

Organization Science

Publication details, including instructions for authors and subscription information:
<http://pubsonline.informs.org>

From Compliance to Progress: A Sensemaking Perspective on the Governance of Corruption

Stefan Schembera, Patrick Haack, Andreas Georg Scherer

To cite this article:

Stefan Schembera, Patrick Haack, Andreas Georg Scherer (2022) From Compliance to Progress: A Sensemaking Perspective on the Governance of Corruption. Organization Science

Published online in Articles in Advance 11 Aug 2022

. <https://doi.org/10.1287/orsc.2022.1614>

Full terms and conditions of use: <https://pubsonline.informs.org/Publications/Librarians-Portal/PubsOnLine-Terms-and-Conditions>

This article may be used only for the purposes of research, teaching, and/or private study. Commercial use or systematic downloading (by robots or other automatic processes) is prohibited without explicit Publisher approval, unless otherwise noted. For more information, contact permissions@informs.org.

The Publisher does not warrant or guarantee the article's accuracy, completeness, merchantability, fitness for a particular purpose, or non-infringement. Descriptions of, or references to, products or publications, or inclusion of an advertisement in this article, neither constitutes nor implies a guarantee, endorsement, or support of claims made of that product, publication, or service.

Copyright © 2022 The Author(s)

Please scroll down for article—it is on subsequent pages



With 12,500 members from nearly 90 countries, INFORMS is the largest international association of operations research (O.R.) and analytics professionals and students. INFORMS provides unique networking and learning opportunities for individual professionals, and organizations of all types and sizes, to better understand and use O.R. and analytics tools and methods to transform strategic visions and achieve better outcomes.

For more information on INFORMS, its publications, membership, or meetings visit <http://www.informs.org>

From Compliance to Progress: A Sensemaking Perspective on the Governance of Corruption

Stefan Schembera,^{a,*} Patrick Haack,^b Andreas Georg Scherer^c

^aDepartment of Business Administration, Radboud University, 6525 AJ Nijmegen, The Netherlands; ^bDepartment of Strategy, Globalization, and Society, HEC Lausanne, Faculty of Business and Economics, University of Lausanne, CH-1015 Lausanne, Switzerland; ^cUniversity of Zurich, CH-8032 Zurich, Switzerland

*Corresponding author

Contact: stefan.schembera@ru.nl,  <https://orcid.org/0000-0001-9266-4661> (SS); patrick.haack@unil.ch,

 <https://orcid.org/0000-0002-8738-7871> (PH); andreas.scherer@business.uzh.ch,  <https://orcid.org/0000-0002-8671-1721> (AGS)

Received: May 21, 2019

Revised: August 30, 2020; August 4, 2021; April 21, 2022


Accepted: May 29, 2022

Published Online in Articles in Advance: August 11, 2022

<https://doi.org/10.1287/orsc.2022.1614>

Copyright: © 2022 The Author(s)

Abstract. The governance of corruption is increasingly important in a global business environment involving ever more frequent transactions across diverse institutional contexts. Previous scholarship has theorized a fundamental tension between the enforcement of organizational compliance and the achievement of social ends, finding that efforts to remedy policy-practice decoupling in the governance of corruption and other complex global issues can exacerbate means-ends decoupling. However, these studies have tended to apply a rather static lens to a highly evaluative and processual phenomenon, meaning we still lack in-depth understanding of the dynamics underlying the interactive communicative processes of sensemaking and negotiation involved in working out the problems of both means-ends and policy-practice decoupling across different institutional contexts. To address this gap, we present a longitudinal qualitative study of the governance of corruption that identifies the emergence of locally contingent and open-ended sensemaking processes arising from and surrounding problems of decoupling. Specifically, we identify four key sensemaking mechanisms across different contexts and periods that ultimately shifted the focus of the actors away from a compliance-based approach toward a new shared understanding of progress as achievement, i.e., the mechanisms of *localized theorizing*, *leveling*, *recalibrating*, and *public criticizing*. Based on these findings, we develop a model to explain the role of sensemaking in the governance of corruption and the dynamics of decoupling.

 **Open Access Statement:** This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License. You are free to download this work and share with others for any purpose, except commercially, and you must attribute this work as “*Organization Science*. Copyright © 2022 The Author(s). <https://doi.org/10.1287/orsc.2022.1614>, used under a Creative Commons Attribution License: <https://creativecommons.org/licenses/by-nc/4.0/>.”

Funding: This work was supported by Schweizerischer Nationalfonds zur Förderung der Wissenschaftlichen Forschung [Grants 100018_137789 and 100018_159485].

Keywords: corruption • decoupling • deliberation • governance • organizational processes • qualitative research • sensemaking

Introduction

Corruption constitutes a grand societal challenge with manifold negative socio-economic consequences (Castro et al. 2020). Broadly defined as the “misuse of an organizational position or authority for personal or organizational gain” (Anand et al. 2004, p. 40), corruption is increasingly difficult to detect, observe, and tackle in a fast-changing global business environment involving ever more frequent transactions across diverse institutional contexts. This complex multi-institutional context makes it both more important and more challenging to improve the governance of corruption (Rose-Ackerman and Palifka 2016, Rose-Ackerman 2018).

The governance of corruption comprises the design and implementation of anticorruption regulations by

companies, nongovernmental organizations (NGOs), international organizations, and national governments (Wijen 2014). In recent decades, recurrent corruption scandals have triggered demands for greater accountability and transparency in the governance of corruption. Western governance actors have responded to this demand by focusing primarily on strict compliance to remedy the decoupling of policies and practices in the fight against corruption (anticorruption) (Locke et al. 2009, Gibson Dunn 2011), typically calling for a zero-tolerance enforcement approach to any deviation from or violation of regulations (Paine 1994, Greive and Hartmann 2012). Such strict compliance principles are based on highly formalized templates of appropriate behavior, however, which often clash

in practice with the heterogeneous expectations, beliefs, motives, and behaviors of actors in different institutional contexts. This has led to criticisms that compliance-focused models constitute a *closed system* approach (Aguilera et al. 2008) based on defined universal rules that overlook the local struggles of regulators “to fully understand, causally attribute, and precisely measure” the relation between organizational practices and social or environmental outcomes (Wijen 2014, p. 303). As such, these models fail to account for the complex links and significant gaps between practices and outcomes in the governance of corruption across multiple institutional contexts.

Scholarship on the governance of corruption has related the growing challenges involved in tackling practice-outcome gaps to the proliferation of *means-ends decoupling*, that is, the phenomenon of organizations complying with anticorruption policies yet failing to achieve the goals for which these policies were designed (Bromley and Powell 2012). Such decoupling has been theorized by Wijen (2014, p. 304) as a compliance-achievement tradeoff that arises when the “letter” of the law is enforced at the cost of its “spirit.” For instance, strictly enforcing compliance with policies prohibiting child labor may increase poverty as children may significantly contribute to family income (Forum for African Investigative Reporters 2012, Wijen 2014). To circumvent this compliance-achievement tradeoff, Wijen (2014, p. 313) has recommended the use of “running simulations” and “crafting scenarios” as techniques for systematically comparing the opportunity costs of different governance-policy options in different contexts. Although this proposed approach seems well suited for tackling at least some of the complexities and uncertainties involved in the governance of corruption (hereafter the GoC), it still falls short of addressing the key challenges arising from diverse understandings of fundamental aspects of anti-corruption governance across different contexts and over time. As Ferraro et al. (2015) have emphasized, such complex governance issues are even more challenging when their meaning is not only made sense of differently but also evaluated in contrary ways, including fundamentally contrasting evaluations of the desirability of key issues and approaches in governance.

These challenges are especially salient for businesses operating in diverse institutional contexts shaped by different cultural histories, cognitive apparatuses, and regulatory systems (Bartunek 1984). Although a core set of universal norms have long been established regarding anticorruption governance (UNGC 2022) and certain forms of corruption are now criminalized worldwide (Hess and Dunfee 2000, p. 613), understandings still vary significantly across different local contexts as to what does or does not work in the GoC, including what good governance should look like. In this study we explore these differences between local contexts by focusing on the

sensemaking processes of anti-corruption actors in the *East* (i.e., Asia) and the *West* (i.e., Western Europe and North America). Although this distinction applies to differences both in practices and interpretations of corruption and its governance, our focus here is first and foremost on divergencies and convergencies in the evolving sensemaking of actors across contexts surrounding the GoC.

In exploring divergent interpretations of anticorruption governance in East and West, scholars have long proposed that the primacy of community values and interests over individual rights in the East may lead to more pragmatic approaches to governance focused on joint achievement, consultation and improvisation aimed primarily at protecting the integrity and stability of the collective (Mauzy 1997). This differs markedly from the prevailing Western approach focused on protecting individual liberties through the enforcement of bureaucratic norms and contractual rules and compliance with the rule of law (Weber 1978). Regarding differences in prevailing practices of corruption, the East has been found to suffer primarily from corruption involving bribery (Chang and Chu 2006), or what Cockcroft and Wegener (2016, p. xi) have called “the corruption of brown paper envelopes,” whereas the West suffers more from “the corruption of influence” such as illegal contributions to political campaigns. Despite the primacy afforded by Western actors to enforcing regulations (Rose-Ackerman and Palifka 2016), however, the West has continued to be the site of major corruption scandals, including the Siemens and FIFA scandals revealed in 2006 and 2015, respectively. Given these East-West contrasts, including fundamental divergencies in evaluations of what is appropriate and what constitutes achievement in governance across different institutional contexts, it seems self-evident that any mis/matches between means and ends and policies and practices in the governance of corruption can never be usefully assessed from the point of view of any single actor or single context (Weaver et al. 1999, Aravind and Christmann 2011). What is needed instead is an approach that recognizes divergencies and perceived mis/matches as socially constructed phenomena arising from continuous interactive communicative processes of interpretation and contestation (Weick 1995, Weick et al. 2005).

To capture the cognitive and communicative processes by which governance actors construct social reality, we apply a sensemaking lens to a longitudinal qualitative study of the GoC, building on previous studies of governance, including Reinecke and Ansari (2015). In adopting this perspective, we conceptualize communication not as “an uncomplicated process of sending and receiving messages, where any semantic or pragmatic outcomes are already largely prefigured and predetermined by actors initiating the communication”

but “as a joint activity within which both speakers and addressees coproduce, moment by moment, an understanding” of certain policies, practices, means, and ends (Cornelissen et al. 2015, p. 14; see also Meyer et al. 2018). Focusing on the evolution of sensemaking processes of anticorruption actors in the East and West and the dynamic relationship between these sensemaking practices, we trace the divergence and (re)convergence of understandings about highly evaluative and contested practices to identify the specific mechanisms driving changes in understandings and evaluations over time to answer the following research question: Does sensemaking about compliance and achievement in the governance of corruption across different institutional contexts change over time—and if so in what ways and why?

We show how interactive sensemaking efforts through continuous communication can enable actors with locally contingent beliefs, judgements and practices to overcome some of the key problems associated with compliance-focused approaches to corruption. These problems are especially likely to arise in the day-to-day operations of the subsidiaries of multinational corporations (MNCs) operating in the heterogeneous contexts of contemporary global business, including environments where certain forms of corruption are more likely to be tolerated than in the countries where these MNCs are headquartered (Luo 2002, Chang and Chu 2006, Transparency International 2012, Rose-Ackerman and Palifka 2016). Our findings show how actors from different contexts can work together in jointly identifying, rationalizing and ascribing at least a temporarily shared sensemaking of anticorruption policies, practices, means, and ends, thereby paving the way for further meaning-making efforts to negotiate workable solutions for the GoC.

Our paper makes three contributions to the development of a flexible and open perspective on governance that acknowledges multiple possible trajectories in the governance of complex global social issues (Aguilera et al. 2008, Wijen 2014). First, we proceed from this perspective by challenging the assumption that means-ends relationships in diverse governance contexts can ever be sufficiently predicted and determined by the calculations of any single regulator (Fung 2006). Our study shows instead that it was the joint sensemaking of anticorruption efforts of actors across institutional contexts that ultimately enable the communicative coconstruction of common understandings about appropriate measures in the governance of corruption. In highlighting the relevance of sensemaking through communication in the GoC, we add to the deliberative governance literature, which focuses on reason and evidence-based communicative interactions (Chambers 2003, Dryzek and Pickering 2017). Second, by identifying the key sensemaking mechanisms

that led these actors to arrive at a workable shared understanding of the GoC, our paper contributes to the further refinement of processual approaches in the governance of complex global social and environmental issues (Locke et al. 2009, Reinecke and Ansari 2015). In particular, we contribute to this stream of scholarship by showing how the four mechanisms of *localized theorizing*, *leveling*, *recalibrating*, and *public criticizing* contributed to a continuous and open-ended process of meaning-formation in complex and dynamic contexts. Third, our study contributes to the decoupling literature by showing that although compliance-focused efforts aimed at tighter coupling may never lead to a fully coupled end-state, joint sensemaking and negotiations of the meaning of these governance efforts can nonetheless lead to workable equilibria.

Theoretical Background

Compliance, Achievement, and Decoupling in the Governance of Corruption

Given the limitations of applying compliance-based approaches to governance in heterogeneous organizational environments (Paine 1994, Aguilera et al. 2008, Locke et al. 2009), it can reasonably be asked why this closed-system approach continues to prevail in much sensemaking of the GoC. In part this persistence stems from the enduring influence of Meyer and Rowan’s (1977) theorization of *policy-practice decoupling* as a widespread problem in governance whereby organizations only symbolically adopt policies without implementing them substantively. Concerns about the risks of corruption associated with such decoupling, including institutionalized misconduct, have proliferated ever since (MacLean and Behnam 2010). Although we agree that tackling policy-practice decoupling is crucial, our findings confirm that focusing exclusively on compliance brings its own significant challenges and risks.

Previous studies seeking to explain the counterproductive effects of compliance-focused approaches to governance have emphasized the complexities and uncertainties involved in the relationship between formal policies, organizational practices and societal outcomes, theorizing a fundamental tension “between remedying policy-practice decoupling and remedying means-ends decoupling” (Wijen 2014, p. 310; see also Bromley and Powell 2012, Stål and Corvellec 2021). Some scholars have thus called for the adoption of a more “open” approach based on systematically comparing different policy options, calculating the costs of compliance with regulations, and considering contingencies and complementarities across different organizational environments (Aguilera et al. 2008, p. 475; Wijen 2014). Notwithstanding the value of this exploration of alternative approaches to compliance, research

to date has not taken sufficient account of how evaluations of the desirability of certain policies, practices, means, and ends in the governance of corruption differ and shift not only across contexts but also over time (Ferraro et al. 2015). This gap in our understanding is especially salient given that such governance typically transcends national borders and involves actors from diverse cultures with different and even opposing underlying values, including differences in orientation toward individualism versus collectivism and long termism versus short termism (Hofstede 1980, Schmutzler et al. 2019). These fundamental and evolving differences can help explain important variances in evaluations of the appropriateness of particular governance approaches and the desirability of certain practices.

However, the role of these differences continues to be largely overlooked in current conceptualizations of the relationship between compliance and achievement in the governance of global social issues like corruption (Wijen 2014), primarily because such conceptualizations tend to rely on static perspectives of social reality, thus failing to account for the role of dynamically changing interpretations and evaluations of compliance with rules and the achievement of ends (Palermo et al. 2017, Dick and Coule 2020). At the same time, there has been a growing interest of late in the dynamic nature of decoupling (Boxenbaum and Jonsson 2017), mostly focused on whether practices tend to become increasingly compliant with existing policies over time (Weaver et al. 1999, Hallett 2010, Tilcsik 2010). However, even this literature has still not satisfactorily explored the specific mechanisms that drive processes of coupling (Boxenbaum and Jonsson 2017) and has yet to identify or study the contingencies and conditions under which specific mechanisms operate (Haack et al. 2021).

In seeking to address this gap, we proceed from the premise that any attempt to explain why decoupling does not necessarily constitute a source of instability must first acknowledge that decoupling “involves processes by which an organization connects to the wider world of meaning” (Scott 2008, p. 171), that is, that the “reality” people take for granted in their everyday lives as members of organizations is actually “a world that originates in their thoughts and actions, and is maintained as real by these” (Berger and Luckmann 1967, p. 33). Given that people’s thoughts and actions inevitably change over time, primarily through interactive communications aimed at making sense of organizations, “realities” must also change, including the shifting meanings that actors ascribe to policy-practice decoupling in the GoC. Scholars applying this approach in the context of CSR have highlighted the crucial role played by communication in meaning-making and thus in the dynamics of decoupling. For example, studies have shown how “aspirational talk” (Christensen et al.

2013, p. 373, 2017) can push organizations into “moral entrapment” (Haack et al. 2012, p. 835), thereby reducing the gaps between their actual behavior and the practices stipulated within formal policies and structures.

Although this literature provides a crucial starting point for exploring the mechanisms that can help explain the dynamics of decoupling, we fundamentally differ in our approach from studies in this stream that claim decoupling may contain the seeds of its own demise (Tilcsik 2010). Such claims proceed from a common assumption in research on decoupling dynamics that efforts aimed at tighter coupling will invariably reduce decoupling practices over time, leading to a purported static end-state of full compliance. In this view, decoupling may amount to a merely transitory aberration. We question whether this is necessarily the case, however; and with our own study we show that an end-state of tight policy-practice coupling seems especially unlikely in contexts where unforeseen problems inevitably arise, and shifting and divergent interpretations evolve as the experience of the process of coupling practices to policies leads to increasingly negative evaluations of these policies as inappropriate and/or inefficient within local contexts. In such contexts it seems more appropriate to conceive of progress in the remedying of decoupling not as a matter of approximation to an unattainable end-state through maximum policy-practice coupling but rather as a matter of attaining at least temporarily sustainable equilibria through the interactive and continuously evolving sensemaking efforts of actors across institutional contexts over time.

Toward a Sensemaking Perspective on the Governance of Corruption

Of the few studies to date that have explored the role of varying evaluations of problems in complex organizational contexts, the arguments and insights offered by Weick et al. (2005, p. 415) are especially relevant to our approach, including their finding that such contexts do not fit with the concept of “rational choice” whereby a “given problem is evaluated in relation to stable goals and a course of action chosen from a set of alternatives” about which accurate information is available. According to Weick et al. (2005), researchers should thus pay less attention to the role of rational choice in tackling organizational problems and focus instead on the key role of competing interpretations across contexts and the ways in which interactive sensemaking efforts over time can facilitate at least a partial and temporary convergence of interpretations.

