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“Governance and Corruption: is history repeating itself?”

Fostering a debate and inviting contributions from a multidisciplinary perspective

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Premise

The corruption of government officials by businesses is recognized as an increasingly critical problem, at both the national and international level. Despite multilateral treaties and many national attempts to address this problem over the past fifteen years, corruption continues to affect firms' economic and financial strategies and behaviours, as well as their organizational structures and their approaches to international management and financial reporting. In many cases corruption has been recognized as an acceptable way to behave in business conduct and management in specific countries, and even as a characteristic of some contexts that affects the role played by entrepreneurs.

In many jurisdictions reforms have been adopted with the aim of developing and improving the mechanisms and rules of corporate governance. These changes have been viewed as a sort of reaction to - an attempt to deal with and resolve - the effects of the dramatic disasters triggered by the recurring accounting and financial scandals in recent years (both nationally and internationally). These attempts are based on the idea, largely shared in the literature, that good governance mechanisms could not only positive effect the level of an entity's performance, but could also contribute to limiting management misconduct, avoiding accounting scandals, and reducing the risk of frauds and scandals (Cooper et al. 2012: 440-441).

In the recent literature, scholars have focused their attention on corporate and infamous accounting scandals and frauds, and the possible consequences of such behaviour on confidence in institutions (financial and non-financial), government, supervisory authorities, markets, banks, professionals (accountants, auditors, lawyers, etc.), managers and other white collar positions (executives, statutory auditors, directors). The consequent lack of confidence also impacts the legitimacy of politics and many other institutions in modern society.

Corruption is a concept that is difficult to circumscribe, first of all because it can involve a large variety of levels (individual or collective, local to global, within or between organizations, in developed and developing countries, etc.), types (insider trading, monopolization, fraud against the government, accounting fraud, securities fraud, bribery, environmental crimes, and other “vices”), and areas (financial, economic, institutional, governmental, entrepreneurial, managerial, etc.). Due to this multiplicity of meanings corruption is sometimes defined in an incomplete way as “the misuse of public office for private gain”, through various different metaphors (such as a cancer, disease and scourge), or with reference to its consequences - “the single greatest

obstacle to economic and social development” (World Bank, 2005; J. Braithwaite, 2013; and D. Neu et al, 2013).

The recurring emergence of corruption-related phenomena observed over the last 15 years has led to an increasing sense of disillusionment and frustration. Some scholars have identified a sort of cyclicity in the rise and fall of corruption. Despite the existing regulations, in contemporary capitalism “there is a demand-side and a supply-side” that dictate the undulations of corruption (J. Braithwaite, 2013: 449; J. Braithwaite, 2005).

Hence corruption evidently needs to be approached from a multidisciplinary perspective. Corruption is able to affect all the organizational and functional levels of a business entity and its consequences can be apparent in all external interactions with other business entities, financial and public institutions and market mechanisms.

In the existing literature corruption has been approached in various ways. In some cases it has been studied with reference to different examples of corruption and their disastrous effects: accounting scandals, whistleblowing, managers’ misconduct, frauds, etc. In other cases corruption has been examined from the point of view of a specific discipline or research area:

- accounting (e.g. effects of account and financial reporting manipulation; see F. Clark, G. Dean, 2007; M. Jones, 2011);
- finance (e.g., impact of corruption on market mechanisms; see E. J. Zajac, J. D. Westphal, 2004; J. Braithwaite, 2005; J. Braithwaite, 2013);
- management (e.g. managerial misconduct; see S. A. Zahra, R. L. Priem, and A. A. Rasheed, 2004);
- international management (e.g. whistleblowing and bribery as tools to compete at an international level, E. Adegbite, C. Nakajima, 2011; V. G. Maurer, and R. E. Maurer, 2013);
- organizational studies (e.g. effects of corruption within the organizational structure; J. Pinto, C. Leana, and F. Pil, 2010);
- business ethics (e.g. corruption and corporate social responsibility; Mallin C., 2009; Maurer V. G., 2009);
- institutional theory (e.g. illegality and institutional context; Suchman, 1995; I. Filatotchev, C. Nakajima, 2010; C. Gabbioneta, R. Greenwood, P. Mazzola, M. Minoja, 2012).

