NIKI A. DEN NIEUWENBOER

# Seeing the Shadow of the Self

## Studies on Workplace Deviance

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**Seeing the Shadow of the Self**
Studies on workplace deviance


Het zien van de schaduw van het zelf
Studies naar deviant gedrag in organisaties


PROEFSCHRIFT


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aan de Erasmus Universiteit Rotterdam
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| **Copromotor:** | Dr. J. van Dalen |

I dedicate this book to us

## Acknowledgements

The journey that I took to get here was long and not always easy. And this book, my dissertation, is only one stop along the way. I never thought to experience the things I have on this journey, and I am curious to see where the rest of it will take me. I would like to take a moment right now to recognize the people that have touched my life along the way and that have helped me to become the person who I am today.

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My "paranymphs" Pursey Heugens and Robert Phillips also very much deserve some words of gratitude. I feel lucky to have you by my side at "le moment suprême" and could not wish for better best men. Or women. I have gotten to know the two of you over the past years and we have not only become good friends, but the two of you have also become important mentors and confidants to me. Purs, thanks for taking the lead in my first empirical study, and thanks for all the talks over coffee, lunch and dinner about academia, research, teaching, et cetera. Those have helped shape my ambitions and thoughts about the type of academic that I want to be. And

frankly, they have helped me to take things up a notch, to push myself to work harder and better than I did before. Rob, thank you also for all the talks we've had over beers, beers, some more beers, but also over coffee and via email, in different places here in Europe and there in the US. Sometimes it's easier to share career-stress and self-doubt with someone far away, who is not connected to your own institution. So thanks for your interest in all those pity things, for the soothing comments that you make when I freak out, for putting so many things into perspective, and thanks for the laughter that we shared and I hope we will continue to share.

On a last note I want to thank Gerrit van Hengel for his help with one of my propositions. I also wish to thank Professor Emerita Mary Jo Hatch for her kind generosity in letting me use one of her paintings as cover illustration. The sunflowers radiate my positive view on the world which also reflects in the work on which I report in this dissertation. I have this conviction that not everyone, perhaps only the very few, of those who engage in workplace deviance are actually bad people. This is one of the central pillars on which this dissertation stands. There is less bad out there than some might think. The cover-illustration also reflects my pride in having dyslexia, the learning disability that I have in common with Professor Hatch. I think my dyslexia shines though in all of my work, in both my ontological viewpoints and in the way in which I approach and try to answer the questions that interest me. Turns out that dyslexia, too, is not as bad as some people tend to think. Quite the contrary, actually.

Speaking about my work… off to the main act it is. I hope that you, the reader, will enjoy my dissertation, find the things I say in it provocative and I hope it gives you food for thought.

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# 1.    Introduction

"I have always tried to do the right thing but where there was once great pride now its gone. […] The pain is overwhelming" reads the suicide note former Enron executive Cliff Baxter left his wife when he killed himself less than two months after Enron filed for bankruptcy. Enron had become such a big part of who Baxter was, of his identity, that he felt devastated by the bad press and enraged about the plaintiff's lawyers (Swartz & Watkins, 2003). Enron's downfall caused Baxter's downfall. He could not separate himself from the company anymore, from what it had done and from what was happening to it. As Baxter's friend Amanda Martin-Brock suggested in an interview in the Enron: The Smartest Guys in the Room documentary, it is hard to have to look back at one's life's work and realize that you may have seen your shadow. It proved too hard for Cliff.

Such emotional devastation following the uncovering of workplace deviance is not unique to Baxter. Daley for instance described the case of a "minor but effective functionar[y]" (2002: 189) of the South African police force during the Apartheid era who had himself evaluated by psychiatrists after Apartheid ended. He did that because he needed to understand what kind of person he was – what was wrong with him – for having been able, like many of his colleagues, to engage in torture as a matter of routine everyday work. He was overwhelmed by what he had done at work for so many years, while at the same time also having been a loving father and husband. He now suffers from depression and anxiety.

Another famous case of workplace deviance is the Barings Bank fraud, perpetrated by Nick Leeson. Leeson, at 27 years of age, single-handedly caused the once so respected financial organization to collapse into bankruptcy. In his analysis of

the collapse Stein (2000) argues that Leeson was burdened with unconscious guilt about the deviance he was committing, which Stein argues was why Leeson left so many clues regarding his fraud – which however unfortunately were ignored by Barings' management. In the last days before his discovery Nick Leeson was violently ill and had to vomit frequently (Stein, 2000). Since then, Leeson has recovered, but what remains remarkable is his apparent unease with what he was doing even though no one forced him to do the things he did, and the physical response that he had upon the discovery of his doings. Work presented in this dissertation sheds light on why and how this may work this way.