We conceptualize sensemaking as a continuous social, that is, interactive and communicative, process whereby actors interpret phenomena and develop shared understandings of the world (Maitlis and Christianson 2014). Because this process is at least partially observable in the form of oral and written communicative interactions

between speakers and interlocutors (Cornelissen et al. 2015, Meyer et al. 2018), researchers of organization have much to gain from complementing existing conceptual apparatuses with a sensemaking perspective that focuses on the social dynamics through which shared meaning is coconstructed (Maitlis 2005, Reinecke and Ansari 2015). Given that language not only reflects but is also performative of social reality (Gond et al. 2015), moreover, improving our knowledge and understanding of these sensemaking dynamics and related communication patterns can also potentially help governance actors reduce the detrimental consequences for organizations and societies of ill-conceived approaches and unresolved divergences in sensemaking about compliance and achievement in the GoC.

Methods

Research Setting

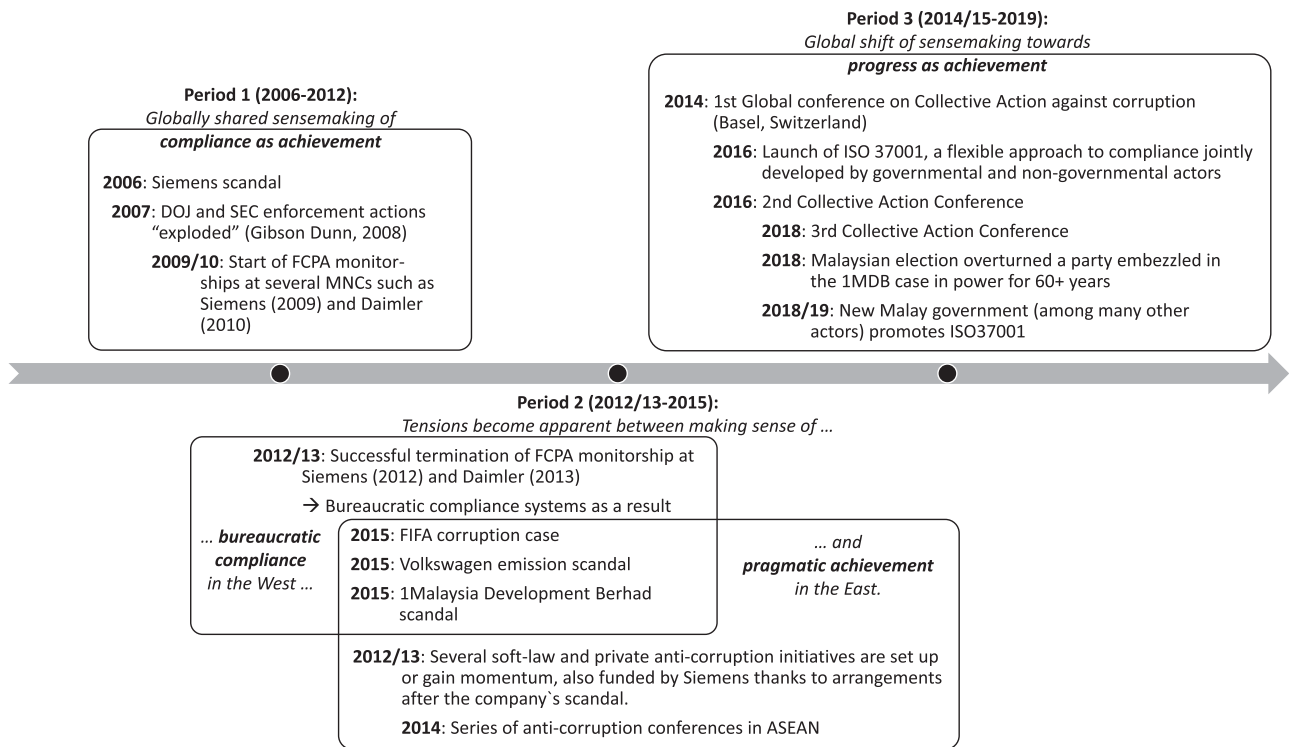
Context. To analyze sensemaking across different institutional contexts, we focus on developments in the sensemaking of the GoC as they unfolded in the *East* (i.e., Asia) and the *West* (i.e., Western Europe and North America). Regarding this East-West distinction, previous scholarship has suggested that governance models in the West rely largely on contracts, legal rights, rational planning and the enforcement of bureaucratic rules imposed on subordinates down the chain of command by leaders whose authority is based on their formal position in the organizational hierarchy (Weber 1978, Moody 1996). According to Weber's (1978) classic account of bureaucracy, only such a legalistic system of formally and materially justified norms and procedures with binding laws and contracts can justify the restriction of individual liberties required for effective governance. The longstanding prevalence of this formal rule-based approach to governance in the West means that any deviations from what has been planned, regulated or contracted are not considered acceptable, even including pragmatic and expeditious modifications of such regulations. This explains in part why compliance models are still widely used in Western corporate governance approaches despite their evident limitations (Paine 1994, Locke et al. 2009).

Notwithstanding the diversity of Asian cultures, traditions, and histories, research supports the broad generalization that there are certain shared fundamental values and central commonalities in the East that differ significantly from those in the West (Luo 2002), including the prioritization of duties to the collective over individual rights, with these duties extending from family and clan structures to the local community and beyond (Mauzy 1997, Begley and Tan 2001). These mutual social obligations are largely implicit and embedded in informal social structures and practices rather than in formal institutions, meaning they need to be worked out and made sense of through continuous

consultation and improvisation (Mair et al. 2012). The priority of fulfilling these mutual obligations often involves sidestepping any formal rules, contracts and authorities that get in the way (Mauzy 1997). Individual rights, the rule of law, contractual rules, and bureaucratic norms and procedures may thus play a less central role in many Asian contexts, especially if these concepts are regarded as "imported from the West" (Mauzy 1997, p. 215).

By distinguishing between East and West, our intention is not to overgeneralize differences or promote stereotyping by implying that corruption is a bigger or smaller problem in either context. Besides the fact that current methodologies cannot capture the precise scale and scope of global corruption (Andersson and Heywood 2009), our interest is not in specific practices or levels of corruption and anticorruption but in how actors in diverse contexts make sense of what is or is not appropriate in the GoC and how such sensemaking diverges and converges over time. By examining how people and organizations *talk* about corruption governance, we explore how intersubjective meaning is created through communication, that is, via talk and text (Maitlis and Christianson 2014). Although we do refer to major developments in the practical governance of corruption, including scandals, changes in enforcement actions, and the introduction of new anticorruption tools (Figure 1), our focus is on how actors made sense of these developments rather than on their import as outcomes in the GoC that can be objectively assessed as good or bad, progressive or regressive.

Focal Actors in the Governance of Corruption. We approached a range of key actors in the East and West and international bodies involved in the GoC. In the West, we gained access to relevant employees of the German MNC Siemens, in addition to gathering documents published by the U.S. Securities and Exchange Commission and the U.S. Department of Justice as the two Western regulatory agencies responsible for enforcing the U.S. Foreign Corrupt Practices Act (FCPA), widely considered the most comprehensive anticorruption legislation in the world (Gibson Dunn 2011). In the East, we approached representatives of Asian subsidiaries, supply chains, and other MNCs such as Daimler and Shell, as well as local governmental and nongovernmental organizations involved in the governance of corruption in Asian contexts. Our primary focus in this data collection in the East was on Southeast Asia, although we also gained access to actors in China and South Korea. Finally, we approached international intergovernmental organizations such as the UN Office on Drugs and Crime (UNODC) and the World Bank, global NGOs such as Transparency International, local business chambers, and anticorruption experts in academia.

Figure 1. Key Developments in the Governance of Corruption

Data Collection

Interview Sample and Data. Interview data were collected from November 2012 to March 2019. To obtain an appropriate sample of interviewees based on a purposeful selection of relevant corruption cases, we consulted the media and searched databases such as the records of FCPA-related enforcement cases of the U.S. Department of Justice. We also interviewed international anticorruption field experts, including lawyers and representatives of NGOs, to gather information about typical practices in anticorruption governance.

Our final sample of 75 interviews comprised 56 semistructured interviews, 12 informal conversations,

four email conversations, and three pre-existing interviews. The semistructured interviews and informal conversations were conducted either face-to-face or by telephone. The interviews ranged from 45 to 120 minutes, whereas the informal conversations were much shorter, ranging from 1 to 10 minutes. Whereas the interviews were based on prior background analyses of the interviewees and the organizations they represented, the informal conversations took the form of spontaneous discussions at various venues without prior preparation, including at conferences for practitioners or academics. (Table 1 provides details of the organizational affiliations of our respondents and the

Table 1. Overview of Interview Data

Organization type	Organization name	Representative	Date (type) of conversation
Companies	Siemens, HQ Switzerland (CH)	Senior CO	Nov 2012 (PI ^a), Dec 2013 (PI ^a)
	Siemens, Australia	Senior CO	Mar 2013 (TI)
	Siemens, HQ Germany (GER)	Senior CO	Feb 2014 (TI ^{a,b}), Feb 2016 (TIC ^{a,b}), Nov 2018 (IC ^{a,b})
	Siemens, ASEAN Pacific	Two senior COs	Dec 2014 (EI), Oct 2016 (IC)
	Siemens, ASEAN	Manager	Feb 2013 (PI)
		Regional CO	Apr 2014 (PI), Nov 2015 (TI)
		Regional CO ^c	Mar 2014 (TI)
		Senior representative	Apr 2014 (TI & MC)
		Senior CO	Mar 2017 (PI)
		Senior CO	Nov 2012 (PI ^a), Nov 2013 (PI ^a)
	Daimler, HQ Germany	Senior CO	Jan 2015 (EI)
	Daimler, AUS	CO	Apr 2013 (TI ^a)

Table 1. (Continued)

Organization type	Organization name	Representative	Date (type) of conversation
Regional networks and NGOs ^e	Daimler, Greater China	Two senior COs	Mar 2014 (TI)
	ABB, HQ	Manager	Nov 2012 (PI ^d), Nov 2013 (PI ^d)
	ABB, AUS & South Asia	Regional Counsel	May 2013 (PI)
	Shell, Philippines	Senior representative	Apr 2014 (PI)
	Shipping firm, Indonesia	Former employee	Apr 2014 (IC)
	Transparency International: AUS	Two senior representatives	Mar 2013 (PI), Jan 2017 (PI & MC)
	GER	Former representative	Jan 2014 (TI)
	Philippines	Senior representative	Apr 2014 (PI)
	Malaysia	Two senior representatives	Apr 2014 (PI), Mar 2019 (2 TIs)
	UNGC, Singapore	Senior representative	Mar & Apr 2014, Nov 2015, Oct 2016, ^c May 2018 ^c (all PIs)
		Project manager	Oct 2016 (PI)
	UNGC, AUS	Senior representative	Feb 2017 (PI)
	ASEAN CSR Network	Two program directors	Mar & Apr 2014, Nov 2015, Oct 2016, May 2018 (all PIs)
	Integrity Initiative, Philippines	Two senior representatives	Mar 2014 (PI)
	IDEAS ^f , Malaysia	Manager, governance unit	Apr 2014 (PI)
Thai Listed Companies Association	Senior representative	Apr 2014 (PI)	
Government, IGOs ^h , business chambers, regulators & prof. services firms	Integrity Network Initiative, Egypt	Senior representative	Oct 2016 (PI), Nov 2018 (IC ^b)
	IFBEC ^g	Senior representative	Oct 2016 (EI)
	IBLF Global, UK	Senior representative	Oct 2016 (IC)
	Business for Soc. Responsibility	Senior representative, transport & logistics	Oct 2016 (IC)
	Gibson Dunn, GER	Lawyer	Nov 2012 (PI), Nov 2013 (TI)
	Professional services firm, AUS	Senior manager	Mar 2013 (PI)
	Embassy of Switzerland, AUS	Senior representative	Apr 2013 (PI)
	GSK Associates, GER	Senior representative (Siemens compliance monitorship) ^c	Oct 2013 (PI)
	Association of Southeast Asian Nations (ASEAN)	Senior representative ^c	Mar 2014 (PI)
	Corrupt Practices Investigation Bureau (CPIB), Singapore	Senior representative ^c	Mar 2014 (IC)
	KADIN BSD ⁱ , Indonesia	Senior representative	Mar 2014 (PI ^a)
	UNGC, HQ (USA)	Senior representative, corruption	Mar 2014 (IC)
	UN Industrial Development Org.	Senior representative	Mar 2014 (MC ^b)
	UNODC	Two senior representatives, Southeast Asia & the Pacific	Apr 2014 (TI), Mar 2017 (TI)
	Office of the Attorney General, CH	Senior rep., int. corruption	Oct 2016 (IC)
Academia	Delegation of the EU, Singapore	2 representatives, Econ. & Trade	Oct 2016 (PI)
	Allens, AUS	Senior representative	Jan 2017 (PI)
	Alliance for Integrity, GER	Senior representative	Oct 2016 (IC ^a)
	CBS Copenhagen, Denmark	Coordinator Asia	May 2017 (TI ^a)
	HTW Chur, CH	Professor	Dec 2015 (IC)
	Monash University, AUS	Automotive industry expert	Jan 2014, Mar 2016 (both PIs ^{a,b})
	University of Malaysia	Professor	Mar 2013 (PI)
			Feb 2014 (MC)

CO, compliance officer; PI, personal interview; TI, telephone interview; (T)IC, (telephone) informal conversation; EI, (pre)existing interview; MC, mail conversation.

^aTranslated into English.

^bNot recorded.

^cFormer position.

^dDirect quotes prohibited.

^eNongovernmental organization.

^fInstitute for Democracy and Economic Affairs.

^gInternational Forum on Business Ethical Conduct.

^hIntergovernmental organization.

ⁱChamber of Commerce and Industry.

dates and types of conversation or interviews held with them.)

Our focus in these interviews was on learning why and how MNCs and their subsidiaries had established comprehensive compliance systems for governing corruption and whether they felt they had been successful in achieving their intended ends. All our discussions were audio-recorded and transcribed except for six interviews and six short conversations in which the respondents stated a preference for “off-the-record” and/or more informal discussions. The transcripts of the recorded interviews were sent to the interviewees for validation. In eight cases, the interviewees edited the relevant transcript to clarify misunderstandings or to make corrections where the content had been misheard.

Despite being a “highly efficient way to gather rich, empirical data,” data collected through interviews may be biased because of “impression management and retrospective sensemaking” (Eisenhardt and Graebner 2007, p. 28). To mitigate this risk, we followed the approach to theory building developed by Eisenhardt and Graebner (2007), gathering a diverse range of perspectives from interviews with multiple highly knowledgeable actors from different functional areas, types of organizations and local contexts over a period of more than six years. Interviewing several subjects repeatedly enabled us to focus on events occurring between the interviews, which “thereby increased the likelihood that [we] could determine the sequence and nature of events accurately” (Leonard-Barton 1990, p. 254), affording us valuable opportunities to identify shifts in the sensemaking and storytelling patterns of our interviewees over time, further adding depth and detail to our analysis of how these actors experienced and interpreted change.

Archival Data. We collected a wide range of public and corporate documents published between 2006 and 2019, including anticorruption programs, policies and regulations, media reports, email conversations, annual corporate reports and third-party reports, press releases, and publications such as brochures, handbooks, and guides, altogether amounting to a total of 76 documents from public sources and 68 documents from corporate sources, comprising more than 620,000 and 580,000 words of text, respectively. These data allowed for additional exploration of the sensemaking dynamics involved in anticorruption governance, especially in relation to problems of compliance and achievement. Our findings from this analysis further complemented the insights we gained from our real-time data collection in the form of interviews and conversations. In addition, because the initial interviews started in 2012 our triangulation of the interview data with our archival data reduced the risk of convergent retrospective sensemaking and impression

management regarding any events and activities that had taken place before 2012 (Eisenhardt and Graebner 2007, p. 28).

Observational Data. The first author attended two workshops on business and anticorruption in Asia in 2014 and 2015, as well as two conferences on anticorruption held in Switzerland in 2016 and 2018. The observational data gathered on the speeches and interactions of the participants at these events further informed our understanding of actors’ sensemaking around the issue of decoupling, as well as enabling us to gain a sense of the extent to which anticorruption principles were endorsed or contested by the participants at different points in time.¹

Data Analysis

We applied a primarily abductive approach aimed at generating novel insights from our data by relating our empirical observations to theory (Van Maanen et al. 2007). To iteratively refine, consolidate, and differentiate between emerging sensemaking patterns, we imported all our data into an integrated database using NVivo qualitative analysis software. The three main stages of our data analysis are summarized here.²

Stage 1: Making Sense of the Governance of Corruption. The first stage of our data analysis aimed at detecting how actors in different contexts made sense of the GoC, especially in relation to *compliance* and *achievement*. To identify such sensemaking, we focused on utterances related to compliance and achievement in local contexts in the West and the East, zooming in on instances of sensemaking surrounding compliance-based efforts to remedy policy-practice decoupling vs. achievement-oriented efforts aimed at remedying means-ends decoupling. Our initial focus was on identifying particularly salient statements and frequently repeated expressions that distinctly addressed key elements of our core areas of interest (see “open coding”; Corbin and Strauss 1990), including any instances of sensemaking reflecting a focus on achieving ends, such as talk about “getting actors on board” and “gaining momentum.” In total we coded 1,742 individual utterances, grouping these codes into clusters of policies and practices, means, and ends.