We believe that corruption should be studied as a multi-perspective and multi-disciplinary topic. At the same time, we support the idea that the governance perspective should be considered central and innovative. The existing literature illustrates that corruption occurs within many countries in different forms. At the same time scholars share the opinion that “very little is known about how corruption occurs, who is involved, and why it persists”, despite the regulatory reactions recurrently adopted in many countries (D. Neu et al, 2013: 505).

In our view, the multidisciplinary perspective has not yet been completely explored in order to comprehend how the phenomenon of corruption works and which

consequences it can have (G. Dean, F. Clarke, C. A. Oliver, 2003; Melis, 2005; F. Bava, A. Devalle, 2012; F. Clarke, G. Dean, and M. Egan, 2014; Clarke F., Dean G., 2014).

As a perspective, governance is capable of taking into account both external and internal points of view and has a multi-functional vision. Governance refers, at the same time, to an existing structure and to a process. The characteristics of the governance structure (on the basis of existing external and/or internal rules) could favour or limit corruption. The efficiency and effectiveness of governance mechanisms could be affected by or could influence the level of corruption within an organization and/or outside it, in its business relations with other entities and economic contexts.

Changes in corporate governance, including changes in both hard and soft governance rules, have played a key role in firms' attempts to detect and control corruption. Corporate governance mechanisms have been employed not only to reduce instances of corruption, but also to limit and reduce the effects of corruption, although corruption persists as a covert competitive strategy to obtain business. This occurs despite the fact that it is prohibited by law in virtually every country of the world. Thus the relationship between corporate governance and corruption is ripe for a systematic analysis from a multidisciplinary perspective.

This study aims to stimulate debate on the link between governance and the phenomenon of corruption - an illness that affects many aspects of capitalist societies. For example, corruption may derive from competitive strategic planning, or it may reflect a sense of entrepreneurial risk-taking. When corruption occurs across legal, cultural, and organizational boundaries, it becomes a complex and rich phenomenon to explore.

In August 2013, the Journal of Management and Governance submitted a symposium proposal on Governance and Corruption to the Annual Conference of the Academy of Management. In this proposal we emphasized the multifaceted views regarding the link between governance and corruption. Our proposal was included in the conference programme and centred on a multidisciplinary and multi-perspective approach. Consistently with this approach, we profited from the valuable contributions of Igor Filatochev (Cass Business School, University of London), Virginia Maurer (University of Florida, Wharrington College of Business), Chizu Nakajima (Cass Business School, University of London), Ralph Maurer (Freeman School of Business, Tulane University), and Andrea Melis (University of Cagliari). Each Panellist is characterized by a specific disciplinary background and approached the link between governance and corruption from a distinct perspective. The opportunity to combine these multiple views on the link between governance and corruption contributed to highlighting the richness of the approach adopted. In this respect, we are aware that there is a lack of knowledge about this topic, which is difficult to define, to delimit and to investigate before its consequences can possibly be observed.

Bridging Governance and Corruption

Capitalism experiences periodic crises of integrity that threaten the stability of international financial and business systems. More than ten years have passed since the disastrous accounting and financial scandals associated with the fall of iconic firms such as Enron, Arthur Andersen, Worldcom and Parmalat (Melis A., 2005; Melis G., Melis A., 2005; Bava F., Devalle A., 2012). More recently, the fraud associated with the secondary mortgage market in the United States and the bursting of real estate bubbles in several countries precipitated the failure of major financial institutions and the financial integrity of sovereign debt. Recent research has shown that in some countries the aptitude for manipulating earnings has increased precisely in correspondence with these financial crises.

During this period the major trading countries of the world represented in the OECD have sought to systematically address criminal corruption through multinational treaties, domestic positive law, and the use of supervisory authorities and regulation. Either by mandating changes or by encouraging better corporate goals and practices, countries of the developed world have sought to reform the way their companies make decisions and control their moving parts globally. In many cases these reforms have effected significant changes in corporate governance, based on the conviction that changes in corporate governance mechanisms are useful tools with which to detect and control corruption, especially in listed companies (Adegbite E., Nakajima C., 2011).