The topic addressed here is workplace deviance. More specifically, the dissertation addresses how people such as those in the examples above may come to engage in workplace deviance. What motivates them and why are they so deeply and personally affected by their own and their company's actions? The basic premise here is that many if not most of the people who engage in workplace deviance do so on the basis of common mechanisms of motivation that all human beings have and feel. The arguments presented in the dissertation suggest that the reason why common people may engage in workplace deviance lies, at least for a good part, in understanding the influence of the social context on people's behavior and on the motivational drives referred to above. The research revolves around how this social context may morph into a system that makes good people do bad things; how it may become the proverbial bad barrel causing good apples to turn bad (cf. Treviño & Youngblood, 1990).

## 1.1 Relevance of the topic

In today's turbulent world one corporate scandal seems to tumble over another. Among the most recent are the frauds at Société Générale, Volkswagen and Deutsche Post. Both practitioners and academics wonder why such scandals come into being - with reason. Though it is difficult to estimate the cost involved in workplace deviance, scientific consensus is that it "easily dwarf[s] that of street crime" (Ashforth & Anand, 2003: 1; also see Croall, 2001; Sutherland, 1983). Popular surveys conducted by consultancies corroborate these assertions. An example thereof is PriceWaterhouseCoopers' 2007 economic crime survey. According to that survey, as many as one out of every two companies that participated in the study suffered either material or immaterial damages from having what PwC calls economic crimes occur within their ranks. Fourteen percent of the 150 Dutch companies surveyed by PwC reported to have suffered damages resulting from their economic crime problems of one million Euro or more. Seven percent of those endured damages of over ten million Euros.

The relevance of workplace deviance is oftentimes also evidenced by reciting the by now famous list of scandals that hit the business world around the turn of the century: Enron being its epitome, but WorldCom, Ahold, Parmalat and Arthur Anderson also come to mind. What these – indeed almost all – corporate scandals have in common is that they took us by surprise. All of a sudden investors and employees were confronted with monstrous losses that no one had seen coming. Scandals are continuing to take us by surprise as was evidenced in the recent Société Générale fraud. These scandals almost invariably cause harm to innocent bystanders, for example in the form of losses of jobs, evaporated pensions, and a loss of invested capital.

A less obvious but perhaps more poignant reason for studying workplace deviance is that it may sometimes even lead to bodily or mental harm, and in some cases have even led to the deaths of people. One of the most classic examples of such a scandal is the Ford Pinto case. Here Ford failed to recognize the obvious signals that the Pinto model was seriously flawed, which should have led to the improvement of the design (Kaptein & Wempe, 2002) or recall (cf. Gioia, 1992) of the Pinto model. Rather, Pinto drivers and their passengers continued to be seriously burned and sometimes die after being involved in low velocity accidents with their Pinto. A second classic example is the explosion of the Challenger space shuttle, killing all seven crewmembers inside. As Vaughan (1996) documented so meticulously this disaster was much more the result of flawed decision-making processes and of deviance being normalized at NASA than of a concurrence of unfortunate circumstances. The perhaps most cited and famous examples of how workplace deviance may contribute to people's deaths is the persecution of the Jews in World War II. This involved complex and elaborate organization and administrative procedures, from building and running concentration camps to organizing transportation there, to recruiting and employing doctors and other staff at the concentration camps, with all the record keeping and other administrative procedures such as billing, debiting and crediting associated with organizing an efficient bureaucratic system (cf. Adams & Balfour, 1998).

The realities of workplace deviance are harsh and costly, both in terms of money as in terms of human life. Although I do not wish to imply that none of the people involved in these scandals were of evil intention or out to induce harm or rob people of their money. However, the scale of the scandals mentioned here is so enormous that at least a good portion of those committing deviance must have been

people that were only out to do their jobs and nothing more. Society, after all, consists mostly of non-deviating, law abiding and diligent citizens. The underlying causes and mechanisms that turn these normal and well-willing people into deviants are the focus of this dissertation.