Gathering longitudinal data from interviews conducted between 2012 and 2019 and archival data published between 2006 and 2019 enabled us to assess the unfolding dynamics of sensemaking over time. In consolidating individual utterances into larger meaning structures, we drew on the concept of “present-oriented sensemaking” (Reinecke and Ansari 2015, p. 20), which emphasizes the role of actors’ judgments in response to “presently evolving situations” (Emirbayer and Mische 1998, p. 971); a perspective that seems particularly apt in contexts such as anticorruption involving ethical

equivocality and ongoing sensemaking about normatively appropriate actions (Reinecke and Ansari 2015). We further took into account the fact that sensemaking at any given point in time may involve reflections about the past and projections of the future. For example, we noted that utterances related to present compliance processes in the West were often combined with

utterances condemning the prevalence of noncompliance in the past. Guided by these considerations, we further consolidated our codes into four plausible and coherent patterns of sensemaking about how and why a certain means does or does not lead to a certain end in anticorruption governance. Table 2 presents the final structure of the sensemaking data and lists exemplary

Table 2. Complementary Evidence of Sensemaking Across Periods and Locations

Sensemaking	Period
	Period 1 (2006–2012)
Global: Compliance as achievement	<p>“2007 is by any measure a landmark year in the fight against foreign bribery.” ... Mendelsohn and Firestone spoke only what everyone in the room already knew: as the statute celebrated its thirtieth birthday, FCPA enforcement, already trending steeply upward in recent years, exploded in 2007.” (Gibson Dunn, 2008)</p> <p>“‘Only clean business is Siemens business’ ... is the creed that Winter’s top boss, CEO Peter Löscher, has been preaching since he took office - and Winter is Löscher’s missionary on the front line. He has recently been responsible for ensuring that the approximately 400,000 Siemensians around the world adhere to it and no longer get caught up in criminal activities as in the past. Winter is supposed to preserve the reputation of the group all over the world, he is the highest Siemens law enforcement officer or, as his business card states: ‘Chief Compliance Officer’.” (Höpner, 2010)^a</p> <p>“The compliance organization was set up parallel to the investigation. A huge team should ensure that corruption is taboo in the future. While the newly created compliance department had just over a dozen employees at the end of 2006, only two years later there were more than 600.” (Freitag and Katzensteiner, 2011)^a</p> <p>“With a nearly two-fold increase in FCPA enforcement actions in 2010 over the prior record set just the year before, it is hard to disagree with Breuer: “[W]e are in a new era of FCPA enforcement; and we are here to stay.” (Gibson Dunn, 2011)</p> <p>“The pressure of the monitorship has undoubtedly led to the fact that we had to establish a compliance management system under very high pressure within a very short time.” (Daimler, Nov 2012)</p> <p>“Many large corporations have set up large compliance departments, and even medium-sized companies value the fight against corruption. A whole guild of compliance advisors has emerged. There are compliance congresses, training to become a compliance officer, and at the end of November companies founded the “German Compliance Institute” to exchange knowledge and set standards.” (Greive and Hartmann, 2012)^a</p> <p>“A compliance department has been set up that has actually worked with about 600 full-time compliance officers around the world and a very effective headquarters in Munich.” (GSK Associates, Siemens compliance monitorship, Oct 2013)</p> <p>“‘The Siemens case was the zero hour for compliance in Germany,’ says expert Hans-Joachim Marschdorf. Compliance is now a fashion concept. ... ‘The Siemens case has created an enormous sensitivity to corruption and led to a paradigm shift in the German corporate landscape,’ says Andreas Pohlmann, former chief compliance officer at Siemens ... Many large corporations have set up large compliance departments’ even medium-sized companies attach importance to the fight against corruption. An entire compliance consultancy industry has emerged.” (Greive and Hartmann, 2012)^a</p> <p>“Being part of the global organization, we established the [current] compliance organization in Australia at the time when the global change occurred. And we’ve replicated the required global program throughout the Australian organizations ... although we haven’t had any issues.” (Siemens Australia, Mar 2013)</p>
	Period 2 (2013–2015)
West: Bureaucratic compliance	<p>“Companies are trying to be ethical but the markets they are engaging themselves in are not at the level of implementing such ethical policies. The government doesn’t have that; the other competitors in the market don’t have that. So they are basically killing themselves in a market like the Philippines. That’s what they realized.” (Integrity Initiative, Philippines, Mar 2014)</p> <p>“I’ve heard [Siemens] say that they’ve been applying this [compliance] principle since they got caught basically. And they said that they’ve had difficulties, because their competitors do not abide by the same rules anymore. ... I’ve heard a story from Siemens that they were doing work in Vietnam for a project and one of their competitors was rumored to have paid a bribe. They got wind of it through industry circles basically. Siemens had refused so they lost a contract.” (ACN, Mar 2014)</p> <p>“Going it alone can have only a limited impact in the fight against corruption.” (Siemens, 2013: 30)</p> <p>“There are differences in the understanding of corruption and the tolerance level. ... There are ... activities that are just, well, accepted [in China].” (Daimler, Greater China, Mar 2014)</p> <p>“I think particularly with new arising economies and so on, the compliance systems are not as strong and that creates some new challenges for companies that are coming from West.” (UNODC, Apr 2014)</p>
East: Pragmatic achievement	<p>“Because of the Myanmar culture, we have to start small, we don’t want to lose face. International companies have to disclose everything.” (SMART, conference in Myanmar, 2014)</p> <p>“It’s better that we follow principles, and we are a principle-based culture. We cannot be a legal-based culture where everybody is trying to police everyone, everyday, every minute. (Integrity Initiative, Philippines, Mar 2014)</p> <p>“Because FCPA would require to invest a lot, even hire compliance officers, auditors to perform background checks on potential suppliers. And a lot of suppliers are not ready for that. They won’t pass. But if you have them first improve before engaging them, or have them when already engaged with them. We think that’s a better approach.” (Integrity Initiative, Philippines, Mar 2014)</p>

Table 2. (Continued)

Sensemaking	Period
	<p>“One organization we know was certifying companies being wildlife friendly and then one of the companies was found to have been doing something very bad for the wildlife. And it was all over the news and this particular worldwide organization was dragged into that kind of negative publicity. So it did them a lot of harm. And [Transparency International] Malaysia told us from the start, be very careful about certification.” (Transparency International Malaysia, Apr 2014)</p> <p>“All countries sign [the UN Convention Against Corruption], but they interpret it in different ways.” (CBS Copenhagen, Chinese professor, Dec 2015)</p> <p>“[Our] first agenda is usually ... to get them on board, because once they do that ... we have a clear framework to work with them. ... To get them on board, you need to use a system they are all open to. ... Once they have actually ratified [such policies—here, the UN Convention against Corruption—], they have obligations. ... it also creates a momentum in countries [that have ratified the convention], because sometimes even the national authorities may want to do it [i.e., fight corruption], but they may not have the momentum or the support.” (UNODC, Apr 2014)</p> <p>“[W]hat [we] want to do with the ASEAN CSR Network is to create a regional net-work gradually, first with countries which are ready, but then bring them all [on board]. And that has two purposes. One is to create another level of commitment among companies [in] the region ... , to bring them all on the same level with their compliance system, to help [them] coordinate [their actions]. But on the other hand, I also hope that they could [put] more pressure on their governments, demanding actions [from them].” (UNODC, Apr 2014)</p> <p>“The UNCAC has provided significant momentum to the global anticorruption movement.” (OECD, 2011: 47)</p> <p>“II. GAINING GROUND ON THE FIGHT AGAINST CORRUPTION: ... The last decade alone has seen a significant increase in the global community’s interest in tackling the problem of corruption. ... On 9 July 2013, Integrity Initiative, Inc. (II, Inc.) was incorporated as a non-profit organization in order to continue the collective action that is gaining a greater number of partners. To date, Integrity Initiative has on board 173 organizations, 45 government agencies, and 2,804 corporations and other private entities as members.” (Cortez and Ramos, 2015: 4)</p>
	Period 3 (2015–2019)
Global: Progress as achievement	<p>“What I really like is that you sit here and say ‘We’re measuring how much we can <i>decrease</i> facilitation payments.’ You’re not saying, ‘we have a zero tolerance’ [approach]. It’s naïve to think that, and we know that.” (Basel Institute on Governance representative commenting on a firm presentation at a global anticorruption conference in Switzerland, 2016)</p> <p>“[T]he global discourse has changed a lot in the past 20 years. Corruption has become an issue that is discussed globally. There is much more awareness about it. It is still sensitive politically, but it’s not the taboo that it used to be.” (UNODC, Apr 2014)</p> <p>“The results achieved to date are impressive. As you can see from the many examples of our Integrity Partners in Part C, the projects have played a key role at the global, regional and sector level in raising awareness of clean markets (level playing field), promoting transparency, and making education and training available to dedicated stakeholders.” (Siemens, 2016b: 10)</p> <p>“Global awareness of the corruption problem and a willingness to actually go after corrupt actors has flattened the playing field in international business transactions.” (Cortez and Ramos, 2015: 12)</p> <p>“Further monitors could be appointed to review future business practices and we may otherwise be required to further modify our business practices and our compliance program.” (Siemens, 2016a: 21)</p> <p>“There is a lot about social behavior in the dynamic of an IP [Integrity Pact] in its original form, which has made them very successful. ... The funds from Siemens’s Integrity Initiative multiply [existing funds] by ten and support many initiatives that were not accessing the usual funds. ... That supported a lot of innovation in the anti-corruption world” (Consultant, formerly at Transparency International HQ, Germany, Jan 2014)</p> <p>“This event [Global Collective Action Conference, 2016] was, for us and many committed representatives of Integrity Initiative Partner organizations, a unique opportunity to exchange experiences with experts in anti-corruption and Collective Action.” (Siemens, 2017: 5)</p> <p>The [cases presented here (Global Collective Action Conference)] confirm that sometimes original [i.e., local] efforts are helpful in complementing the ICCA [International Center for Collective Action] efforts in promoting collective action. (UNGC local network representative, conference in Switzerland, 2016).</p> <p>“Six years ago, we started with 23 companies, now we have 742 companies signed up and declared their intention. And those [more than] 700 companies are many listed companies, and not just small ones; they account for 80% of the market cap of the whole [Thai] market. So, basically all the major firms are there. And we also have another more than 300 companies that are not listed across all industries and sizes.” (Thai CAC, conference in Switzerland, 2016)</p> <p>“In this the seventh year of implementation, we look back on six years of Siemens Integrity Initiative activities with appreciation for a truly unique panorama of Collective Action endeavor.” (Siemens, 2017: 4)</p> <p>“In ASEAN we don’t criticize anybody, it’s consensus. ... We do not say there is a right or wrong [approach in governing corruption], I mean there is no black or white or something. ... I think as a whole, it [the governance of corruption] is better than five years ago because, [for example, there is now] the ASEAN blueprint that talks about corruption, and there’s also a governmental annual integrity dialogue.” (ACN, 2018)</p> <p>“[Coming back to the flowerbed metaphor, I mentioned four years ago], I can say that over the last 6–8 years the plants have grown. Some even went through the roof, others however struggle, and still others didn’t get it. But this is normal in this kind of (innovative) work.” (Siemens, HQ Germany, 2018)</p>

^aTranslated into English.

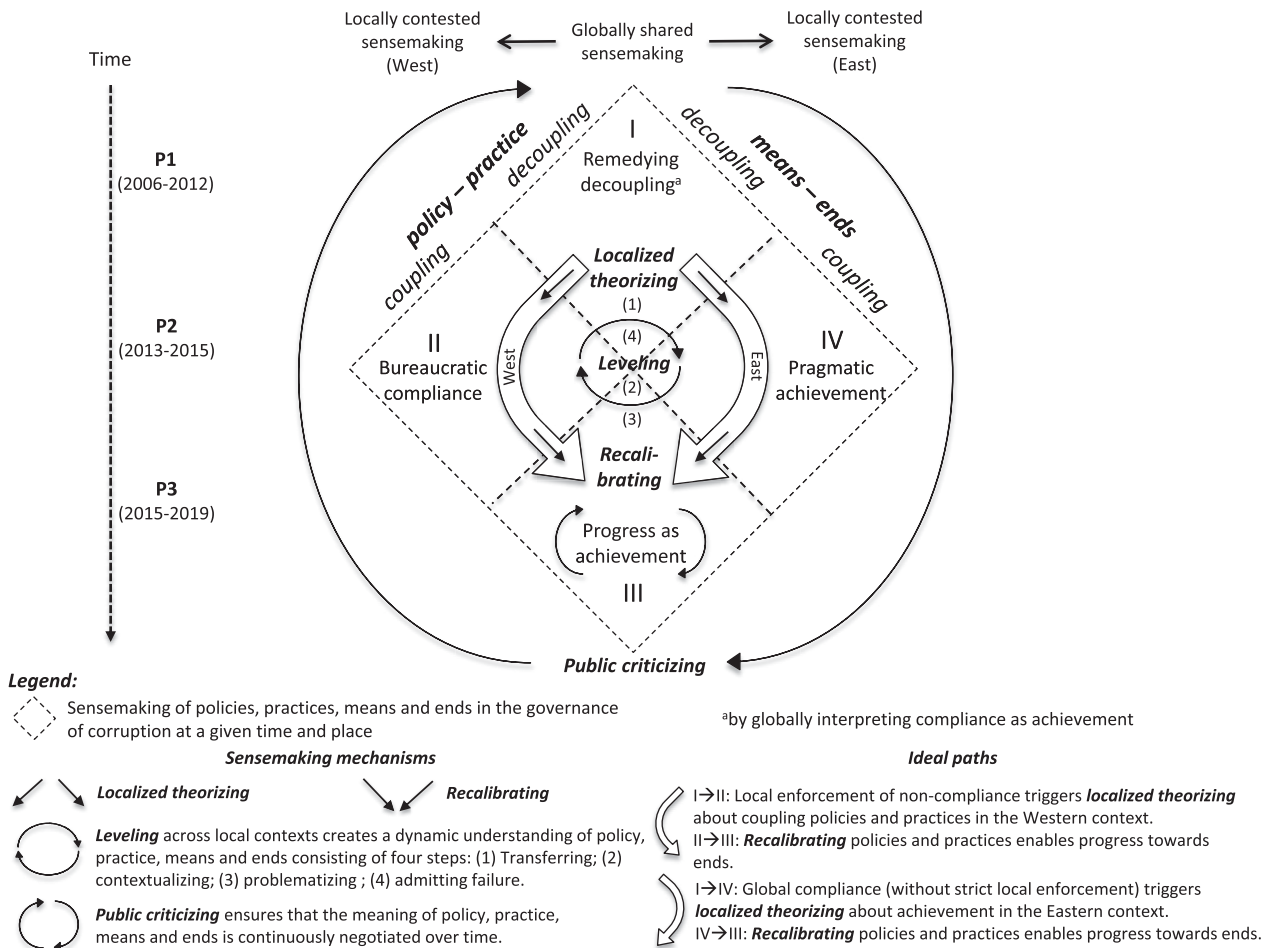
instances as evidence of the sensemaking we identified, including the dates and sources of this data.

Stage 2: Spatial and Temporal Classification of Sensemaking. In the first stage of our analysis, it soon became clear that actors’ sensemaking differed significantly over time and across local contexts. In the second stage, therefore, we classified these sensemaking patterns spatially and temporally (Table 2), categorizing instances of localized sensemaking as Eastern or Western whenever such sensemaking was contested and divergent across local contexts, whereas instances of sensemaking collectively shared and taken for granted across local contexts were classified as *Global* (Table 2). In the model derived from our data analysis (Figure 2), *globally shared sensemaking* thus represents the attainment, however temporarily, of relatively stable meaning structures and expectations (Weber and Glynn 2006). We identify three distinct periods (P1–P3) according to the prevalence of different types or stages of sensemaking in and across different contexts at these times. In brief, *globally shared sensemaking*

prevailed in P1 (2006–2012) and later again in P3 (2015–2019), whereas *locally contested* (Eastern and Western) sensemaking prevailed in P2 (2013–2015).

Stage 3: Identifying Sensemaking Mechanisms. Because sensemaking is a never-ending endeavor (Weick 1995), the prevalent manifestations of sensemaking we identify in our data as Global, Eastern, or Western represent only “temporary resting points” that are themselves subject to ongoing sensemaking activities (Weick 2012, p. 150). In the third stage of our analysis, therefore, we sought to explain how and why sensemaking about the GoC and the tension between compliance and achievement changed over time by identifying the specific “sensemaking mechanisms” driving this change. Such mechanisms are understood here as distinct communicative “process[es] in a concrete system ... capable of bringing about or preventing some change in the system as a whole or in some of its subsystems” (Bunge 1997, p. 414), thus explaining how and why changes occur in sensemaking over time (Weber 2006, Reinecke and Ansari 2015).

Figure 2. Making Sense of Compliance and Achievement in the Governance of Corruption



Downloaded from informs.org by [212.51.132.254] on 24 January 2023, at 03:05. For personal use only, all rights reserved.

To explore the relevant sensemaking mechanisms in our case, we first thoroughly revisited our data with the purpose of identifying specific instances of sensemaking efforts that were both focused on change and related to other sensemaking efforts from different time periods and/or different local contexts. Technically, this involved searching for change-oriented content in the sensemaking data coded “at multiple codes” (see “coding at multiple nodes,” NVivo 2018), for example, content that co-occurred in sensemaking in different periods; (see also “horizontal analyses,” Wibeck and Linnér 2021, p. 7).³ This resulted in the initial identification of seven distinct

sensemaking mechanisms that we subsequently consolidated based on similarities. Specifically, we identified such similarities in the content of five of the initially identified mechanisms, namely in three sensemaking mechanisms related to the topic of learning in the West and East and in two mechanisms related to collaborative experimentation between the West and the East aimed at finding agreement on appropriate means of tackling corruption. Through this process of consolidation, we arrived at a final set of four sensemaking mechanisms: localized theorizing, leveling, recalibrating, and public criticizing. Table 3 presents illustrative instances of the

Table 3. Complementary Evidence of Sensemaking Mechanisms

Sensemaking mechanism	Spatial context
	Period 1 → Period 2
Localized theorizing	Global → West “I’ve heard [Siemens] say that they’ve been applying this [compliance] principle since they got caught basically.” (ACN, Mar 2014) “Of course, the Swiss worker here in automation technology may tend to say that ‘it [corruption] was neither in my division nor in Switzerland, what do I have to do with it?’” (Siemens, HQ Switzerland, Dec 2013) “Once you’ve been hit by a lot of sanctions, your controls have already matured to a point at which you can no longer afford any grey area.” (Integrity Initiative, Philippines, Mar 2014)
	Global → East “You have got to make it local, because no market is the same and markets are always changing, so that dynamic in a regional or global relationship needs to be different.” (Professional Services Firm, Australia, Mar 2013) “Many [MNCs] have zero tolerance [for non-compliance], like BP, they are quite ambitious. But the problem is, if there would be zero tolerance in the transport sector, the world trade would stop today. Nothing would move, because it is so endemic in the sector.” (Transport & Logistics and Collaborative Initiatives, conference in Switzerland, 2016)
Leveling	Period 2 (1) Transferring (Local: West → East) “Some of these experiences and lessons learnt, [...] we also want to share with our JVs.” (Daimler, Greater China, Mar 2014) “Everywhere in the world, we’ve entered into integrity pacts with our partners and competitors.” (Siemens, 2012: 60) “A growing number of companies joining global anti-corruption initiatives increases peer pressure to commit to ethical practices and ensures that companies able and willing to demonstrate leadership in the fight against corruption do not risk leaving business behind for scrupulous competitors to pick up.” (UNGC, 2010: 4) “We [suggested to] the [Philippine] department of finance to come up with a tax regulation in order to prevent smuggling, (...) [asking] ‘why don’t you impose tax on all [oil & gas] imports and if the company is able to prove that they re-exported it [i.e., the previously imported product], then they get a refund on their tax?’” (Shell, Philippines, Apr 2014) “In all areas, there is a learning requirement. [We] are counting on [advanced companies] to really help us spread the word. [Thanks to] Siemens, we were able to access a resource that is critical [for] our efforts, because there is no other mechanism like that anywhere in the world.” (Integrity Initiative, Philippines, Mar 2014) “[According to Jericho Petilla, the new energy secretary of the Philippines] we need support from various sectors—in this case Siemens.” (Siemens, Philippines, Apr 2014)
	(2) Contextualizing (Local: West ← East) “It’s about the person who’s not earning so much and sees now someone is willing to give her more [in the form of a bribe]. What does she do? She takes it. There are so many different dimensions to [and reasons for corruption]. In the Singapore government, the administrators are paid as much as a CEO of a company” (Siemens ASEAN, Apr 2014) “I think part of the problem in the Philippines is the political and the economical [dimension], so that makes it more difficult because you are fighting at both levels.” (Transparency International Philippines, Apr 2014)