Typically, these reforms were introduced as a reaction to diplomatically and politically embarrassing corruption scandals. Moreover, the devastating effects of corruption, especially in developing countries, have become more visible and hence better understood and appreciated worldwide. Attention from organizations such as Transparency International has effectively kept the issue in the business consciousness (Filatotchev I., Nakajima C., 2010). As more businesses and entrepreneurs operate at an international or global level, they encounter greater opportunities to employ bribery, fraud, and corruption as a way of being competitive in a new economic context. They may find it attractive to bribe government officials: either on their own initiative, as a matter of strategy, or in response to demands for extortionate bribes in order to be able to do business at all. In certain competitive situations firms may find themselves at a disadvantage because their competitors employ corruption and the playing field they face is therefore not level. In the aggregate, corruption undermines capitalism, free markets, and competition based on adding value. However, while bribery may be a risky strategy both for established businesses and for entrepreneurs, it remains a powerful force in international business (Maurer, V. G., Maurer R. E., 2012).

Where it is widely used, local government may have little incentive to enforce the bribery laws. This could be resolved by the relatively more efficacious and powerful governments of the developed world.

In some countries reform takes the form of “hard rules”: laws or legislative decrees with increased penalties and punishments. In other countries the battle against corruption is based on “soft rules”, such as encouraging codes of conduct at the firm level or at the

industry level, which assume the virtuous nature of the forces driving financial markets. Since the late 1990s many international organizations such as the Organization of American States and the United Nations have endorsed national members' efforts to reduce corruption. For about ten years the United States has actually enforced the 1977 Foreign Corrupt Practices Act, which lay almost unused for many decades. The United Kingdom recently adopted a "draconian" anti-corruption law in the form of the Bribery Act of 2010, which came into force in July of 2011 (Maurer, V. G., Maurer R. E., 2013).

All of these reforms aim to use corporate governance mechanisms to detect, control and minimize bribery by businesses. The goal is to avoid or limit the adoption of corruption-based strategies as a way of being competitive at an international level, or as a way of becoming a successful entrepreneur or manager. Yet, while universally prohibited, we know that bribery is widely practiced, like many other behaviours. Bribery is an undesired and undesirable part of every economic culture - capitalist or collectivist. It could be seen as a stochastic error of the markets, to be minimized if not eliminated. If current approaches are to be more successful than they have proven to be thus far, they should be grounded in nuanced understanding of how organizations, and organizational culture, shape and respond to internal and external forces; how managers' perception of the legitimacy of corruption affects the attractiveness of corruption as a strategy; the role of risk and entrepreneurial attributes in culture and decision making; and how the organizational design built into an organization from its inception can affect cultural norms that override externally imposed structural and process-oriented changes. Finally, corruption is necessarily secret, and thus inextricably linked to the opacity of internal controls and the distortion of financial information; this fundamental element of fraud further complicates internal attitudes and decisions about fraud and financial integrity (Zajac E. J., Westphal J. D., 2004). Without a better understanding of the sociology of an organization, mandated structures and systems of internal control are unlikely to be successful.

In the symposium we proposed at the 2013 Annual Conference of the Academy of Management we debated the link between corporate governance mechanisms and corruption, with all of its related phenomena. As stated before, we decided to involved panellists with expertise in diverse subjects related to corporate governance and corruption, who were asked to cover the topic from different disciplinary perspectives: Legal Studies, Strategy, International Management, Entrepreneurship, and Accounting. We believe that this multidisciplinary approach is perfectly consistent with the multifaceted view we would like to discuss, examining the bridge between corporate governance mechanisms and corruption. The five panellists addressed, among many others, questions such as the following:

- a) Why are we unable to eradicate fraud and corruption from modern companies, or at least listed companies?
- b) Has the recent legislation adopted in many countries managed to effect change in corporate governance mechanisms, and what do those changes look like?

- c) Which of these mechanisms might be effective in reducing corruption in both established and newer companies?
- d) Is beating corruption a matter of controls or of culture and ethics?
- e) Is the company's organization corrupted, or are corrupt individuals corrupting the organization?
- f) How does the international dimension affect the phenomena of bribery?
- g) Do corporate governance choices made early in the life of businesses encourage corruption in later years (e.g. through path dependence, leading to structural/cultural rigidity), and how might earlier interventions be made?