## 1.2    Research to date

The study of workplace deviance is by no means something novel. Sutherland already spoke of "white collar crime" in 1939 in his address before the thirty-fourth annual meeting at the American Sociological Society (Geis & Goff, 1983). Management sciences, however, only started taking workplace deviance seriously around 20 years ago (Treviño, Weaver & Reynolds, 2006). This was when the study of business ethics emerged, which involves the study of good and bad behavior by corporations and their constituents. But a real surge in the study of workplace deviance only happened as a response to the string of famous scandals cited above, nearly a decade ago (Anand, Ashforth & Joshi, 2005).

In their review of the academic literature, Treviño et al. (2006) coined the term behavioral business ethics. Behavioral business ethics research encompasses the study of, or so say Treviño et al. "individual behavior that is subject to or judged according to generally accepted moral norms of behavior. Thus, research on behavioral ethics is primarily concerned with explaining individual behavior that occurs in the context of larger social prescriptions" (2006: 952). Research in this field that focused on deviance or workplace deviance specifically, despite its juvenility, is extensive. Due to time and space constraints it will not be reviewed in its entirety anywhere in this dissertation. The research can roughly be divided into two streams. Table 1-1 gives a short description of the two streams and offers some of the more important examples

of literature that fall in the two streams. The two streams are examined in more detail below, where also more examples of literature are given.

**Table 1-1: Two main research streams in behavioral business ethics**

| Description | Examples of literature |
| --- | --- |
| **1.** Static, causal models that focus on finding antecedents to explain why someone might choose to engage in deviance at a certain moment in time. | Baucus, 1994; Treviño, Butterfield & McCabe, 1998; Treviño, & Youngblood, 1990; Vardi & Weitz, 2004 |
| **2.** Dynamic process models that aim to explain how collective forms of deviance may come into being or perpetuate over time, in which people may or may not be consciously aware of the deviant nature of their behavior. | Ashforth & Anand, 2003; Brief, Buttram & Dukerich, 2001; Misangyi, Weaver & Elms, 2008; Vaughan, 1996 |

The first research stream focuses on finding relatively straightforward antecedents of deviance, which can explain what may cause a certain individual to (relatively) consciously choose to engage in deviance at a certain moment in time. An example thereof is research on the influence of personality traits on deviance and on people's cognitive moral development (cf. Treviño, 1986), or research on group-level or organization-level antecedents like culture, climate (cf. Flannery & May, 2000), leadership (cf. Sims & Brinkmann, 2002), or peer pressures (Robinson & O'Leary-Kelly, 1998), and also on the environment of the organization such as industry practices or competitive pressures (cf. Baucus & Near, 1991). The implicit perspective that this literature has in common is that it focuses on understanding simple and static antecedents that would cause a certain individual to behave in a deviant way. Most empirical research that could be considered to fall in this research stream makes use of quantitative designs and for instance use questionnaires (cf. Treviño, Weaver, Gibson & Toffler, 1999) or experiments (cf. Greenberg, 2002).

A second stream of research came into being somewhat later in the management sciences, though certain older criminological research into phenomena like crimes of obedience (cf. Kelman & Hamilton, 1989) may be considered part of this stream as well. Within the management sciences, relatively few studies are conducted in this stream though the number of studies that fall into this category of research is growing fast, in particular in the past few years. Studies in this second stream of research focus more on the dynamic development and sustaining over time of not just individual but also collective forms deviance and focus more on the (social) system that reproduces deviance, rather than on the individual deviant. The term collective workplace deviance in this respect may firstly refer to a group of people that collaborates with each other to commit deviance. For example it may happen that which different members have different roles in keeping a deviant system up and going. One might think of the Nazi holocaust (cf. Hilberg, 2002) or the Challenger disaster (cf. Vaughan, 1996) as examples of this kind of collective workplace deviance. Other examples are the "wolfpacks" that Mars (1982) described in his anthropology of workplace deviance. In wolfpacks, "every man's skill is needed to organize pilferage in almost the same way that it is needed to organize legitimate work" (1982: 32). Although the deviants that Mars described committed deviance knowingly and willingly, I would suggest that not all deviant wolfpacks are fully conscious of the deviant nature of their actions. People at Ford, for instance, had trouble recognizing the ethical issues resulting from the Pinto incident long after the event had passed (Gioia, 1992). Processes such as the normalization described by Ashforth and Anand (2003) may lie on the basis of this phenomenon.