Table 3. (Continued)

Sensemaking mechanism	Spatial context
	<p>“One of the strengths of the [Integrity Pact] concept seems to be that it is flexible enough to adapt to the many local legal structures and requirements as well as to the different degrees to which governments are willing to proceed along the lines set forth here.” (Transparency International, 2009: 6)</p> <p>(3) Problematizing (Local: West ← East)</p> <p>“It’s a game of perception. [Certain] governments are very good [at] containing ... publicity and perceptions. They put in processes, they put in controls, but it doesn’t mean there are no bribery cases in Singapore.” (Siemens ASEAN, Apr 2014)</p> <p>“[The CPI] is a perception index, and perception can go up with more action ... at least in the short term, when you do more, the population may think ‘wow, you’re so corrupt’.” (UNODC, Apr 2014)</p> <p>“People take advantages. Or, ... they find more loopholes ... in law and regulations. So you come back to square one.” (Transparency International Malaysia, Apr 2014)</p> <p>“There was funny a case ... , where a senior guy working in pharmaceutical was sleeping with the representatives of the big American companies. And they said, that is corrupt. He said, no I was just sleeping with them.” (Transparency International Australia, Mar 2013)</p> <p>“You have lobbies that have been created legally in the US as a practice. What are they? How do they perform? They are stakeholders who are responsible [for promoting] certain ideas and suggestions, and market strategies.” (Siemens ASEAN, Apr 2014)</p> <p>“In the USA, it’s very common that they get tips. If you want to have a nice dining table, you tip. Are tips a form of corruption, of petty corruption, how do you define that? ... And what about the lobbyist system in America? [The] difficulty that people have in actually uncovering who has given how much to which party when is symptomatic of the actual lack of transparency.” (Transparency International Malaysia, Apr 2014)</p> <p>“Do they think it is a bribe at all? ... I think a lot of people will say, no, I don’t give bribes, but I do look after my clients ... And that’s the question about how it is seen locally versus internationally.” (Transparency International Malaysia, Apr 2014)</p> <p>“He was basically saying ‘please use ... this partner, I recommend this person’. As long as he doesn’t ... say ‘if you don’t use him, you can’t do this’, I have no issues.” (Siemens ASEAN, Apr 2014)</p> <p>(4) Admitting failure (Local: West → East)</p> <p>“It is still an issue in the company that we have very many regulations. We are constantly working on simplifying and streamlining these regulations.” (Siemens, HQ Switzerland, Nov 2012)</p> <p>“... and it could also be wrong [to force the joint ventures to take over Daimler compliance tools or methodologies], because you have to do this really tailored on the business model and where they come from. (Daimler, Greater China, Mar 2014)</p> <p>“Monitoring is very touchy with Collective Action. Can we actually build in a kind of an enforcement side? It is tricky. It is something that has failed in the early days.” (Basel Institute on Governance, conference in Switzerland, 2016)</p> <p>Rough note from ABB interview (direct quotes not permitted): Many companies including ABB were talking almost exclusively about rules; However, our informants at ABB realized that people get tired of listening to the rules (e.g., of the FCPA or OECD), but prefer real examples instead. (ABB HQ, Nov 2012)</p> <p>“Then we’ve seen that compliance is one thing, but we also want to get people to use their minds. ... Compliance must be part of the business. Otherwise, it is not sustainable at the end of the day, which, of course, leads to what is also experienced here on the spot. You cannot change a culture from today to tomorrow, it takes a while.” (Daimler Australia, Apr 2013)</p>
	Period 2 → Period 3
Recalibrating	Local → Global
	<p>“If we really can take the message across to the next level, which is using the aspects of compliance in a very positive way, it also puts us in the position of gaining more exposure and gaining more opportunities” (Siemens ASEAN, Nov 2015)</p> <p>“[Transparency International] never [set certain mandatory elements for integrity pacts], partly because the choice was it is better that people take it, adapt it and reproduce it and make more of it, than to take property of it and restrict it. ... I am of the view, but there is debate on this, that there is really a process of discussion of the integrity pacts by the companies participating in it, because this creates this binding commitment.” (Consultant, formerly at Transparency International HQ, Berlin, Jan 2014)</p> <p>“What I like about collective actions, that you do your own initiative as the needs in your market tell you. You cannot really copy-paste things that are ready from somewhere else. Some markets are more mature than other markets. And the way we design our initiative is also based on maturity.” (Integrity Network Initiative, conference in Switzerland, 2016)</p> <p>“We have done a lot of this [i.e., speeches at conferences] in the early days, and I think we have come to a point where we also feel that a lot of it is now done via our collective action initiatives. People are aware very much about the topic. We have close alliance groups that speak about it or bring up the Siemens example as a case study. ... currently, we have an anti-corruption agency,</p>

Table 3. (Continued)

Sensemaking mechanism	Spatial context
	<p>that means NGOs are the ones that now cite the Siemens example as part of their speeches, and that helps us even more. (Siemens ASEAN, Nov 2015)</p> <p>“There’s a changing field that we’re working at in terms of not only what’s expected in reporting, but also what’s expected in interlocution, discussion, and engagement with the community.” (The B Team, conference in Switzerland, 2018)</p> <p>“Introduced in 2006 in India, the [integrity] pact has been applied by other institutions and ministries. [Having realized that] some companies have signed the pact, but haven’t done anything. ... [we now have] Independent External Monitors (IEM), who can investigate integrity pacts or outsource their investigations to other agencies.” (Confederation of Indian Industry, Oct 2016)</p> <p>“So, I encourage ICCA to expand this collective action and its outreach activities to the regions. Of course, you can have a forum like this on a global basis [= level] here, but also you can go to the regions.” (UNGC local network representative, conference in Switzerland, 2016)</p> <p>“What is also new is that we try to modernize this tool a bit. We tried to reinforce the collective action elements, so these pilot projects contain a strong cooperation with local communities that can be affected by the project. ... And then three other integrity pacts we were developing with local governments ...” (Transparency International Hungary, conference in Switzerland, 2016)</p> <p>“I think that one thing about integrity pact is that tool that is very flexible and it can be adaptable to different environments. And from the presentation on India, I see that integrity pacts in India works slightly different than, for example, in Hungary. In many EU countries, I think we have a slightly different approach. [But] for sure, the basic concept is that integrity pact is collaborative tool and voluntary tool.” (European commission, conference in Switzerland, 2016).</p>
Public criticizing	<p style="text-align: center;">Period 3</p> <p>Global and Local</p> <p>“Of course, it is the shareholders’ money at the end. Collective Action will be a strategy topic for us always, but the funding of Collective Action in such a massive way ... There also must be other companies that contribute. It cannot only be Siemens. It must be on a broader scale, I don’t see this at the moment.” (Siemens, HQ Germany, conference in Switzerland, 2016)</p> <p>“Unless we break some eggs we cannot make any omelets. ... A first big case trial started in the UK. Threat is important”. (Cornerstone Barristers, conference in Myanmar, 2014)</p> <p>“At the ASEAN summit held last week in Kuala Lumpur [Malaysia, a country which has faced a large corruption scandal involving senior government officials], they announced, at least on paper, that ASEAN is now officially an integrated community. They announced a new strategy, which will be followed until 2020/2025. ... The [ASEAN Integration] blueprint ... makes specific references to e.g. interventions against corruption. This was pushed very hardly from UNODC and others. It has found its way there.” (ACN, Nov 2015)</p> <p>“[The recent ‘IMDB’ corruption scandal in Malaysia] is still an issue also in Singapore, but in Singapore we are doing an anti-corruption workshop on the 9th of December. We are going to highlight some of these issues, so the awareness is larger. In this workshop we are actually having the government, CPIB, and we are also having Interpol. So we managed to get good speakers for the event.” (UNGC network Singapore, Nov 2015)</p> <p>“The [ruling party] put so many hurdles for people to vote, because they knew that the overseas voters were going to go against them. They deliberately scheduled [the election] on a weekday and in the middle of the week. They made it so difficult for people to go back [to their country and vote]. However, the influx of Singaporeans going back to Malaysia was tremendous so you could see that the willpower was very strong. ... They make so many barriers, they redrew the boundaries of the elections to favor the ruling party ... - despite all that [the ruling party lost], and it wasn’t a marginal loss. It was a tremendous swing.” (Former UNGC Singapore representative, May 2018)</p> <p>“Hundreds of companies signed up, but no one did any reporting. The local network host never did any training or any communications or anything, basically. So, hundreds of companies signed up. Two years after came time for delisting. Hundreds of companies were delisted from the Global Compact. ... But I haven’t seen any real campaigns that have impacted corporate action through social media. Because as quickly as these things start in social media, as quickly do they vanish. These campaigns just vanish.” (ACN, Mar 2014)</p> <p>“Once you stopped, it is difficult, because restarting is twice as hard. You have disappointments and this label that it has been a “failure”. So why to restart something that has already failed? The perfect example is Global Compact in the Philippines. Global Compact started in the Philippines and it had the biggest number of sign-ups because at that time there was a president that said, that everyone has to sign up. But there was no mechanism to collect reports. There was no mechanism to do trainings and other things. The employers’ confederation had never done anything on CSR. Then it failed. They have started to restart the Global Compact again, but people did not want to sign up anymore because they had already signed up for a label before and nothing happened, so, what’s the point of signing up again?” (ACN, Nov 2015)</p>

data from which we distilled these four sensemaking mechanisms.

Case Study

We structure the first part of the presentation of our findings from our data along three periods (P1: 2006–2012; P2: 2013–2015; and P3: 2015–2019), outlining significant shifts in sensemaking over time and focusing especially on changing perceptions of compliance and achievement in the GoC. From these findings we develop an integrative model that outlines how and why sensemaking about the GoC can change through the presence of one or more of the four key sensemaking mechanisms identified in our data.

Sensemaking Periods and Locations

Period 1 (2006–2012): Global: Compliance as Achievement. At global level in P1, sensemaking efforts led to the formation and consolidation of a collectively shared interpretation of how best to remedy problems in the GoC. These efforts focused mostly on remedying the decoupling of policies and practices and means and ends, essentially equating compliance with achievement in prescribing a one-size-fits-all solution in the form of the universal enforcement of compliance. The emergence of this global consensus marked a key development in the GoC and arose primarily in response to a wave of large-scale corruption scandals that hit major MNCs such as Siemens, Daimler, ABB, Shell, and ThyssenKrupp in unprecedented ways in these years (Schembera and Scherer 2017). See Figure 1 for an outline of this and other key developments in the GoC over the three periods under consideration.

The disclosure of widespread corruption in the wake of these scandals revealed that despite formal anticorruption governance standards such as the FCPA established in 1977, anticorruption goals were not achieved, and corporate actors continued to resort to policy-practice decoupling to navigate the GoC. Responding to the exposure of these scandals, companies intensified their compliance structures and procedures in line with the prevailing understanding that insufficient enforcement of compliance was the primary cause of persistent governance problems. As our data on sensemaking from this period confirms, the efficacy and suitability of enforcing compliance with existing policies in heterogeneous contexts went largely unquestioned at this time, with the achievement of compliance through remedying policy-practice decoupling becoming seen as an end in itself, perhaps even the ultimate end, in governing corruption. As such, we label the globally shared sensemaking that emerged and consolidated in this period as one of *compliance as achievement*:

Compliance as achievement: While laws to govern corruption in global business have existed for a long time, until recently there was a lack of awareness about corruption and regulators neither monitored nor enforced compliance. However, a number of highly visible corruption scandals have given rise to an increased focus on accountability and transparency. In response, anticorruption legislation has been increasingly enforced, and many globally operating MNCs have implemented strict programs whose core goal is compliance with anticorruption rules. Today, compliance has become the natural and ultimate end in the governance of corruption.

Our interview and archival data from P1 provide ample evidence of actors making sense of major scandals like that exposed at Siemens in 2006 by interpreting these as triggers for what would become a largely uncontested global movement to increase corporate accountability and transparency through the more thorough and systematic enforcement of international anticorruption laws and policies. In the view of these actors, this powerful global momentum would render noncompliance increasingly difficult. The growing scope of such compliance-focused efforts is evident in documents from experts of law firms like Gibson Dunn reporting that enforcement “is trending steeply upward in recent years” and “exploded in 2007” (2008), while also emphasizing that implementation “is stronger than it’s ever been—and getting stronger” (2011). (See Table 2 for further evidence of such sensemaking.)

Sensemaking processes in P1 thus not only proclaimed the success of existing international anticorruption legislation but also emphasized its significance as “a shared global trend” by pointing to its expansion across numerous countries and the seeming ubiquity of compliance-based understandings of the GoC (Cornerstone Barristers, conference in Myanmar, 2014). In line with this development, MNCs such as Siemens publicly highlighted the significant resources they deployed to enforce policy-practice compliance:

To strengthen our compliance efforts, we substantially increased [the number of] our compliance staff worldwide from 86 at the end of fiscal year 2006, to 170 at the end of fiscal year 2007, and to 621 at the end of fiscal year 2008, including project employees that were involved in rolling out our compliance programs. At the end of fiscal year 2009, [the number of] our compliance staff worldwide was 598. (Siemens 2010, p. 59)

These redoubled efforts on the part of scandal-stricken businesses to enforce compliance were also made sense of by various noncorporate actors, including the media and regulators themselves, as a crucial achievement in governing corruption (Table 2). This globally shared focus on compliance peaked in 2012 as MNCs like Siemens concluded their legal proceedings with several regulatory authorities and were globally proclaimed as the new “gold standard” in compliance

(Spencer-Cooke and van Dijk 2017, p. 68). Strict compliance thus came to be something of a fashion concept in P1 (Greive and Hartmann 2012), becoming so widely taken for granted that most actors now regarded compliance as a natural and inevitable end in itself. In sum, compliance was equated with achievement in global sensemaking about the GoC throughout P1.

Period 2 (2013–2015): West: Bureaucratic Compliance.

P2 witnessed further efforts to build on the globally shared sensemaking of *compliance as achievement*, most notably on the part of Western actors who had been hit hardest by the wave of scandals in P1 (Figure 1). Although no longer equating compliance so directly with achievement, sensemaking in the West in P2 continued to portray compliance with predetermined policies and regulations as the only viable means for governing corruption, even despite evident problems arising in the achievement of anticorruption ends. We label the sensemaking prevalent among Western actors in P2 as *bureaucratic compliance*:

Bureaucratic compliance: Having overcome the recent wave of corruption scandals, we [Western actors] now promote our award-winning compliance programs globally. We do so by actively distancing ourselves from previous noncompliance. However, we also criticize the noncompliance that persists in many other parts of the world because it reduces the competitiveness of compliant actors in foreign business and thus ultimately threatens the achievement of intended ends in the governance of corruption. We nevertheless maintain a strict compliance focus to avoid incurring major penalties.

In continuing to stress the need for tighter policy-practice coupling through the enforcement of compliance, Western sensemaking in these years extolled compliance as something good, clean, and pure. With a new focus on substantial compliance, corporate actors in this period often proclaimed the virtuous nature of their motives. For example, Siemens ASEAN (April 2014) declared its “intention is basically to identify *good* partners.” When asked to explain how it is possible to enforce substantial compliance even in noncompliant or dirty contexts, several MNC representatives responded at this time with campaign-like slogans such as “We have the power!” and “Yes, we can!”. As a senior representative of Shell Philippines Exploration (April 2014) informed us:

We are a known brand. So yes, you could say it’s a market power, because Shell is a big player, and we are known not to go into any under-the-table deals. ... So, when we say no, they don’t insist. And we are still able to [do business] with our partners.

By glorifying the compliance of their present practices with anticorruption policies, leading Western corporate actors also began to make retrospective sense of

their previous noncompliance as inappropriate, thereby construing all policy-practice decoupling as an unacceptable means to reach ends. For example, a Western representative working for Daimler Greater China stated that “I think it [our present culture] is a totally different culture, and you can’t compare it to [the culture that prevailed] many years ago” (Mar 2014). Western actors at this time almost unanimously adopted a condemnatory stance, at the very least implicitly, toward policy-practice decoupling, including criticizing Eastern companies for persistent noncompliance with global, national and/or even corporate rules and norms, as expressed in the following comment by a representative of Siemens ASEAN (April 2014): “At least the majority of European companies are doing their ... best on the same level. But you cannot say the same for the Koreans and the Japanese.” The prevailing sentiment of Western actors in P2 was summed up by one NGO representative as a matter of “[we] need to play fair—you local guys are not playing fair” (ASEAN CSR network (ACN), March 2014). In depicting compliant Western actors as fair and noncompliant Eastern actors as unfair, such sensemaking seemed to assume that success and achievement in the GoC was a simple matter of all actors behaving like the West in complying with formal and often excessive policies and rules.

Consistent with this assumption, Western actors seeking to make sense of the limited impacts of their compliance schemes increasingly came to question whether anticorruption goals were achievable without the support of Eastern actors. For example, one Siemens representative asserted that “Siemens alone cannot make a change” in the global fight against corruption (Siemens ASEAN, April 2014). Off-the-record anecdotes shared by a representative of the ASEAN CSR network (ACN, March 2014) further confirmed that Western companies had come to perceive difficulties with their own strict compliance approach, with some claiming to have lost contracts to competitors who were not abiding by the same rules. A similar account was given by a representative of the European Chamber of Commerce in the Philippines, who told the first author that “Europeans are becoming uncompetitive ... and cannot do business because the Chinese will come in with a lot of bribes” (Integrity Initiative, Philippines, March 2014). Although the sensemaking of Western actors in P2 acknowledged problems with compliance, this did not lead to a questioning of their own compliance efforts; instead these problems were attributed to perceived noncompliance in the East, which Western actors saw as undermining the global achievement of their anticorruption goals. Failing to acknowledge or respect alternative sensemaking priorities in the governance of corruption in the East, Western actors’ sensemaking thus continued to advocate a strict focus on compliance throughout P2.

