments in this paper. To start with, the overwhelming consequences of the accident undoubtedly provoked strong emotions amongst the 'survivors', who may not have been there in the *Colectiv* night club, but presumably felt that what happened there could have happened to them. These people felt like part of the same 'collective' as those who tragically died in the *Colectiv* night club, not dissimilar to how people in organisations feel about sharing the same context. Then, the protests that followed suggest a misbalance between the social behaviour which allowed the accident to happen (i.e. widespread corruption) and people's cognition around that behaviour (i.e. that this is wrong because it can cost human lives). Thirdly, the protests also suggested that the blame for the wrongdoing was not theirs. While it was at first unclear who was at fault, it soon became the mayor, the government and the prime minister. This is further evident in the fact that, once the prime minister resigned, the social unrest ended (Ruscior, 2015).

## 3. A further example: *Happy Fun Park*

Like the *Colectiv* case, the *Happy Fun Park* case provides another example of an isolated incident, alleged to be rooted in corruption. This, too, escalated into a crisis which eventually resulted in the demise of the mayor of the local municipality where the incident took place.

Similar to Romania, Greece has an international reputation for corruption. In the latest Eurobarometer attitude survey (European Commission, 2014), 99% of the Greeks surveyed reported that corruption is widespread in their country, with bribery and the use of connections for personal gain being identified as the main

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