The term collective deviance can secondly be used to refer to a collection of individuals that all engage in the same form of deviance, without there being much if

any collaboration, division of tasks or coordination to keep that system up and going. The Enron traders who pretty much each fought for their own success, preferably at the expense of their direct co-workers, may be an example of this. Other examples are any form of wide spread theft of properties of the organization in which people are one of a group of people committing deviance but in which each individual commits it on his or her own. Mars called these kinds of workplace deviants "vultures" who "need the support of a group to exploit the terrain but when they find their opportunity they are on their own" (1982: 33).

Rather than trying to identify static antecedents of deviance, the literature that can be categorized under this second stream of research aims to find the processes that underlie the coming into being and perpetuation of workplace deviance. To date, much of this literature looks at the social context to find explanations for how workplace deviance may come into being or is perpetuated, albeit with different theoretical lenses. Ashforth and Anand (2003) for example advance three factors that may underlie the normalization of workplace deviance: Socialization, Institutionalization and Rationalizations. Brief, Buttram and Dukerich's (2001) attempt to draw attention to sanctioned collective deviance by describing the processes that they deem result in collective deviance. Examples of these processes are the problem of sanctioning, compliance and institutionalization. Misangyi, Weaver and Elms, (2008) on the other hand present a framework of institutional change that they deem might help to end collective forms of deviance, while Hilberg (2002) turns his attention to the role of the bureaucratic organizational form. Although research on the effects of culture and climate on employee deviance looks rather collective at first sight, the dependent variable in those studies is still deviance committed by individuals, as they often ask how much deviance people have seen

happen, or they ask whether people would engage in deviance in a certain (hypothetical) scenario. There are no questions regarding whether people cooperate in committing deviance, for example. Also, the concepts of culture and climates are still used as if they were static antecedents. Neither climate nor culture, furthermore, are variables commonly used to explain longer term processes and developments. They are used to explain current choices of decisions of employees, not to explain how such choices change over time. This is why studies who focus on the effects of the current climate or culture on employee deviance (e.g. Treviño, Butterfield & McCabe, 1998) are categorized under the first rather than this second research stream.

Many of the more recent contributions in this second research stream are conceptual. Empirical research into the processes that underlie (collective forms of) deviance remains rare. This is likely because data are difficult to obtain and collective and processual models require elaborate qualitative empiric studies. One of the noted examples of few empiric studies that have been conducted is MacLean's (2001) grounded theory study of collective deviance in the insurance sales industry, for which she interviewed former employees of an insurance company where rule breaking practices had been widespread. Other examples are Mars' (1982) anthropological studies referred to above and Vaughan's (1996) ethnographic account of deviance at NASA that over the course of a number of years led up to the disaster with the Challenger space shuttle, which exploded mid air shortly after being launched on January 28th, 1986.

The research presented in this dissertation falls within this second research stream. The three studies presented here aim to explain what processes may underlie the coming into being of workplace deviance of both the "wolfpack" kind and the "vulture" kind, although these processes may also induce deviance in lone individuals.

What distinguishes this dissertation from the first research stream is not only the focus on the process, but also the applicability of the processes at the group-level or the level of collections of individuals, and not only on the level of the individual. Of the three studies presented in this dissertation the first is conceptual. The second and third are empirical. These are three separate and individual chapters that each take a different angle to the study of workplace deviance. The chapters should therefore be seen as separate and independent contributions to the same research field. The social context in which people have to work and survive in plays a central role in my studies. The focus furthermore lies on the processes that can induce deviant behaviors in individuals who, in a different social context, would not commit deviance.

Concepts as self and social status are used in this dissertation to explain the processes of engaging in deviance, and the effects of the institutional (rule and norm) context are examined regarding its influence on deviance. Suggestions for organizational and institutional design are offered, which are argued to help to deter workplace deviance, especially the kind that is committed as a result of the less unconscious processes that are central to this thesis. All of this does not mean that I negate the existence of corporate crooks or criminals that are deviant out of nothing more than malicious intent and personal profit seeking. The choice has simply been to not focus on such people or that type of deviance but to instead focus on the processes involved with how good people who are conscientious and benevolent citizens and well willing members of the organization can come to do bad things. One of the rationales behind this was the improbability of that all people involved in collective workplace deviance would be such malicious ill-willing people. It seems much likelier that many of those involved in scandals are simply good, or at least well

willing and not inherently deviant, people who were in the wrong place at the right time.

## 1.3    Motivation for the research topic and research focus

Four intriguing observations underlie my choice to focus on the social (contextual) influences that can explain the coming into being and sustaining of (collective forms of) workplace deviance. These observations more or less flow naturally from one and another and are therefore somewhat interrelated.