Period 2 (2013–2015): East: Pragmatic Achievement.

Eastern actors' sensemaking of governance in P2 diverged significantly from that of their western counterparts, especially in construing decoupling in more pragmatic and less compliance-focused ways. In the global fight against corruption, Eastern actors focused primarily on achieving ends rather than enforcing universal means, including portraying noncompliance as an appropriate means to achieve desired ends. We label such sensemaking *pragmatic achievement*:

Eastern sensemaking showed greater tolerance of less-than-total compliance on the part of committed adopters of governance schemes, regarding these actors as a potentially promising means of gradually achieving anticorruption ends. The former Indonesian ambassador to ASEAN expressed this approach as follows:

Pragmatic achievement: Quick wins in the complex and opaque fight against corruption are not always possible. Rather than enforcing compliance, we [Eastern actors] consider it crucial to get noncompliant actors on board and increase their participation in the governance of corruption. This approach allows anticorruption efforts to gain momentum and facilitate the achievement of anticorruption ends.

We need to make [sure that] this [governance of corruption is] becoming something that they believe that they need to implement, not something that has to be enforced by others, by the Western countries or by the international organizations. (March 2014)

Such tolerance and enlistment of noncompliant adopters was seen as conducive to fighting corruption efforts by widening acceptance of formal governance programs and adding momentum to anticorruption efforts while helping adopters gradually improve their governance practices. By this logic, the formal adoption of policies would by itself serve to strengthen actors' commitment to anticorruption. For example, referring to the adoption of the UN Convention against Corruption, one UNODC respondent in Thailand reasoned that once firms "have actually ratified" such policies "they have obligations" (April 2014). This pragmatic achievement approach prioritized achieving a "critical mass" of committed actors by appealing to people's principles and values rather than through strict enforcement of policies and rules. As a senior representative of the Philippine Integrity Initiative explained:

It's the better approach, actually: [to] make people go back to their values, reflect on them, because at the end of the day that's really what's happening in the world; [if] you are too selfish about your own needs, you won't think of other people. It's all [about] ethical issues. These are not legal issues. (March 2014)

From this perspective, achieving the ends of anticorruption governance is necessarily a gradual, piecemeal and evolving process. According to Eastern sensemaking

in P2, the West's fixation on excessive enforcement of compliance through policies and regulations was not only inappropriate but also undermined their notion of what constituted achievement by neglecting the values and mindsets of actors in different contexts.

In sum, the sensemaking efforts of Western and Eastern actors evolved at cross-purposes in P2, embracing contrary conceptions of anticorruption shaped by certain prevalent assumptions in their respective local contexts. In the terminology of our model, this divergence in sensemaking in P2 constituted a clash between the Western *bureaucratic compliance* approach focused on the trade-off between the persistence of noncompliance among Eastern firms and global achievement in the governance of corruption and the Eastern *pragmatic achievement* approach focused on the tradeoff between compliance and achievement. Notwithstanding this contradiction, the endeavors of actors in both contexts to make shared sense of anticorruption governance and efforts to achieve improvement did not come to an end in P2 but continued to evolve into P3 as the two locally contested meanings of (de)coupling trade-offs coalesced into a novel shared global understanding of the GoC focused on an open-ended process of achieving progress.

Period 3 (2015–2019): Global: Progress as Achievement.

Western and Eastern sensemaking evolved in P3 toward accepting small steps and quick wins as a more realistically attainable goal in the GoC. Making sense of what is and what seems feasible was now prioritized over compliance, leading to shared interpretations across contexts of what is desirable in tackling corruption. Although this transition still appears to be ongoing at the time of writing, our data confirms that by the end of P3 a new globally shared sensemaking of progress had already replaced the previous focus on controversies and tradeoffs between (non)compliance and achievement across contexts, with compliance no longer seen as an end in itself. We label this new globally shared sensemaking *progress as achievement*:

Progress as achievement: Progress takes time, but anticorruption governance efforts have now started bearing fruit. Western MNCs such as Siemens have promoted the public discussion of corruption, which was not possible some years ago. Cases of corruption in countries where corruption is common are now disclosed in the media, and perpetrators go to jail. While progress is slow and gradual, how people and organizations handle corruption is changing for the better. Rather than aiming at a definitive endpoint, the ultimate goal in the governance of corruption is now that of embarking on a shared and ongoing journey.

Acknowledging that a fully compliant and corruption-free world will not materialize in the near future, this more pragmatic sensemaking accepts the need for a modified approach to the GoC that accepts any improvement in anticorruption efforts as an achievement. As two different representatives of Siemens from the East and the West told us, “these ... processes take a lot of time” (Siemens, February 2014) and progress requires “baby steps” rather than leaps (Siemens, Philippines, April 2014). Similarly, a representative of Transparency International Malaysia noted that while “most of us want to see success overnight”, in reality this is impossible because “it takes some time” (April 2014). Reflecting on the wider Asian context, one Siemens representative stated: “I look at it in a positive light. Compared to eight years ago, five years ago, or even two years ago, I can only see that it’s getting better” (Siemens ASEAN, November 2015). This approach was evident in appraisals of progress on anticorruption in the Philippines, for example, with Eastern and Western actors alike adjudging that “actually his [President Aquino’s] administration is bearing fruit” (Integrity Initiative, Philippines, March 2014). Accepting the impossibility of eradicating corruption completely further led actors to make sense of the GoC as a never-ending process:

You have to continuously do things. It’s not only about the laws you have to pass. You have to have systems in place. You have to have prevention systems in place. You have to be implementing those laws. You need to have institutions, which are capable of implementing all these normative frameworks. ... And these reforms—I think it’s very naïve to think that you can pass these laws, and ... have an anti-corruption agency and everything, and [that] you [have thus] solved the corruption problem. (UNODC, April 2014)

The GoC was now predominantly construed not as aiming toward a static endpoint but rather as a shared and ongoing *journey* involving multiple outreach activities and continuous interactive engagement through communication. As one respondent commented, “the ultimate goal of this [anti-corruption] project is to make a better market for all by fighting corruption through collective action, education and training” (UNGC Network Korea, Switzerland, November 2018). This emphasis on progress as achievement was further evidenced throughout our archival data, including the following declaration by ACN (2014, p. 26):

The end-goal of the Corporate Integrity Pledge is to have its collaborators work together with all the signatories in taking the pledge forward by helping companies gradually move toward self-assessment.

With its focus on small but continuous wins, the globally shared sensemaking of progress as achievement that emerged in P3 allowed for a more satisfactory account of the complex and hitherto tension-laden

situation for actors in both East and West. Depending on their local context, actors now either made sense of progress primarily through a focus on policies and practices or primarily through a focus on ends, with both focuses deemed acceptable so long as they facilitated progress (Weick 1995, Maitlis et al. 2013). Accordingly, the introduction of the ISO 37001 antibribery management systems standard in 2016 was hailed by both Eastern and Western actors for its more flexible and dynamic approach.⁴

Toward an Integrative Model of the Governance of Corruption

In this section, we present a model derived from our data (Figure 2) to help theorize the two main sensemaking trajectories that led actors to reinterpret decoupling over the three periods of our study, culminating in a new shared global understanding of *progress as achievement* in the GoC. Although this model emerged iteratively from our data analysis and is thus context specific, we present it here to help readers better understand the insights we elucidate below (Bucher and Langley 2016), thereby also setting the ground for our subsequent more general findings on the role of sensemaking in the governance of other social and environmental issues.

In our model, two forms of sensemaking about decoupling are displayed as subdimensions of a 2×2 matrix (Figure 2). This is because sensemaking about policy-practice decoupling (which results in noncompliance) and sensemaking about means-ends decoupling (which prevents achievement) are both variants of sensemaking about decoupling (Bromley and Powell 2012). The four quadrants of the matrix thus represent combinations of strict decoupling and/or coupling along these two variants. Although these two variants serve as “ideal types” with which to build our theory (Doty and Glick 1994, p. 232), in the real world, we expect sensemaking about the optimal degree of coupling along these two ideal-typical variants to differ in each particular organization. The matrix is inverted by 45 degrees to depict collectively shared sensemaking along its vertical axis while showing sensemaking processes about contested expectations within and between the two distinct local contexts along its horizontal axis. The arrows in the matrix illustrate dynamics over time and across space, with the two broad semicircular arrows from quadrants I to III indicating the ideal-typical paths taken from a globally shared sensemaking of *compliance as achievement* in P1⁵ via different local interpretations to a novel globally shared sensemaking of *progress as achievement* in P3. These paths thus represent the two main trajectories of shifts in the sensemaking of de/coupling over time.

In the following sections, we elucidate the key sensemaking mechanisms we identified that help explain which conditions impeded or facilitated these paths toward a new shared understanding of the GoC.

Sensemaking Mechanisms

Localized Theorizing: Explaining Shifts from Quadrant I to II (West) and from I to IV (East). To remedy the perceived decoupling of policies and practices and of means and ends in the context of disclosed widespread corruption in P1, *compliance as achievement* became the globally shared sensemaking of anticorruption among both Eastern and Western governance actors in that period (see quadrant I of Figure 2). With the novel focus on extensive implementation of the new compliance measures, however, actors began struggling to make sense of “how [these compliance policies] can actually be realized in the complex reality” of MNCs with day-to-day business activities across different contexts (Gibson Dunn, November 2012). This realization in turn triggered the emergence of novel and locally distinct sensemaking efforts that emphasized the peculiarities of each local context and foregrounded divergencies in approach. Building on the findings of previous research (Weick et al. 2005, Weber and Glynn 2006), our data analysis indicates that this *localized theorizing* comprised the central mechanism explaining the transition away from a globally shared sensemaking of compliance as achievement in P1 to context-specific and divergent forms of sensemaking in P2, that is, of *bureaucratic compliance* in the West versus *pragmatic achievement* in the East, as depicted by the two ideal-typical trajectories in Figure 2 from quadrant I to II in the West and from I to IV in the East.

In the West, localized theorizing was first triggered in P1 by the exposure of major corporate scandals. Making sense of these scandals as the result of policy-practice decoupling, Western actors directed their efforts to achieving global compliance through the strict enforcement of anticorruption regulations and the scandalization of any incidences of noncompliance. Organizations in the East had to make sense of the GoC in these years within a context less exposed than Western actors to direct institutional pressures such as sanctions for noncompliance with existing rules. In contrast with Western sensemaking, Eastern actors also locally theorized corruption as a challenge to be governed in conjunction with and in proportion to other grand societal challenges, including tackling poverty and hunger and improving health and well-being (Mair et al. 2012, United Nations 2015). To sum up, Eastern sensemaking focused more on gradual achievement of *ends*, whereas the West still focused primarily on the *means* in the GoC.

Leveling: Learning to Interact on a Par with Each Other in Governing Corruption. Leveling refers to the learning process in P2 that led actors in different contexts to realize that they need to interact on a par with each other to overcome polarized viewpoints in the GoC. Figure 2 illustrates this mutual learning process with the help of circular arrows in the center of the diagram linking quadrants II and IV. We understand such leveling as a certain type of mutual learning that was not confined to sharing sensemaking and exchanging knowledge of best practices. It also involved reducing mutual stereotyping as Western actors came to reconsider the assumed superiority of their sensemaking of governance and their claim that Eastern actors were doing a “bad” job of fighting corruption (ACN, November 2015). Among Eastern actors, meanwhile, leveling challenged prevailing stereotypes of Western actors as arrogant and largely ignorant of the peculiarities of local contexts.

The process that eventually paved the way for a convergence of Eastern and Western sensemaking toward a new shared understanding of *progress as achievement* in the GoC in P3 is indicated in Figure 2 by bracketed numbers around and within the circular arrows at the center of the diagram indicating four distinct subprocesses: (1) transferring; (2) contextualizing; (3) problematizing; and (4) admitting failure.

Transferring refers here to evangelizing efforts by Western actors to convert noncompliant Eastern actors to their sensemaking of governance as primarily a matter of remedying policy-practice decoupling. This approach was implicitly and explicitly held to “be the example,” with Western actors depicting themselves as “trying to help others to become wise by letting them learn from the mistakes [that Western actors had] made in the past” (Shell, April 2014). As described by a respondent from Siemens ASEAN (April 2014):

We had a lot of cross-border sharings where we got into communities [such as] compliance office communities [or] global conferences ... and we structured top-down processes which made it easier for us in the regions to adopt and implement [anti-corruption practices].

Western sensemaking at this stage was clearly based on the assumption that any alternative to a primary focus on remedying decoupling would undermine the efficacy of the compliance-based approach they advocated. As a representative of Daimler in China informed us:

This kind of lip service is really harming – harming the society rather than helping. Because then integrity and compliance are perceived as hypocritical actions. Nobody is taking it really seriously. Rather not do it than do a lip service. (March 2014)

Our data indicate that Eastern actors at first generally appreciated and to a certain extent welcomed this Western sensemaking of governance as a matter of

transferring best practices. Eastern actors evinced a willingness to learn from and collaborate with Western actors despite local differences in sensemaking about compliance and achievement. For example, a SME presenting its anticorruption efforts at an anticorruption conference in Myanmar in 2014 proudly highlighted the firm's signing of a business partnership with the American MNC General Electric after one year of due diligence. The Western approach came to be increasingly challenged, however, as Eastern actors struggled to make sense of its application in practice in their local contexts.

Such *contextualizing* sensemaking of governance intensified as Eastern actors began to call for anticorruption policies and approaches to acknowledge the peculiarities of local contexts, thereby challenging the Western one-size-fits-all approach to the GoC that rejected the use of heterogeneous means to achieve commonly desired ends. For Eastern actors, heterogeneity across local contexts is a natural and inevitable reality that should not be ignored in assessing the anticorruption efforts and achievements of organizations in diverse contexts. As one of our respondents explained:

The agreement [with the UN Convention against Corruption signatories from all over the world] was that there is no ranking—and in a way it also makes sense, because you cannot really compare apples and oranges—you know, countries with very different backgrounds, with very different ... contexts. (UNODC, April 2014)

Interestingly, when interacting with other Eastern actors this same respondent insisted that recognizing heterogeneity did not imply that efforts to tackle corruption in the East were up for debate:

I have seen and I have heard that people in some fora about corporate compliance issues see it as a policy option, while I have to always remind people, "Don't forget, there is a criminal dimension involved here!". We are also not saying "Oh, well, should we really have a policy in our company of not killing people?". (UNODC, 2014)

In addition to contextualizing, Eastern actors in P2 *problematized* compliance-based approaches by questioning their capacity to induce a genuine commitment to fighting corruption, with one Eastern Transparency International manager highlighting the limitations of anticorruption law as follows:

You can work with the letter of the law but leave out the spirit. You can be 100% compliant, but no system is 100% perfect. You can deal with all the rules, and you can still bypass them at key points to get what you want. And that is the difference between compliance and integrity. (April 2014)

Eastern actors also *problematized* conventional Western distinctions between clean compliant actors

and dirty noncompliant actors, further questioning the superiority of Western sensemaking of anticorruption governance by pointing to recurrent scandals in the West:

A lot of the German companies don't seem to have a good [anti-corruption] record. Is it because they are caught more often, or is it because German companies are flexible with corruption? ... You've got Volkswagen [i.e., the diesel emissions scandal], you've got this insurance company, you've got Siemens, the biggest [scandal] ... and there's a whole list of big German companies who [are/were involved in corruption]. (ACN, April 2018)

This increasingly public criticism revealed and amplified further divergencies between Western and Eastern sensemaking. For example, American practices of tipping, lobbying and campaign donations were now sometimes construed by Eastern actors as instances of Western corruption. Critics further pointed out that money-laundering, tax evasion, and trade in outlawed weapons is also carried out with the help of actors in Western financial hubs such as Switzerland (Table 3). In the words of one Eastern anticorruption expert: "People are hungry; they are paid very poorly. [The problem of non-compliance] is not that people are stupid!" (December 2015). Other Eastern actors criticized excessive regulation as counterproductive, with one representative at Transparency International Malaysia explaining that "making it [compliance] legally water-tight, you end up with so many regulations, you can't comply with them anyway" (April 2014). Through this contextualizing and public criticizing, Eastern actors thus began to voice a different sensemaking of the tradeoff between compliance and achievement that rejected the West's excessive focus on compliance as an impediment to progress. As one respondent told us: "It would have been *contra productive* [to create compliance-based] rankings and so on because they [countries] would close down" their anticorruption efforts (UNODC 2014).

The fourth subprocess in the leveling mechanism was *admitting failure* (labeled as (4) at the center of Figure 2). This initially took the form of an increasing acknowledgement by Western actors both of the particularities of the Eastern context and the limits of compliance-focused sensemaking, with many actors now openly admitting the failure of earlier attempts to transfer best practices to non-Western contexts. As one respondent acknowledged:

The [lack of local partners] was a learning thing for [the NGO] Towards Transparency [and its international partners]. They tried to do [a transparency initiative in Vietnam] with the EU chamber, and they had their plans, they had donors lined up to support it. However, when they were about to launch it, they were stopped by the government, because they had

no local partner. [With] almost everything in Vietnam, especially if it has to do with a sensitive topic like corruption ... you need a local partner, a local organization. (ACN 2015)

Having experienced the limitations of compliance for themselves, including the criticism that excessive regulatory activities “paralyzed parts of the business” (Greive and Hartmann 2012), Western corporate actors now endeavored to make sense of the adverse ramifications of compliance for their own operational efficiency and bottom line. At Daimler, for example, the interaction of the installed FCPA monitor with the MNC’s employees was regarded internally as “very formalistic” and rigid to the extent that many employees had become wary of undertaking completely legal actions (Greive and Hartmann 2012). As one Daimler board member admitted in retrospect, compliance at the company had become “governed by about 1,800 internal guidelines that caused ‘a lot of confusion’” (Ensign 2013). Siemens likewise now sought ways of reducing excessive rules, claiming in 2012 that it was now “constantly working on simplifying and streamlining regulations” (HQ Switzerland, November 2012). Such critical reflection was not confined only to corporate actors with a potentially strategic interest in lobbying for weaker regulations but was also undertaken by governmental and nongovernmental actors in the West who publicly admitted the failure of “remediating decoupling” as an exclusive approach to the GoC. For example, the senior representative of a Western multistakeholder initiative led by a German Federal Ministry publicly admitted during an anticorruption conference in Switzerland that “[we] do not want to send the signal ‘we are coming from Europe and we know the answers’, because we do not know the answers” (Alliance for Integrity, October 2016). As the first author observed, this admission of failure and of the need for a revised approach seemed to be warmly welcomed as expressed via general nodding and lack of critical responses by the panel and the audience.