The five panellists contributed to the debate by approaching the chosen topic from their own specific perspectives. Therefore, Igor Filatotchev titled his speech "Governance, corruption and national institutions: a nested legitimacy framework", Virginia Maurer focused her presentation on "Addressing foreign bribery. Laws on a global level", and Chizu Nakajima continued the discussion on "Integrity governance. Responding to anti-corruption initiatives", Ralph Maurer centred his presentation on "Entrepreneurship, institutional theory and corruption in emerging markets", and finally Andrea Melis dealt with "Frauds, creative accounting, impression management and corporate governance"¹. In the following section of this contribution we will briefly present the main contents of the debate, assuming that this may stimulate scholars' interest. The main aim of our study is, in fact, to seek a sort of response that will prompt the submission of papers and help further debate on the various links between corporate governance and corruption. On the one hand, we believe that the five presentations at the symposium may inspire authors to prepare their own contributions; on the other hand they may stimulate scholars to explore different and not yet addressed profiles and research areas.

Different perspectives on Governance and Corruption: a call for multidisciplinary research

From an organizational, institutional perspective, the dependencies between organizations and institutions need to be taken into consideration in order to understand corruption.

Organizational practices do not develop in a vacuum. However, the majority of previous studies have focused on specific governance practices without taking into account potential interdependencies and/or the costs involved (Aguilera, Filatotchev, Jackson & Gospel, 2008). Contingencies and complementarities do not exist in isolation. They jointly mediate the relationship between corporate governance practices and their effectiveness (Aguilera, Filatotchev, Jackson & Gospel, 2008). Within an institutional perspective, corruption can be seen as part of the institutional logics that frame investors' cognition and decision-making with regard to the firm's overall legitimacy. Investor perceptions of firm-level governance factors may be 'nested' within these

¹ We are more than grateful to the panellists for their involvement and commitment to the Symposium application to the Academy of Management and for their insightful contribution at the same Symposium in Orlando, Florida in August 2013.

cognitive frames (Bell, Filatotchev Aguilera, 2014) and the ‘national bundles’ (Schiehll, Ahmadjian and Filatotchev, 2014). Governance is the product not only of coordinative demands imposed by market efficiency, but also of rationalised norms that legitimise the adoption of appropriate governance practices. More research is needed to understand how governance mechanisms affect a firm’s legitimacy, rather than simply focusing on the individual efficiency outcomes of governance factors that are at the core of the agency perspective (Bell, Filatotchev, Aguilera, 2014). For a systematic account of these factors in future empirical research, studies should explore the patterned variation in corporate governance practices, their combinations, and their effectiveness in terms of firms’ alignment with a more contextualised view of organisational environments (Aguilera, Filatotchev, Jackson & Gospel, 2008). Research should also address the potentially synergistic effects among governance mechanisms and understand whether two (or more) governance mechanisms are complementary (i.e. the adoption of one increases the marginal returns of the other and vice versa) or substitutive (i.e. one mechanism directly functionally replaces another, while the overall functionality of the system remains unaffected) (Aguilera, Desender, and Kabbach de Castro, 2011).

Corruption is also a key topic in the legal literature. With the expansion of global businesses, the potential for significant exposure to international corruption increases along with the growing risks associated with anti-bribery laws (Trautman and Altenbaumer-Price, 2013). The enforcement of acts regarding foreign corrupt practices is hindered by serious problems (Maurer and Maurer, 2013). Employing traditional legal research methodology (i.e. analysis of case law, statutory interpretation, legal literature, and textual analysis), Maurer and Maurer (2013) analysed the deferred prosecution agreements and non-prosecution agreements between the US Department of Justice and national and multinational corporations. The prosecution system was found to be *de facto* used as a regulatory agency. The assumption seems to be that, over time, corporations will assimilate ethical and legal standards into their operating practices in ways that reduce the occurrence of corruption. The U.S. enforces the Foreign Corrupt Practices Act through non-prosecution and deferred prosecution agreements that exact specific structural changes in corporate governance. However, using prosecutorial discretion to change corporate behaviour (including values and culture) is controversial. The UK Bribery Act has an even broader scope and extraterritorial reach than the US Foreign Corrupt Practices Act. For example, any individual ordinarily resident in the UK can be prosecuted for bribery offences committed anywhere in the world, and any company (wherever based) can be prosecuted for bribery if it does business in the UK (e.g. through a permanent establishment, subsidiary or branch operation), even if the offence was committed outside the UK. A ‘relevant commercial organisation’ is considered to have committed an offence if ‘an associated person’ (i.e. an employee, an agent/consultant, a subsidiary, but also a contractor or a joint venture/consortium partner, or even a third party service provider/supplier) commits an offence anywhere in

the world. Strict liability (i.e. no intention required) applies, unless ‘adequate procedures’ are in place. This constitutes fertile ground for interdisciplinary research investigating the effects of such practices on corporate governance. A new anti-bribery consulting and compliance industry is also growing (Trautman, Altenbaumer-Price, 2013), as boards of directors need to consider ‘integrity’ governance. The role of these governance actors is worth investigating.