The first observation that aroused interest in me for the topic that I chose to focus on is the poignant fact that people may become internally conflicted about their own deviance up to the extent that that they take their own lives or seek to have themselves psychiatrically evaluated. This observation is particularly striking when one takes into account that these people became conflicted about behavior that they engaged in voluntarily. The examples giving at the beginning of this chapter are perhaps rather extreme examples. However, I found similar effects in a small study about which I published together with Van der Zwet (Den Nieuwenboer & Van der Zwet, 2005). The data for this study were gathered among police officers who had received official reprimands for (individual-level) deviance ranging from stealing chairs to making things like fines that friends and relatives had received "disappear." Many of those interviewed felt deeply ashamed at their own behavior. Some of the officers that had been fired or temporarily suspended even went out of their way to keep up appearances to their family and neighbors by leaving the house and returning at the normal time and spend their day hanging around somewhere. Neither Cliff Baxter, nor Nick Leeson, the South African police officer or the Dutch officers were prisoners of the organization they worked for. They were free to behave differently,

either within that organization or otherwise they had the liberty to leave the organization they worked for. Why, then, be so conflicted about what one has done retrospectively?

The second observation that underlies my choice of research topic and focus is the observation that good people can do very bad things without much thought. In the words of Ashforth and Anand, this dissertation tries to contribute to finding an answer to "the intriguing question of how a person who is a loving parent, thoughtful neighbor and devout churchgoer is able to engage in workplace [deviance]," (2003: 3). What is it about a social context that it can induce deviance in people that in other social contexts would not be – and are not – deviant? In the example of the South-African police officer as well as Cliff Baxter, what was it in the context of their jobs that made them behave so differently than how they behaved at home? How can a social context overpower people's individual moral norms in such a way that they adopt a new set of norms that is dramatically different from their private norms – sometimes even without these people really ever noticing it?

The third observation underlying my choice of research topic and focus stems from findings of criminological research into workplace deviants. Like research on "normal" criminals (robbers, murderers, rapists, etc.), research on workplace deviants (e.g. white collar criminals) has examined psychological factors that may explain why certain people engage in workplace deviance. This research has found, however, workplace deviants are psychologically too normal for that to be considered a good explanation for their deviance (Coleman, 2006). Unlike street deviants, workplace deviants are simply too sane, or at least they do not share certain common psychological problems such that this can legitimately be considered an explanation for their deviance. The large majority of those who engage in workplace deviance

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simply are normal, healthy people. Then why do they engage in deviance if there is nothing wrong with them?

The fourth observation on the basis of which I chose to focus on the social contextual processes that underlie the coming into being and perpetuation of workplace deviance possibly follows from the observation that workplace deviants are psychologically normal. It is the fact that individuals who committed deviance in the eyes of outsiders – researchers, officers of the law, society in general – refuse to be labeled deviant, criminal or corrupt (cf. Ashforth & Anand, 2003; Benson, 1985; Cressey, 1953). Workplace deviants might sometimes acknowledge the deviant nature of their behavior, but they "resist incorporating a pejorative identity into their self-definition" (Ashforth & Anand, 2003: 15). This is unlike most other criminals (murderers, burglars, thieves, etc.), who have no such inhibitions toward being labeled a criminal (Ashforth & Anand, 2003). Why, if you committed deviance voluntarily and you were of sound mind when you did it, refuse so adamantly to be labeled a deviant?

Why is deviance in organizations so different from other types of deviance that workplace deviants go out of their way to deny the moral significance of their behavior, how can they live double lives as torturers and loving parents, and why are so emotionally distraught when they can no longer maintain that their behavior was normal and acceptable? The research presented in this dissertation aims to contribute to finding answers to these puzzling observations.