In sum, through processes of transferring, contextualizing, problematizing, and admitting failure, leveling eventually led to a reduction in stereotyping and paved the way for more open-ended debate and a greater exchange of viewpoints and perceived problems across the two distinct local contexts (Boxenbaum and Battilana 2005). The mechanism of leveling thus served overall to shift the focus in sensemaking about the GoC beyond polarized Eastern and Western viewpoints toward a recognition of the need for actors in both contexts to work on a par with each other in a shared endeavor to identify feasible solutions. Recognizing this need to interact on a par can hence be conceived of as the precondition for *recalibrating*, another key sensemaking mechanism we present next.

Recalibrating: Explaining Shifts from Quadrants II and IV to III. *Recalibrating* refers here to the joint sensemaking efforts of Western and Eastern actors to jointly negotiate a shared understanding of policies and practices and means and ends in the GoC. These efforts were facilitated by and ensued from the preceding processes of leveling that had served to overcome the “us and them” mentality between Eastern and Western contexts. In contrast, recalibrating was based on a globally shared “we” mentality and focused on identifying workable solutions, including through more open-minded and pragmatic experimentation in the form of “iterative action that generates small wins, promotes evolutionary learning, and increases engagement, while allowing unsuccessful efforts to be abandoned” (Ferraro et al. 2015, p. 373; see also Weick 1984). Recalibrating thus served as a pivotal sensemaking mechanism that ultimately enabled Eastern and Western anticorruption actors to arrive at a more flexible form of globally shared sensemaking of *progress as achievement*, crucially involving an understanding that sustaining such shared sensemaking itself requires constant recalibration.

The globally shared sensemaking that emerged in P3 focuses on efforts to adapt existing compliance policies to the particular needs of different local contexts. According to Siemens, the company was “no longer just talking about compliance” (Siemens ASEAN, November 2015), whereas Daimler now declared that “We try here [in China] locally to tailor [our anti-corruption efforts] to their needs” (Daimler, Greater China, March 2014). Western actors in this period further acknowledged that mutual learning with Eastern actors had led them to adjust their own governance practices: “There are some answers we got [from actors in the East] that we [now] bring back to Europe” (Alliance for Integrity, October 2016). Similarly, Eastern noncorporate actors now expressed a willingness to learn from their previous unsuccessful interactions with Eastern corporate actors: “Sometimes we found that when we ask [certified signatory companies] for concrete documents, they don’t actually exist” (Thai Coalition Against Corruption (CAC), October 2016). As a perhaps counterintuitive result of this communicative process, this led some Eastern actors to invest more efforts into integrating certain elements of compliance-oriented processes:

So, we realized that we need to have a [kind of] guard in the certification system: Rather than asking companies [to do] the certification process only once, and then they never do anything about anti-corruption again, we now ask them to do the same process every two years. And next year, we’re also planning to introduce an add-on checklist to ensure that companies that are ready to comply with a more international scale can do so. (Thai CAC, October 2016)

Our data show that this shift to multiple ongoing recalibration efforts is viewed positively by actors across both contexts, particularly on account of the greater openness it affords them for communicating the everyday challenges they encounter in governing corruption at local level. This appreciation was observed directly by the first author at a global anticorruption conference in Switzerland in 2016 when an SME member of the Egyptian Integrity Network Initiative delivered a markedly frank account of the company's responses to local anticorruption challenges. The whole audience welcomed this acknowledgement of the difficulties involved in integrating SMEs in the GoC, sharing the same sense that this endeavor is anything but easy or straightforward. At the end of this presentation, the session-moderator declared "I really think you deserve applause, and your company does [too]!" (October 2016), eliciting a fulsome standing ovation. By demonstratively and emotionally expressing that something "feels right" (Reinecke and Ansari 2015, p. 868), the actors at this conference evinced a new level of willingness in their sensemaking to recognize progress in a much wider variety of efforts to tackle and govern corruption in diverse contexts.

Crucial to the success of the recalibrating efforts was a sense of joint purpose combined with a shared recognition of the inherent difficulties involved in identifying *ex ante* specific pathways for achieving this shared goal. For example, Transparency International Malaysia now construed the GoC as a globally shared, multidirectional, and collaborative journey in which all countries are "cabins in one big ocean liner, which needs to be jointly steered through the ocean" (April 2014). Similarly, a senior representative for Collective Action at Siemens described the MNC's interaction with anticorruption projects funded by the company's Integrity Initiative as a "flowerbed, where it is uncertain which bulbs will bear fruit" (February 2014). In line with this recognition of the inherent complexities and uncertainties involved in the GoC, our data show a growing emphasis in the recalibrating efforts of actors across contexts on the need for *flexibility*, including the flexibility to avoid missing out on any opportunities for jointly achieving progress:

[The governance of corruption] can be very fluid, especially when working in tough environments, because opportunities also open or close, and changes might happen to governments and people in charge. ... We worked with Siemens in this round and the last, and we see a development towards more flexibility and how we can change within a project. [This development] is a good thing, because when you get an opportunity, you need to utilize it. In our initiative, the idea of talking to the rest of Africa and the Middle East to see what they are doing was also a change that we requested from [and that was approved

by] Siemens. (Integrity Network Initiative, conference in Switzerland, Nov 2018)

Through repeated interactions across different contexts in P3, Eastern and Western actors increasingly came to accept the coexistence of commonalities and differences in governing corruption across diverse contexts. This more flexible and pluralistic approach was expressed by a representative of the Egyptian Integrity Network Initiative: "We have overlap with what [the German initiative Alliance for Integrity] is doing, [e.g., regarding] capacity building with the training within our help desk, but we focus rather on SMEs and we have our reasons why [we chose that focus]" (conference in Switzerland, 2016).

In sum, the efforts we observed by actors to recalibrate their previous sensemaking in favor of a joint endeavor focused on growth and advancement rather than strict compliance versus achievement in the GoC ensued from previous leveling efforts through which actors from different contexts learnt to interact with each other on a par and to abandon unsuccessful activities. This novel focus on *progress as achievement* encouraged debate and reflection among the actors (Christensen et al. 2015), facilitating the abandonment of the previous Western focus on outcomes and end-states that had led to divergent sensemaking in P2 across both Eastern and Western contexts about the tradeoffs between (non)compliance and achievement. Making sense of progress as achievement thus replaced compliance-oriented sensemaking with the notion of embarking on a joint journey, with this perceived journey eventually becoming an end in itself (Milne et al. 2006). Consolidating and sustaining this shared sensemaking further required the crucial mechanism of *public criticizing*.

Public Criticizing: Sustaining a Dynamic Understanding of Governing Corruption. *Public criticizing* plays a crucial role in our model by catalyzing recurrent processes of recalibration toward a modified shared global understanding of the GoC. Such criticism typically arises as actors struggle to make sense of the inevitable tensions, setbacks, and roadblocks encountered in tackling any grand social challenge, as in our case with the recurrent exposure of major corruption scandals. For although local sensemaking processes may be effective in working toward closing existing decoupling gaps in governance within local contexts, the embeddedness of these processes within wider global sensemaking processes implies the continuous occurrence of new gaps and the modified reoccurrence of existing gaps, leading to public criticism and further recalibration. In our model as depicted in Figure 2, the arrows circling *progress as achievement* in quadrant IV indicate increasing recognition in P3 that

global sensemaking of compliance and achievement is never completely fixed but can and does change significantly over time. As such, these arrows can be understood as representing the “moving targets” of the sensemaking processes we observed unfolding in the global context of anticorruption governance (Haack and Schoeneborn 2015, p. 307).

While public criticizing is closely related to the *problematizing* process we identified within the leveling mechanism in P2, the sensemaking that ensued from public criticizing and recalibration in P3 was much more strongly oriented to achieving *joint* progress. According to many of our respondents, it is only by continuously publicizing the inevitable tensions and roadblocks encountered in pursuing an open-ended process of governance that public attention on corruption can be sustained sufficiently to drive progress in the GoC. Without such public criticism, there is a strong risk that public attention and pressure on businesses and governments will fade, potentially leading these actors to cut the resources they currently assign to anticorruption governance, including to the organizations engaged in these efforts. In such a scenario, current directives regulating gift-giving and the acceptance of leisure entertainment are likely to become diluted and corporate priorities substantially redefined. The need to keep anticorruption high on the public agenda was voiced by many of our respondents, including a senior representative of Siemens from the German headquarters itself:

It is very important for issues at the international level to just keep the fire burning—to keep the issues on the agenda of international institutions. We have so many issues in this world today that [we are] always facing the risk that our anti-corruption work is a little bit in the shadow. There are topics, maybe related to terrorism, which [become] headline[s] and our topics [move] to the back. (Siemens, conference in Switzerland, 2016)

These respondents made sense of the attention and pressure arising from public criticism as a valuable means of securing greater anticorruption commitment and actions. As our interviewees at Thai CAC explained:

This problem of corruption has been with us for 100 years or so. When we want to resolve it, everyone has to be a part of the solution. By being part of the solution, one might have to go through a painful process. ... Personally, I secretly think it's a good thing that Thailand has a poor Corruption Perceptions Index, because that is the business case for us to go to everyone and say, “Come on, let's do something!” (March 2017)

A good example of the public criticizing mechanism at work can be found in the responses of anticorruption actors to the 1MDB scandal exposed in 2018

involving the misuse of Malaysian government funds via bank accounts in Switzerland, Singapore, and the United States (*Frankfurter Allgemeine Zeitung* 2018). The following quote can serve as a showcase of how perceived setbacks or roadblocks can be a useful stimulus for bringing corruption to the top of the public agenda, including the agenda of international meetings:

The [1MDB scandal] is something that has been big lately in Malaysia. Interestingly, Malaysia was the host for the international anti-corruption conference, IACC. I attended the conference, and we had NGO anti-corruption leaders on this topic involved in this conference. It was a pretty good conference [because] we had the scandal, and it was definitely top priority on their list of topics. (Siemens ASEAN, November 2015)

Although the intense public attention surrounding this scandal was not sufficient to compel the immediate dismissal of the implicated government officials, the subsequent election in 2018 did result in the defeat of the governing party. According to some of our respondents, including a senior representative of a Singapore-based ACN, this unexpected defeat was largely the result of the IMBD scandal and ultimately led to greater efforts to improve the governance of corruption. In this positive account of public criticizing, the very roadblocks introduced by officials to stay in power had backfired by stimulating public criticism and reaffirming the importance of fighting corruption.

In sum, instead of perceiving the inevitable roadblocks encountered along the GoC journey as insurmountable, the sensemaking of anticorruption actors began to converge in P3 toward a globally shared sense of corruption scandals as an opportunity for publicly criticizing prevailing means and ends in existing governance approaches and for maintaining pressure on key actors to address constantly changing and reoccurring challenges (Nigam and Ocasio 2010, Langley et al. 2013). By the end of this period, anticorruption actors no longer perceived a state of strict policy-practice and means-ends coupling as attainable or even desirable in diverse contexts. Indeed, it is now widely acknowledged that attempting to enforce a one-size-fits-all approach jeopardizes the dynamic development of the key sensemaking processes our study has shown to be vital in governing grand challenges like corruption.

Our findings show that *public criticizing* is also related to the role of corruption scandals in P1 leading to a global sensemaking of *compliance as achievement* and subsequent *localized theorizing* on how to overcome the experienced limits of such one-size-fits-all governance approach. As our data reveal, anticorruption actors have already locally theorized that corruption scandals may eventually prove important stepping-stones for achieving progress in the GoC at the end of P1: “We

need earthquakes like the corruption cases at Siemens, Daimler and ThyssenKrupp time and time again ... They draw attention to the fight against corruption" (Greive and Hartmann 2012). Given such interlinkages among sensemaking mechanisms over time, we can reasonably anticipate that further disclosures of noncompliance and consequent problematizing of anticorruption governance may eventually lead back to a renewed global focus on strict compliance aimed at tight policy-practice coupling, in turn triggering novel tensions between compliance and achievement at local level and again prompting local theorizing and problematization – and so on potentially ad infinitum. Figure 2 illustrates this general, recursive and nonlinear dynamic driven by *public criticizing* with two long arrows circling the entire 2×2 matrix.

Discussion

Making Sense of the Governance of Corruption Across Different Institutional Contexts

Our study responds to calls for a shift from closed-system approaches to the governance of corruption that assume universal links between organizational practices and outcomes to an "open-systems" perspective that acknowledges the interdependencies between organizations and their environments (Aguilera et al. 2008, p. 475) and thus allows for different trajectories for making sense of compliance and achievement. However, our findings and analysis put to question the proposal by some advocates of open-system approaches, most notably Wijen (2014), that key challenges in the GoC can be overcome by calculating the specific costs, contingencies, and complementarities of enforcing anticorruption measures within each particular organization-environment constellation. Although we agree with Wijen (2014, p. 312) that "different means can be used to achieve the same ends" in tackling grand challenges, we query the assumptions underlying his proposal of "running simulations" and "crafting scenarios" as techniques for systematically comparing different policy options and achieving joint progress in the GoC. As our empirical findings suggest, no calculations can ever account for the myriad evolving interpretations of governance and its achievement among different actors in and across diverse contexts, hence this proposal overlooks the essential role played by the dynamic of interactive ongoing communications (Ashcraft et al. 2009, Cornelissen et al. 2015) in the evolution of shared sensemaking about any complex global challenge and its governance. Attaining a globally shared sensemaking of governance is not only inherently difficult on account of the complexities and uncertainties inherently involved in tackling any such challenge but more importantly because of divergencies in actors' *evaluations* as to the appropriateness and desirability of particular means and ends to

achieve progress in tackling these problems (Ferraro et al. 2015). In brief, we add to existing open-systems governance research (Aguilera et al. 2008, Wijen 2014) that sensemaking through *ongoing interactive communications* about experienced problems and underlying norms and values is vital for actors to identify feasible governance solutions.

Our research has also important implications for research on deliberative governance (Scherer and Palazzo 2011, Dryzek and Pickering 2017) in that we agree on the need to jointly engage in communicative interaction to solve complex governance challenges and add crucial empirical evidence on how and why this is actually achieved. Deliberation refers here to "debate and discussion aimed at producing reasonable, well-informed opinions in which participants are willing to revise preferences in light of discussion, new information, and claims made by fellow participants" (Chambers 2003, p. 309). In their study on deliberative governance, Dryzek et al. (2019, p. 1145) even suggest that "the contemporary crisis of democracy ... is a crisis of communication, not of individual reasoning" drawing on insights from psychological research that "bad solitary reasoners ... can be good group problem-solvers ... under the right social conditions". To date, however, much research on the role and impact of deliberation has focused on locally limited contexts such as village assemblies in India or large infrastructure projects like the "Stuttgart 21" railway station (Dryzek et al. 2019). Although deliberation studies have focused in depth on discussions among civil society and policymakers (Chambers 2003, Fung 2006), the role of deliberation in firms has hardly been addressed except in an abstract conceptual manner (Fung 2003, Scherer et al. 2013, Scherer and Voegtlin 2020). It remains unclear, for example, how such deliberation spans universal reasoning and contextual evaluations and judgments in practice, especially in complex and "messy" governance contexts (Reinecke and Ansari 2015, p. 868). Nor is it clear how MNCs participate in this process of deliberation in such contexts. Nevertheless, these studies have offered the insight that deliberation is primarily constituted by "discursive" processes that enable engagement and "correction" processes in the form of "remedial measures" undertaken in response to "stakeholder feedback of the organization's erring and miscalculations" (Bacq and Aguilera 2022, p. 40). In our integrative model, such remedial processes are represented by the sensemaking mechanisms of public criticizing, leveling, and recalibrating. Our study adds to the scholarship on deliberative governance by elucidating from empirical data how and why these corrective processes must take place first and foremost at the level of sensemaking among governance actors rather than directly at the

level of actual practices, let alone exclusively at this level.

Sensemaking Mechanisms in the Governance of Social and Environmental Issues

Our study findings are relevant not only to the governance of corruption but also to other grand societal challenges that involve the sensemaking of governance across different institutional contexts (George et al. 2016). These include challenges surrounding decent work conditions in global supply chains (Locke et al. 2009), gender equality (Lombardo et al. 2010), and hate speech (Rieger et al. 2018). Although our study focuses on the governance of a highly evaluative social issue rooted in different values, assumptions, and expectations across cultural traditions (Ferraro et al. 2015), even seemingly less evaluative issues such as environmental problems amply grounded in observable evidence are subject to different evaluations and hence to ongoing sensemaking activities and debate (Wright et al. 2013).

Leveling Opposing Sensemaking. The need to *level* different viewpoints, assumptions, and expectations across different contexts seems especially relevant in the governance of labor standards in global supply chains. In their study of governing a global apparel supply chain, Locke et al. (2009, p. 319) have highlighted a number of misguided assumptions underlying the focus on compliance and de/coupling and suggest a reorientation toward “joint problem solving, information exchange, and the diffusion of best practices.” Despite observing sustained improvements attained through this approach, however, Locke et al. (2009, p. 319) warn that reorientation to new governance approaches can be difficult and “often obscured by the debates over traditional compliance programs.” As our findings regarding the temporary sense of superiority we observed among Western actors in governing corruption in P1 and early P2 indicate, simply switching from one governance approach to another may not be sufficient to achieve progress. Without engaging in leveling and recalibrating the proponents of a previously prevalent approach may simply attempt to transfer their felt superiority to any new approach, as happened in our case when Western actors switched from a compliance-focused approach to a focus on transferring “best practices” from West to East. From this we can conclude that any workable solution to the global governance of labor standards requires the proponents of a commitment-oriented approach to engage in sensemaking in the form of communicative interactions aimed at contextualizing their own position and problematizing compliance-focused approaches.

When such sensemaking is communicated effectively, it can lead proponents of compliance to admit

failures, paving the way for more constructive and reciprocal debates about traditional compliance programs and facilitating the joint recalibration, coconstruction, and implementation of alternative approaches (see our model in Figure 2). For such dynamics to unfold in this way, however, it is crucial that all actors across multiple institutional contexts engage jointly in the key sensemaking mechanisms we identify, including the crucial stepping stone of admitting failure in the leveling process, because it is highly unlikely that the deliberations of actors in any single institutional context will succeed in uncovering failures or in inducing the correction of such “erring” (Bacq and Aguilera 2022, p. 40). Social and environmental governance researchers should also revisit the assumption of locally predetermined and universally applicable “best practices” and focus instead on how to overcome problems in governance understandings within and across all local contexts involved.