Corruption is a key issue in entrepreneurship, particularly in emerging economies, where the lack of efforts (and/or inability) to control it decreases levels of trust in the ability of the State and market institutions to reliably and impartially enforce law and the rules of trade. Such a lack of trust hinders the development of arms-length trade and the coordination of complex economic activities, as well as discouraging investment in innovation (Anokhin, Schulze, 2009). Entrepreneurship literature tends to emphasize routines based on simple rules, plasticity and local customisation when entering a new emerging market (e.g., Khanna and Palepu, 2010). These routines may include actively and purposefully seeking the unfair advantages that can result from bribery, i.e. firms may strategically initiate bribery independently of demands for bribery (Martin, Cullen, Johnson, Parboteeah, 2007). However, anti-corruption acts, such as the US Foreign Corrupt Practices Act, may shape firms’ behaviour in a very different way, which may be at odds with the routines suggested in the entrepreneurship literature. Based upon the ample use of non-prosecution agreements, these laws against bribery abroad may act as a deterrent against engaging in corruption in foreign countries, as they are a peculiar yet direct form of coercive power, enabling prosecutors to incrementally expand their traditional role and exemplifying a shift from an ex-post focus on punishment to an ex-ante emphasis on compliance (Kaal and Lacine, 2014). At the same time, investors who have been exposed to bribery at home have been found to be undeterred by corruption abroad, effectively seeking countries where corruption is prevalent (Cuervo-Cazurra, 2006). Therefore, entrepreneurial ventures in emerging markets (the riskiest ones) may feel inclined to shape their strategy and structure their organization in response to legitimacy concerns within the host institutional setting, as well as the home country, rather than simply focusing on performance. Future research could explore the trade-offs between legitimacy and the performance of firms entering emerging markets, and examine whether and how corporate governance and the national, institutional, ‘bundles’ influence decision-making.

Last but not least, from an accounting viewpoint, corruption may manifest itself in different forms, the most evident being financial statement fraud, i.e. ‘working outside the regulatory framework’ to deliberately give a false picture of accounts (Jones, 2011: 7-8). However, financial statement fraud is only the most overt form of corruption in this field. Nowadays the information provided in corporate reports is highly regulated, although there is significant leeway regarding what may (or may not) be disclosed voluntarily. GAAPs regulate the ways accounting data is measured and reported and, to

some extent, limit the flexibility of the preparer, in terms of both measurement and reporting choices. Accounting standard-setters tend to leave some room for flexibility in the preparation and presentation of financial statements. To some extent this flexibility is intrinsically connected to the need to measure and present transactions that have yet to be concluded at the time the corporate report is released. Standard-setters also allow additional room for alternative accounting choices, with the idea that the preparer of annual reports will use the flexibility incorporated in accounting standards to give a true and fair view of the accounts so that they serve the interests of users (e.g., Alexander, Jermakowicz, 2006). However, the flexibility allowed within accounting regulation may be used by self-serving preparers to manipulate the measurement and presentation of the accounts so that they serve the interests of the preparers, rather than those of the users. An interesting area of research investigates the relationship between financial statement fraud and creative accounting, as it is subject to debate whether the former constitutes the 'corrupt' behaviour that occurs when the preparer of annual reports is no longer able to adopt creative accounting practices effectively, or whether fraud co-exists with creative accounting. Another potentially fruitful area acknowledges the limitations of regulation, as recognized by an incomplete contracts approach (Williamson, 1985) and investigates the role of corporate governance in filling the gaps in accounting regulation.