Recalibrating Sensemaking. *Recalibrating*, the efforts of different actors to negotiate a shared understanding of compliance and achievement, also plays a crucial role in achieving progress in the governance of other global challenges such as the governance of hate speech on the Internet (Gimmler 2001; see Kahn 2005, on different evaluations of Holocaust Denial across countries). Here a large and continuously changing variety of governance approaches have emerged, from less centralized and deliberative approaches to more top-down state-led models (Flyverbom et al. 2019).

Acknowledging that “deliberative institutional experimentation is flourishing throughout the world” (Dryzek et al. 2019, p. 1144), researchers concerned with polarization, tradeoffs, and other challenges in complex governance contexts can thus learn from our study how engaging in joint communicative recalibration efforts can be helpful for yielding consensus across viewpoints and institutional contexts about the feasibility and usefulness of different governance approaches.

Publicly Criticizing Sensemaking. In highlighting how leveling and recalibrating can help actors attain common ground as a vital joint reference point for achieving substantive outcomes, we do not intend to call for “closing down” other more critical communicative interactions (Dryzek and Pickering 2017, p. 356). To the contrary, “communicative efforts of (de-)legitimation” of prevailing governance arrangements (Meyer and Vaara 2020, p. 905) play a pivotal role in our model, above all through continuous *public criticizing*, from which we conclude that the governance of social and environmental issues needs to embed self-critical reflexivity in its processes as a way of facilitating constructive responses to such public criticism (Dryzek and Pickering 2017).

Although mechanism-based theorizing has been criticized for “freez[ing]” institutional processes at a certain point in time (Anderson et al. 2006, p. 108), our findings support previous scholarship in identifying the formulation and public expression of critique as essential in complex international contexts to circumvent the possibility of any globally shared consensus becoming too hegemonic over time and thus detrimental to efforts for peacefully integrating diverse views in governance (Mouffe 2008). We thus add to existing research on compliance and achievement in the governance of social and environmental issues by not only acknowledging the parallel existence of contestation alongside consensus in multistakeholder initiatives (Arenas et al. 2020), but also by empirically outlining how actors make sense of the benefits from this parallel existence.

Implications for the Decoupling Literature

Our findings have important implications for the literature on decoupling, above all in supporting the view that the tensions between policy-practice and means-ends decoupling need to be explored from a *processual* rather than a structural perspective in complex, uncertain and evaluative global governance contexts (Haack and Schoeneborn 2015). Recent research has suggested that shifting to a process-oriented perspective can help in detecting decoupling practices and thus support processes of re/coupling (de Bree and Stoopendaal 2020). Similarly, studies on deliberative governance of social and environmental issues have found that changes in processes of communication may have material outcomes for overcoming policy-practice gaps (Bartley and Egels-Zandén 2016). From a processual perspective of governance, the tradeoff between compliance and achievement postulated by Wijen (2014) thus needs to be qualified insofar as it represents only a snapshot of a dynamic and continuously evolving relation. This tradeoff can be fruitfully conceptualized as constituting an “ephemeral way station” that provides important inputs for sensemaking and subsequent recalibrating activities (Langley et al. 2013, p. 10). By considering different local viewpoints, our study further shows that competing conceptualizations of the decoupling trade-off can at least temporarily coexist, as in the case of *bureaucratic compliance* versus *pragmatic achievement* observed in P2, further suggesting the need to reconsider the single compliance-achievement tradeoff postulated by Wijen (2014).

Although coupling efforts may ultimately lead to a close alignment of policies and practices (Hallett 2010), we show this is not necessarily the case in conditions of high complexity, uncertainty, and varying evaluations such as in the global governance of social and environmental issues. In such contexts, progress

is more likely to proceed from a growing acknowledgment among key governance actors of the infeasibility of foreseeing all outcomes and emerging conflicts. This recognition can pave the way to a realization that what is needed in such contexts is for actors to engage in continuous critical reflection on the appropriateness of present approaches, relating these to previously experienced problems and in response to “a never-ending series of social conflicts in fairly rapid succession” (Hirschman (1994, p. 213).

The need for continuous critical reflection further ensues from the fact that policies are only likely to reveal their shortcomings once they are tested in the field, meaning policies are very likely to require further recalibration over time (Lindblom 1959). In cases where governance actors in one context have already developed and engaged in practices intended to align with a previous policy version of the GoC, moreover, the gaps between these previous practices and subsequently introduced policies will inevitably widen even if actors continuously strive to couple practices with policies. The process we have outlined of continuously recalibrating sensemaking about appropriate policies, practices, means, and ends is thus perhaps best described as a matter of persistently “muddling through” rather than as a linear progression toward tight coupling when it comes to the actual implementation of policies, practices, means, and ends (Crilly et al. 2012). Researchers of decoupling thus may benefit from conceptualizing decoupling neither as a stable end-state (Meyer and Rowan 1977) nor as the origin of a quasi-deterministic progression toward tighter coupling (Hallett 2010, Tilcsik 2010) but rather as an open-ended process subject to ongoing contestation and multiple interpretations.

Limitations and Future Research

A limitation of our current study and thus an opportunity for future research is that our conclusions are derived from a study in which the anticorruption process was already “in the making” and public attention was high, meaning we were unable to systematically explore the sensemaking processes that motivate actors in fragile states or corrupt institutions to engage in anticorruption efforts in the first place. Nor did our case study design afford an opportunity for systematically outlining the conditions under which a particular globally shared sensemaking can be sustained. Although existing arenas for jointly making sense of anticorruption governance seem helpful in tackling the tensions arising from divergent sensemaking of compliance and achievement, including the UNODC, the UN Industrial Development Organization, and various private sector initiatives and conferences, we were unable to study the extent to which this sensemaking infrastructure succeeds in maintaining attention on anticorruption efforts once public

policy priorities have shifted or after major corporate regulatory obligations to finance collective action have been phased out. We further observe that existing anti-corruption initiatives sometimes struggle to expand their participant base while navigating a complex web of transnational anticorruption laws. These include both hard laws (e.g., the U.S. FCPA, the UK Bribery Act, and the German Law for Fighting International Corruption), as well as soft laws such as the Code of Conduct of the International Chamber of Commerce, Transparency International’s “Business Principles”, the 10th principle of the UNGC, the UN Convention Against Corruption, and the OECD Working Group on Bribery (Pieth 2012). Future research could usefully work on disentangling this web of hard and soft law initiatives to develop suggestions for a more coordinated or “smart” approach (Gunningham and Sinclair 2017) to sensemaking in the GoC.

Although our focus has been on culturally and historically informed sensemaking processes in Western and Eastern institutional contexts, treating these processes as dynamic phenomena in their own right, a limitation was that our set of MNCs was mostly restricted to Western multinationals operating in the East and not vice versa (Gephart 1993, Brown 2000). Future researchers could overcome this limitation by taking account of “actor-specific” differences within and across each institutional contexts, that is, by exploring power- and interest-related differences among states, corporations, and NGOs (Aguilera et al. 2021). Finally, although the aim of this study has been to capture the

dynamics involved in sensemaking about the governance of corruption through observing communications among actors in the East and West, future research could usefully zoom in on specific aspects of these processes to unpack the role of actual (=communicative and noncommunicative) practices and their relations to sensemaking more fully in specific contexts.

As we have sought to show throughout this study, understanding the ongoing sensemaking processes in the governance of corruption and other complex global issues is clearly essential to equip governance actors with the flexibility and endurance needed for the journey ahead.

Acknowledgments

The authors thank senior editor Ruth Aguilera and three anonymous reviewers for the valuable comments and guidance; Jean-Pascal Gond, Mike Pfarrer, Dennis Schoeneborn, Paul Spee, and Eero Vaara for feedback; and the representatives of the involved organizations for taking part in the interviews and observations. An earlier version of this paper won the Best Student Paper Award of Subtheme 10 “Creating and Sustaining Transnational Multi-Actor Governance of Corporate Conduct” at the 2015 European Group for Organization Studies (EGOS) colloquium (Athens), and the authors thank the participants for their comments. Participants at the 2016 Strategic Management Society (SMS) annual conference (Berlin), 2016 workshop of the “Wissenschaftliche Kommission Organisation” (WK ORG; Zurich), and 2017 Academy of Management (AOM) meeting (Atlanta) also provided helpful comments.

Appendix

Table A.1. Observational Data

Event	Observed actors	Representative	Type of observation
Forum on Business and Anti-Corruption in ASEAN UMFCCI, ^a Yangon, Myanmar, March 18, 2014	UMFCCI ^a ASEAN CSR network	Senior representative Senior representative Senior Program Manager	Welcome and opening remarks Moderator of opening session Moderator of session: Organizing and Implementing Collective Action at the National Level
	British embassy Rangoon Cornerstone Barristers (UK)	Senior representative Lawyer	Welcome and opening remarks Speaker: International regulatory trends on bribery and anticorruption
	UN Office on Drugs and Crime	Regional Adviser on Anti-Corruption	Speaker: The UN Convention Against Corruption and the role of business
	Myanmar Centre for Responsible Business	Senior representative	Moderator of session “Perspectives on Hot Issues for Myanmar Business”
	Spectrum (NGO, Myanmar)	Adviser	Speaker: Discussing the “undiscussable”

Table A.1. (Continued)

Event	Observed actors	Representative	Type of observation
	SMART Technical Services (SME, Myanmar)	Senior representative	Speaker: Local company experience
	Singapore Corrupt Practices Investigation Bureau	former Senior representative	Speaker: 50 Year of Corruption Control—What Lessons Can We Offer?
	Nestlé Malaysia Integrity Initiative (Philippines) Thai Listed Companies Association	former Senior representative Project representative Senior representative	Panelists of session: Organizing and Implementing Collective Action at the National Level
CBCC ^b CSR Dialogue Mission to Singapore Singapore, November 27, 2015	Asahi Glass Co., Ltd. (Japan)	Manager CSR Planning Group	Company CSR Presentation
	Omron Corporation (Japan)	Senior representative, CSR Department	Company CSR Presentation
	GlobalSense (NGO, Singapore)	Senior representative	Presentation on Social Entrepreneurship in Singapore
Collective Action: Evidence, Experience and Impact Basel, Switzerland, 20-October 21, 2016	Spicers (SME, Singapore)	Senior Marketing representative	Company CSR Presentation
	UNGC (Singapore)	Senior representative	Moderator of Q&A session
	Basel Institute on Governance	Senior representative	Welcome address, closing remarks
		Senior representative, Collective Action	Moderator of session “Best frenemies? Views from law enforcement and the private sector on constructive engagement to counter corruption”
		Senior representative	Moderator of session “Anti-Corruption Collective Action: Impact Stories”
	Siemens AG	Senior representative, Legal and Compliance	Panelist
		Senior representative, Compliance	Panelist
	UK government	Serious Fraud Office representative	Panelist
	Federal Bureau of Investigation (FBI)	Senior representative, International Corruption Unit	Panelist
	EY GmbH (Germany)	Senior representative, Fraud Investigation & Dispute Services	Panelist
Office of the Attorney General of Switzerland	Senior representative, International Corruption	Panelist	
Alliance for Integrity (Germany)	Senior representative	Panelist	
Integrity Network Initiative (Egypt)	Senior representative	Panelist	
Ship & C.R.E.W. (Egypt)	Manager	Panelist	
Asian Institute of Management Team Energy Center	Senior representative	Speaker: “Collective Action for Political Stability and Business Confidence: The Case of Marawi City, Philippines”	
Thai Collective Action Coalition Against Corruption	Manager, Public Relations	“Collective Action Initiative in Thailand: How Private Firms Walk The Talk”	
Transport & Logistics and Collaborative Initiatives The Wharton School, The University of Pennsylvania International Chamber of Commerce	Senior representative Associate Professor, Legal Studies and Business Ethics	Panelists of session “Extending Collective Action in challenging markets”	

Table A.1. (Continued)

Event	Observed actors	Representative	Type of observation
Collective Action: Evolution to Revolution Basel, Switzerland, 14–November 15, 2018	UNGC	Senior representative, Corporate Responsibility & Anticorruption	Moderator of sessions “Quo Vadis Collective Action?” and “Collective Action: Are there Success Factors? Lessons from Integrity Partner Workshops”
	Transparency Internat. Basel Institute on Governance	Senior representative, Social Sustainability, Governance and Legal	
	SNC-Lavalin	Senior representative, Compliance	Panelists of session “Quo Vadis Collective Action?”
	Rio Tinto	Senior representative, Compliance	
	Tenova World Bank	Senior representative, Legal Integrity Compliance Unit representative	
	The B Team	Governance & Transparency Unit representative	Panelists of session “Collective Action: Are there Success Factors? Lessons from Integrity Partner Workshops”
	UNGC, Brazil	Adviser, Rights and Anticorruption	
	UNGC, Korea	Manager	
	Ethics Institute South Africa Integrity Network Initiative (Egypt)	Senior representative	
Alliance for Integrity	Senior representative		

^aUnion of Myanmar Federation of Chambers of Commerce and Industry.

^bCouncil for Better Corporate Citizenship.

Endnotes

¹ To distinguish the type of data in the main text of our study we cite archival data in the standard format, that is, indicating author or organization and year of publication (including page number if a print version is available) (e.g., “Siemens 2013, p. 30”), interview data by indicating the month in addition to year and author or organization (e.g., “UNODC, April 2014”), and observational data by indicating the venue in addition to the year and author or organization (e.g., “Cornerstone Barristers, conference in Myanmar, 2014”).

² Naturally, the three stages of data analysis were far from linear and involved a good deal of sensemaking by ourselves as researchers. Given our engagement with anticorruption research and our collection of multiple types of data from various sources over an extended period, we are confident our interpretation of the data are credible and offers a plausible account of how the sensemaking unfolded over time.

³ As an example, we can take the following change-oriented utterance from our data: “If we really can take the message across to the next level, which is using the aspects of compliance in a very positive way, it also puts us in the position of gaining more exposure and gaining more opportunities” (Siemens ASEAN, November 2015). We originally coded this sentence as an instance both of Western sensemaking in P2 in the form of *bureaucratic compliance* (on account of the phrase “aspects of compliance”) and of Global sensemaking in P3 in the form of *progress as achievement* (because of the phrase “gaining more exposure and gaining more opportunities”). In this third stage of our data analysis, however, we decided that such co-occurring change-oriented content should rather constitute a code in its own right. Accordingly, we coded this

example utterance as an instance of the sensemaking mechanism of *recalibrating* and thus added another more abstract layer of coding in NVivo to accommodate for this and other change-oriented bridging content in our data. In most cases such data contains hints as to why a certain kind of sensemaking may be viewed as worthwhile, as shown in this example by the emotional phrase “in a very positive way.”

⁴ Although officially called a “standard,” ISO 37001 was explicitly set up jointly by both governmental and nongovernmental actors as a “flexible approach to compliance [in which] organisations need only to implement ‘reasonable and proportionate policies, procedures and controls’ to be certified” (LexisNexis 2019). The former president of Transparency International Malaysia, who “was one of the pioneers in developing this standard”, proudly highlighted in a 2019 follow-up interview that the new Malaysian government “is picking it up. In fact, it was one of the manifesto pledges to fight corruption and to use ISO 37001 as a management tool.”

⁵ See annotation “a by globally interpreting compliance as achievement” in Figure 2.

References

ACN (2014) Collective action against corruption. Business and anti-corruption initiatives in ASEAN. Accessed July 11, 2022, <https://www.asean-csr-network.org/c/images/AIMPublication-CollectiveActionAgainstCorruptionRVR-CVStarr-1.pdf>.
 Aguilera RV, Aragón-Correa JA, Marano V, Tashman PA (2021) The corporate governance of environmental sustainability: A review and proposal for more integrated research. *J. Management* 47(6): 1468–1497.