The financial reporting environment is increasingly rich and complex, involving many parties in the information supply chain: preparers, auditors, sophisticated information intermediaries, informed and uninformed investors, and the media (Beyer, Cohen, Lys, & Walther, 2010). The behaviour of the human actors in this environment is similarly complex, as multiple motivations of an economic, social and even psychological nature can co-exist (Beattie, 2014). Given this scenario, self-serving preparers of annual reports may also use the flexibility allowed in the annual report presentation format (especially concerning discretionary disclosure) to convey a more favourable view than warranted of a company's results, thus serving their own interests and misleading users, especially the less sophisticated ones, even without adjusting the measurement and presentation of the accounts. This self-serving behaviour encompasses the textual and visual aspects of corporate reporting in the annual report and is intended to influence the impressions of annual report users regarding the company's performance (Jones, 2011). Narratives and graphs are typically non-audited and provide ample opportunity for preparers of annual reports to use them in a biased or selective way. Previous literature has reported that graphs are often used in a selective and biased way by preparers of annual reports in order to emphasize certain aspects of a firm's performance as portrayed in the graph. This behaviour constitutes an 'abuse' of graphs, as graphical reporting lacks comparability over time (Beattie and Jones, 2008). Similarly, narratives are used to influence the annual report user's impression by stressing positive news (and playing down negative news) (e.g. Clatworthy and Jones, 2003), thus misleading the reader (i.e. by conveying good news in a more straightforward and readable way than

bad news, Courtis, 1998), and/or by attributing bad news to external factors (e.g. the global financial crisis) and good news to the firm (Aerts, 2005).

Although creative accounting and impression management do not respect the substance of true and fair representation, they are not illegal, as they tend not to violate it in form. Self-serving preparers take advantage of both the limitations of accounting regulation to find ‘gaps within the GAAPs’ and of the bounded rationality of users, who can hardly see through such misleading, yet legal, practices (Muiño and Trombetta, 2009). Financial statement fraud, creative accounting and impression management practices can be affected by institutional as well as firm-level characteristics. Previous research has mostly studied them in isolation (e.g., Hogan, Rezaee, Riley Jr., and Velury, 2008; Ronen and Yaari, 2008; García Osma and Guillaumon-Saorín, 2011). Therefore, further research seems necessary in order to take into account the interdependencies between the various decisions that shape the corporate information environment (e.g. whether financial statement fraud, creative accounting and impression management are complementary or substitutive reporting choices from the perspective of a self-serving preparer of annual reports) and the influence of corporate governance, both in the country-level institutional regime (e.g. financial development, investor protection, enforcement of accounting standards, etc.) and at the firm-level (audit committee expertise and independent, external auditors, etc.). An understanding of the critical role played by networks would also advance research on fraud and other ‘corrupt’ corporate behaviour (Cooper, Dacin, Palmer, 2013). Not only could networks include actors in the information supply side, but they could also include annual report users, such as financial analysts and the media. Further research is needed to investigate their influence on the likelihood of fraudulent accounting choices and/or creative accounting and impression management practices. Previous studies have mostly focused on the role of financial analysts and the media on corporate fraud detection and as a curb on earnings management (e.g. Yu, 2008; DeGeorge et al, 2013, Liu, 2014). Some exploratory research is emerging on how they could influence impression management practices (e.g. Bozzolan, Cho, Michelon, 2015), but further investigation seems to be needed.

Conclusion, or an invitation

In this paper we have mainly sought to draw attention to the multiple emerging forms of corruption from the governance perspective. The literature debate we have tried to summarize in our study, its variety and the different disciplinary profiles we have recalled, can easily be recognized as a stimulating issue. The previous sections illustrate that the relationship between governance and corruption provides a fruitful approach, capable of stimulating new research and valuable contributions to both theory and practice.

The richness and broad variety of perspectives in the governance approach help deal with the complexity and the changeability that corruption can be characterized by in different economic and social environments. The way in which corruption can emerge -

as a crime or simply as a mode of business conduct; its variability within different kinds of economic entities or organizations; its isomorphic adaptability to different geographical, social, political and institutional characteristics, all constitute clear evidence that we need to approach corruption from a broad perspective. In our view the lenses of governance structure, mechanisms, relationships, and interpretations facilitate understanding of the phenomena of corruption.

Having recognized the peculiarities of corruption, we realized that although the practice is ancient, theoretical exploration of the subject is relatively new, and the academic literature still has a long way to go in exploring the relationship between governance and corruption. This research area is ripe for study and investigation, given its potential theoretical, practical and policymaking implications. In this respect this paper not only cannot achieve a definite conclusion, but it *should* not: it proffers, instead, a warm invitation to scholars to invest their efforts and talents in contributions to this highly promising field. According to its aims & scope, the Journal of Management and Governance represents a place where future research on the links between governance and corruption could be published, shared and discussed.

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