- Aguilera RV, Filatotchev I, Gospel H, Jackson G (2008) An organizational approach to comparative corporate governance: Costs, contingencies, and complementarities. *Organ. Sci.* 19(3):475–492.
- Anand V, Ashforth BE, Joshi M (2004) Business as usual: The acceptance and perpetuation of corruption in organizations. *Acad. Management Executive* 18(2):39–53.
- Anderson PJ, Blatt R, Christianson MK, Grant AM, Marquis C, Neuman EJ, Sonenshein S (2006) Understanding mechanisms in organizational research: Reflections from a collective journey. *J. Management Inquiry* 15(2):102–113.
- Andersson S, Heywood PM (2009) The politics of perception: Use and abuse of Transparency International's approach to measuring corruption. *Political Stud.* 57(4):746–767.
- Aravind D, Christmann P (2011) Decoupling of standard implementation from certification: Does quality of ISO 14001 implementation affect facilities' environmental performance? *Bus. Ethics Quart.* 21(1):73–102.
- Arenas D, Albareda L, Goodman J (2020) Contestation in multi-stakeholder initiatives: Enhancing the democratic quality of transnational governance. *Bus. Ethics Quart.* 30(2):169–199.
- Ashcraft KL, Kuhn TR, Cooren F (2009) Constitutional amendments: "Materializing" organizational communication. *Acad. Management Ann.* 3(1):1–64.
- Bacq S, Aguilera RV (2022) Stakeholder governance for responsible innovation: A theory of value creation, appropriation, and distribution. *J. Management Stud.* 59(1):29–60.
- Bartley T, Egels-Zandén N (2016) Beyond decoupling: Unions and the leveraging of corporate social responsibility in Indonesia. *Socio-Economic Rev.* 14(2):231–255.
- Bartunek JM (1984) Changing interpretive schemes and organizational restructuring: The example of a religious order. *Admin. Sci. Quart.* 29(3):355–372.
- Begley TM, Tan W-L (2001) The socio-cultural environment for entrepreneurship: A comparison between East Asian and Anglo-Saxon countries. *J. Internat. Bus. Stud.* 32(3):537–553.
- Berger PL, Luckmann T (1967) *The Social Construction of Reality: A Treatise on the Sociology of Knowledge* (Anchor Books, New York).
- Boxenbaum E, Battilana J (2005) Importation as innovation: Transposing managerial practices across fields. *Strategic Organ.* 3(4):355–383.
- Boxenbaum E, Jonsson S (2017) Isomorphism, diffusion and decoupling: Concept evolution and theoretical challenges. Greenwood R, Lawrence TB, Oliver C, Meyer R, eds. *The SAGE Handbook of Organizational Institutionalism* (SAGE, London), 59–113.
- Bromley P, Powell WW (2012) From smoke and mirrors to walking the talk: Decoupling in the contemporary world. *Acad. Management Ann.* 6(1):483–530.
- Brown AD (2000) Making sense of inquiry sensemaking. *J. Management Stud.* 37(1):45–75.
- Bucher S, Langley A (2016) The interplay of reflective and experimental spaces in interrupting and reorienting routine dynamics. *Organ. Sci.* 27(3):594–613.
- Bunge M (1997) Mechanism and explanation. *Philos. Soc. Sci.* 27(4):410–465.
- Castro A, Phillips N, Ansari S (2020) Corporate corruption: A review and research agenda. *Acad. Management Ann.* 14(2):935–968.
- Chambers S (2003) Deliberative democratic theory. *Annu. Rev. Political Sci.* 6(1):307–326.
- Chang EC, Chu Y-h (2006) Corruption and trust: Exceptionalism in Asian democracies? *J. Politics* 68(2):259–271.
- Christensen LT, Morsing M, Thyssen O (2013) CSR as aspirational talk. *Organization* 20(3):372–393.
- Christensen LT, Morsing M, Thyssen O (2015) Discursive closure and discursive openings in sustainability. *Management Comm. Quart.* 29(1):135–144.
- Christensen LT, Morsing M, Thyssen O (2017) License to critique: A communication perspective on sustainability standards. *Bus. Ethics Quart.* 27(2):239–262.
- Cockcroft L, Wegener A-C (2016) *Unmasked: Corruption in the West* (IB Tauris, London).
- Corbin JM, Strauss A (1990) Grounded theory research: Procedures, canons, and evaluative criteria. *Qual. Sociol.* 13(1):3–21.
- Cornelissen JP, Durand R, Fiss PC, Lammers JC, Vaara E (2015) Putting communication front and center in institutional theory and analysis. *Acad. Management Rev.* 40(1):10–27.
- Cortez JSB, Ramos AJOS (2015) The sustainability of a business culture based on integrity. MBC research report. Accessed July 11, 2022, <https://mbc.com.ph/wp-content/uploads/MBCRR-120.pdf>.
- Crilly D, Zollo M, Hansen MT (2012) Faking it or muddling through? Understanding decoupling in response to stakeholder pressures. *Acad. Management J.* 55(6):1429–1448.
- de Bree M, Stoopendaal A (2020) De- and recoupling and public regulation. *Organ. Stud.* 41(5):599–620.
- Dick P, Coule T (2020) Nonconformance with regulatory codes in the nonprofit sector: Accountability and the discursive coupling of means and ends. *Bus. Soc.* 59(4):749–786.
- Doty DH, Glick WH (1994) Typologies as a unique form of theory building: Toward improved understanding and modeling. *Acad. Management Rev.* 19(2):230–251.
- Dryzek JS, Bächtiger A, Chambers S, Cohen J, Druckman JN, Felicetti A, Fishkin JS (2019) The crisis of democracy and the science of deliberation. *Sci.* 363(6432):1144–1146.
- Dryzek JS, Pickering J (2017) Deliberation as a catalyst for reflexive environmental governance. *Ecology Econom.* 131:353–360.
- Eisenhardt KM, Graebner ME (2007) Theory building from cases: Opportunities and challenges. *Acad. Management J.* 50(1):25–32.
- Emirbayer M, Mische A (1998) What is agency? *Amer. J. Sociol.* 103(4):962–1023.
- Ensign RL (2013, May 29) How Daimler got "A Very Good Report Card." *Wall Street Journal*. Accessed January 18, 2016, <http://blogs.wsj.com/riskandcompliance/2013/05/29/how-daimler-got-a-very-good-report-card/tab/print/>.
- Frankfurter Allgemeine Zeitung (2018) Geld waschen mit der Credit Suisse. (September 18).
- Ferraro F, Etzion D, Gehman J (2015) Tackling grand challenges pragmatically: Robust action revisited. *Organ. Stud.* 36(3):363–390.
- Flyverbom M, Deibert R, Matten D (2019) The governance of digital technology, big Data, and the Internet: New roles and responsibilities for business. *Bus. Soc.* 58(1):3–19.
- Forum for African Investigative Reporters (2012) Transnational investigation: The FAIRTRADE chocolate ripoff. Accessed October 4, 2018, <https://fairreporters.files.wordpress.com/2012/11/the-fairtrade-chocolate-ripoff-investigation-20122.pdf>.
- Freitag M, Katzensteiner T (2011) Angst & Schrecken. Korruptionsjäger Debevoise & Plimpton. *Manager Magazine Online*. Accessed July 11, 2022, <http://www.manager-magazin.de/magazin/artikel/a-746295.html>.
- Fung A (2003) Deliberative democracy and international labor standards. *Governance (Oxford)* 16(1):51–71.
- Fung A (2006) Varieties of participation in complex governance. *Public Admin. Rev.* 66:66–75.
- George G, Howard-Grenville J, Joshi A, Tihanyi L (2016) Understanding and tackling societal grand challenges through management research. *Acad. Management J.* 59(6):1880–1895.
- Gephart RP (1993) The textual approach: Risk and blame in disaster sensemaking. *Acad. Management J.* 36(6):1465–1514.
- Gibson Dunn (2008) 2007 year-end FCPA update. Accessed December 11, 2018, <https://www.gibsondunn.com/2007-year-end-fcpa-update/>.
- Gibson Dunn (2011) 2010 year-end FCPA update. Accessed December 14, 2018, <https://www.gibsondunn.com/2010-year-end-fcpa-update/>.
- Gimmler A (2001) Deliberative democracy, the public sphere and the Internet. *Philos. Soc. Criticism* 27(4):21–39.
- Gond JP, Cabantous L, Harding N, Learmonth M (2015) What do we mean by performativity in organizational and management

- theory? The uses and abuses of performativity. *Internat. J. Management Rev.* 18(4):440–464.
- Greive M, Hartmann J (2012) “Zero Tolerance” verändert deutsche Firmenkultur. *Die Welt*. Accessed July 11, 2022, <http://www.welt.de/112029066>.
- Gunningham N, Sinclair D (2017) Smart regulation. Drahos P, ed. *Regulatory Theory: Foundations and Applications* (Australian National University Press, Canberra, Acton, Australia), 133–148.
- Haack P, Schoeneborn D (2015) Is decoupling becoming decoupled from institutional theory? A commentary on Wijen. *Acad. Management Rev.* 40(2):307–310.
- Haack P, Martignoni D, Schoeneborn D (2021) A bait-and-switch model of corporate social responsibility. *Acad. Management Rev.* 46(3):440–464.
- Haack P, Schoeneborn D, Wickert C (2012) Talking the talk, moral entrapment, creeping commitment? Exploring narrative dynamics in corporate responsibility standardization. *Organ. Stud.* 33(5–6): 815–845.
- Hallett T (2010) The myth incarnate: Recoupling processes, turmoil, and inhabited institutions in an urban elementary school. *Amer. Sociol. Rev.* 75(1):52–74.
- Hess D, Dunfee TW (2000) Fighting corruption: A principled approach: The C principles (combating corruption). *Cornell Internat. Law J.* 33(593):593–626.
- Hirschman AO (1994) Social conflicts as pillars of democratic market society. *Political Theory* 22(2):203–218.
- Hofstede G (1980) Motivation, leadership, and organization: Do American theories apply abroad? *Organ. Dynamics* 9(1):42–63.
- Höpner A (2010) Siemens Saubermann und Söhne. *Handelsblatt*. Accessed July 11, 2022, <https://www.handelsblatt.com/unternehmen/industrie/vier-jahre-korruptionsskandal-siemens-saubermann-und-soehne/3574096.html>.
- Kahn RA (2005) Cross-burning, Holocaust denial, and the development of hate speech law in the United States and Germany. *University of Detroit Mercy Law Review* 83:163–194.
- Langley A, Smallman C, Tsoukas H, Van de Ven AH (2013) Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Acad. Management J.* 56(1):1–13.
- Leonard-Barton D (1990) A dual methodology for case studies: Synergistic use of a longitudinal single site with replicated multiple sites. *Organ. Sci.* 1(3):248–266.
- LexisNexis (2019) ISO 37001. Accessed July 11, 2022, <https://www.lexisnexis.nl/blog/iso-37001>.
- Lindblom CE (1959) The science of “muddling through.” *Public Admin. Rev.* 19:79–88.
- Locke R, Amengual M, Mangla A (2009) Virtue out of necessity? Compliance, commitment, and the improvement of labor conditions in global supply chains. *Political Soc.* 37(3):319–351.
- Lombardo E, Meier P, Verloo M (2010) Discursive dynamics in gender equality politics: What about ‘feminist taboos’? *Eur. J. Womens Stud.* 17(2):105–123.
- Luo Y (2002) Corruption and organization in Asian management systems. *Asia Pacific J. Management* 19(2):405–422.
- MacLean TL, Behnam M (2010) The dangers of decoupling: The relationship between compliance programs, legitimacy perceptions, and institutionalized misconduct. *Acad. Management J.* 53(6):1499–1520.
- Mair Y, Marti I, Ventresca MJ (2012) Building inclusive markets in rural Bangladesh: How intermediaries work institutional voids. *Acad. Management J.* 55(4):819–850.
- Maitlis S (2005) The social processes of organizational sensemaking. *Acad. Management J.* 48(1):21–49.
- Maitlis S, Christianson M (2014) Sensemaking in organizations: Taking stock and moving forward. *Acad. Management Ann.* 8(1):57–125.
- Maitlis S, Vogus TJ, Lawrence TB (2013) Sensemaking and emotion in organizations. *Organ. Psych. Rev.* 3(3):222–247.
- Mauzy DK (1997) The human rights and ‘Asian values’ debate in Southeast Asia: Trying to clarify the key issues. *Pacific Rev.* 10(2):210–236.
- Meyer JW, Rowan B (1977) Institutionalized organizations: Formal structure as myth and ceremony. *Amer. J. Sociol.* 83(2):340–363.
- Meyer RE, Vaara E (2020) Institutions and actorhood as co-constitutive and co-constructed: The argument and areas for future research. *J. Management Stud.* 57(4):898–910.
- Meyer RE, Jancsary D, Höllerer MA, Boxenbaum E (2018) The role of verbal and visual text in the process of institutionalization. *Acad. Management Rev.* 43(3):392–418.
- Milne MJ, Kearins K, Walton S (2006) Creating adventures in wonderland: The journey metaphor and environmental sustainability. *Organization* 13(6):801–839.
- Moody PR (1996) Asian values. *J. Internat. Affairs* 50(1):166–192.
- Mouffe C (2008) *Critique as Counter-Hegemonic Intervention* (European Institute for Progressive Cultural Policies, Vienna).
- Nigam A, Ocasio W (2010) Event attention, environmental sensemaking, and change in institutional logics: An inductive analysis of the effects of public attention to Clinton’s healthcare reform initiative. *Organ. Sci.* 21(4):823–841.
- NVivo (2018) Code sources and manage nodes. Accessed December 21, 2018, http://help-nv11.qsrinternational.com/desktop/concepts/code_sources_and_manage_nodes.htm#MiniTOCBookMark6.
- OECD (2011) Working Group on Bribery: Annual Report 2010. Accessed July 11, 2022, <https://www.oecd.org/daf/anti-bribery/45460981.pdf>.
- Paine LS (1994) Managing for organizational integrity. *Harvard Bus. Rev.* 72(2):106–117.
- Palermo T, Power M, Ashby S (2017) Navigating institutional complexity: The production of risk culture in the financial sector. *J. Management Stud.* 54(2):154–181.
- Pieth M (2012) Multistakeholder initiatives to combat money laundering and bribery. Working paper, Basel Institute on Governance, Basel, Switzerland.
- Reinecke J, Ansari S (2015) What is a “fair” price? Ethics as sensemaking. *Organ. Sci.* 26(3):867–888.
- Rieger D, Schmitt JB, Frischlich L (2018) Hate and counter-voices in the Internet: Introduction to the special issue. *SCM Stud. Comm. Media* 7(4):459–472.
- Rose-Ackerman S (2018) Corruption in international business. The obligations of multinational firms. *zfvu. Z. Wirtsch. Unternehmesthik* 19(1):6–24.
- Rose-Ackerman S, Palifka BJ (2016) *Corruption and Government: Causes, Consequences, and Reform* (Cambridge University Press, Cambridge, UK).
- Schembera S, Scherer AG (2017) Organizational strategies in the context of legitimacy loss: Radical vs. gradual responses to disclosed corruption. *Strategic Organ.* 15(3):301–337.
- Scherer AG, Baumann-Pauly D, Schneider A (2013) Democratizing corporate governance: Compensating for the democratic deficit of corporate political activity and corporate citizenship. *Bus. Soc.* 52(3):473–514.
- Scherer AG, Palazzo G (2011) The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *J. Management Stud.* 48(4):899–931.
- Scherer AG, Voegtlin C (2020) Corporate governance for responsible innovation: Approaches to corporate governance and their implications for sustainable development. *Acad. Management Perspective* 34(2):182–208.
- Schmutzler J, Andonova V, Diaz-Serrano L (2019) How context shapes entrepreneurial self-efficacy as a driver of entrepreneurial intentions: A multilevel approach. *Entrepreneurial Theory Practice* 43(5): 880–920.

- Scott WR (2008) *Institutions and Organizations: Ideas and Interests*, 3rd ed. (SAGE Publications, Thousand Oaks, CA).
- Siemens (2010) Annual Report 2009. Accessed July 11, 2022, https://www.siemens.com/investor/pool/en/investor_relations/e09_00_gb2009.pdf.
- Siemens (2012) Annual Report 2011. Accessed July 11, 2022, https://www.siemens.com/investor/pool/en/investor_relations/siemens_ar_2011.pdf.
- Siemens (2013) Annual Report 2012. Accessed May 29, 2013, https://www.siemens.com/investor/pool/en/investor_relations/siemens_ar_2012.pdf.
- Siemens (2016a) Annual Report 2015. Accessed July 11, 2022, https://www.siemens.com/investor/pool/en/investor_relations/Siemens_AR2015.pdf.
- Siemens (2016b) Siemens Integrity Initiative Annual Report 2015. Accessed July 11, 2022, <https://baselgovernance.org/publications/siemens-integrity-initiative-annual-report-2015.pdf>.
- Siemens (2017) Siemens Integrity Initiative Annual Report 2016. Accessed July 11, 2022, <https://baselgovernance.org/publications/siemens-integrity-initiative-annual-report-2016.pdf>.
- Spencer-Cooke A, van Dijk F (2017) *Creating a Culture of Integrity: Business Ethics for the 21st Century* (Routledge, Abingdon, Oxfordshire, UK).
- Stil HI, Corvellec H (2021) Organizing means-ends decoupling: Core-compartment separations in fast fashion. *Bus. Soc.* 61(4):857–885.
- Tilcsik A (2010) From ritual to reality: Demography, ideology, and decoupling in a post-communist government agency. *Acad. Management J.* 53(6):1474–1498.
- Transparency International (2009) The Integrity Pact: A powerful tool for clean bidding. Accessed March 22, 2014, http://www.transparency.org/files/content/tool/IntegrityPacts_Brochure_EN.pdf.
- Transparency International (2012) Corruption Perceptions Index 2012. Accessed February 6, 2013, <http://www.transparency.org/cpi2012/results>.
- UNGC (2010) Collective action in the fight against corruption. Accessed February 6, 2013, https://www.globalcompact.de/migrated_files/wAssets/docs/Korruptionspraevention/Publikationen/collective_action_in_the_fight_against_corruption.pdf.
- UNGC (2022) Principle Ten: Anti-Corruption. Accessed July 11, 2022, <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-10>.
- United Nations (2015) Transforming our world: The 2030 agenda for sustainable development. Resolution adopted by the General Assembly on September 25, 2015. A/RES/70/1. Accessed July 11, 2022, https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.
- Van Maanen J, Sørensen JB, Mitchell TR (2007) The interplay between theory and method. *Acad. Management Rev.* 32(4):1145–1154.
- Weaver GR, Treviño LK, Cochran PL (1999) Integrated and decoupled corporate social performance: Management commitments, external pressures, and corporate ethics practices. *Acad. Management J.* 42(5):539–552.
- Weber K (2006) From nuts and bolts to toolkits: Theorizing with mechanisms. *J. Management Inquiry* 15(2):119–123.
- Weber K, Glynn MA (2006) Making sense with institutions: Context, thought and action in Karl Weick's theory. *Organ. Stud.* 27(11):1639–1660.
- Weber M (1978) *Economy and Society: An Outline of Interpretive Sociology*, vol. 1 (University of California Press).
- Weick KE (1984) Small wins: Redefining the scale of social problems. *Amer. Psych.* 39(1):40.
- Weick KE (1995) *Sensemaking in Organizations*, vol. 3 (Sage, Thousand Oaks, CA).
- Weick KE (2012) Organized sensemaking: A commentary on processes of interpretive work. *Human Relations* 65(1):141–153.
- Weick KE, Sutcliffe KM, Obstfeld D (2005) Organizing and the process of sensemaking. *Organ. Sci.* 16(4):409–421.
- Wibeck V, Linnér B-O (2021) Sense-making analysis: A framework for multi-strategy and cross-country research. *Internat. J. Qual. Methods* 20:1–12.
- Wijen F (2014) Means vs. ends in opaque institutional fields: Trading off compliance and achievement in sustainability standard adoption. *Acad. Management Rev.* 39(3):302–323.
- Wright C, Nyberg D, De Cock C, Whiteman G (2013) Future imaginings: Organizing in response to climate change. *Organization* 20(5):647–658.

Stefan Schembera is assistant professor of Business Administration at the Department of Business Administration at Radboud University. He received his PhD from the University of Zurich. His research focuses on organizational corruption, corporate social responsibility, organizational legitimacy, and the role of large and small multinational corporations in complex global governance contexts. His work has been published in journals such as *Strategic Organization* and *Business and Society*.

Patrick Haack is professor of Strategy and Responsible Management in the Department of Strategy, Globalization and Society at the University of Lausanne. His research interests center on social evaluations, practice adoption, and the application of experiments and formal models to the study of legitimation and institutionalization. He is an International Research Fellow at the Oxford University Centre for Corporate Reputation and serves as an Associate Editor at the *Academy of Management Review*.

Andreas Georg Scherer is a chaired professor of Business Administration at the University of Zurich, Switzerland. He does research in business ethics, CSR, international management, and organization theory. He has published over twenty books, monographs, and special issues. In addition his work has been published in research outlets such as the *Academy of Management Review*, *Administrative Science Quarterly*, *Business Ethics Quarterly*, *Journal of Management Studies*, and *Organization Studies*.