## 1.4    Defining deviance

I would like to use this introduction to define the concept that is central in all the research presented in this dissertation; deviance. Because of the interdisciplinary

nature of this dissertation it proved a challenge to settle on one single term to denote the behavior under scrutiny here. My research is located at the crossroads between criminology, organizational behavior, and behavioral business ethics. The different fields of literature use different terms to denote phenomena such as those considered in this dissertation. Criminologists and sociologists, for instance, sometimes use the term white-collar crime (cf. Coleman, 2006; Croal, 2001; Sutherland, 1983), whilst other times using the terms corporate or organizational crime (cf. Paternoster & Simpson, 1996), which at times is also interchanged with misconduct (cf. Van de Bunt & Huisman, 2007). Researchers with a background in organizational behavior also use a range of different terms (Treviño et al., 2006). Among these are misbehavior or misconduct (e.g. Harris & Bromiley, 2007; Vardi & Weitz, 2004; Vaughan, 1999), counterproductive work behaviors (e.g. Marcus & Schuler, 2004), antisocial behavior in organizations (e.g. Giacalone & Greenberg, 1997), corruption (e.g. Ashforth & Anand, 2003; Ashforth, Gioia, Robinson & Treviño, 2008; Brief et al., 2001), unethical behavior (e.g. Trevino & Victor, 1992) and sometimes the term ethical behavior is also used when referring to bad or unethical behavior (e.g. Treviño & Weaver, 2003).

There are also scholars who use the term workplace deviance, both in the field of criminology (e.g. Hollinger & Clark, 1983; Simpson & Simpson, 1999) and in the field of organizational behavior (e.g. Bennett & Robinson, 2000; Colbert, Mount, Harter, Witt & Barrick, 2004; Lim, 2002; Robinson & Bennett, 1995). I have chosen to also use the term deviance because other terms in practical use proved confusing or provoked too much discussion. For instance the term corruption often causes conceptual confusion as many people, laymen and scholars alike, associate it with bribery alone and not with all types of norm breaching behavior. The term unethical

behavior frequently provokes discussions regarding the ethicality of for instance stealing or killing when lives of people can be saved by engaging in those kinds of behaviors (something which might underlie the choice of some authors to avoid providing a definition of their concept of choice altogether and simply list a set of relevant behaviors, cf. Giacalone & Greenberg, 1997; Treviño and Weaver, 2003). Although the term deviance still causes confusion when talking to for instance institutional theorists who tend associate it with decoupling, which does not mean anything bad at all, the term is considerably less contested than the other terms commonly used in my field of interests.

Unfortunately it proved impossible for me to adopt the definition of deviance as is was proposed by Robinson and Bennett (1995, 2000). They defined deviance as "voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of an organization, its members, or both" (1995: 556). The reason why I do not use this definition is because it is not (readily) applicable to the collective forms of workplace deviance that I also study. For instance in MacLean's (2001) study of insurance salespeople the organizational rule was to use deceptive sales practices to rip customers off. When following Robinson and Bennett's definition, however, wide-spread rule or law breaking in organizations would not be considered deviant if the norm of the organization was to do that.

A broader definition including – but not limiting itself to – breaches of more generally accepted (societal) norms is therefore needed. The fact of the matter is that much of the sociological and criminological literature that focuses on (certain forms of) deviance also includes this reference to societal norms (cf. Lofland, 2002, who speaks of deviant behavior in general and not just in an organization; see also Punch, 2000, who does not provide a definition of in this case organizational deviance, but

instead talks about why corporations kill and managers murder). Indeed much of the literature that uses some other term than deviance makes reference to societal norms for assessing whether certain behavior is good or bad. Ashforth and Anand (2003) for example use the term corruption and understand the breaching of both organizational norms and societal norms to be part of their definition of corruption.

My definition of the term workplace deviance follows definitions used by others, albeit that they used a different term to denote those behaviors and phenomena that I call workplace deviance. Workplace deviance is defined here as "the misuse of authority for personal, subunit and/or organizational gain" (Ashforth & Anand, 2003: 2; who in turn derived their definition from Sherman, 1980). I interpret the term "misuse of authority" as an agent's betrayal of a principal's trust, the authority having been entrusted to the agent by the principal, which follows the conceptual discussion between Banfield (1975) and Reder (1975), coincidentally also both trying to define corruption.

Within the context of my definition of deviance the terms principal and agent are used to denote one single person (e.g. a manager, and employee, a customer, etc.) as well as a collection of people (e.g. a unit within the organization, the organization as a whole, society, etc.). This allows for the term of deviance to be used on different levels of analysis (individual level, group level). Though in cases of workplace deviance the agents will only be (collections of) members of the organization – they are the ones actually doing the behavior – the principals may be both a member of or the complete organization, as well as people or groups of people outside the organization (e.g. customers, financers, society as a whole).

When deciding whether certain behavior is deviant one would then have to assess who the principal is in that situation, and assess whether his or her trust is

broken by the behavior. In the example of the deceptive sales practices discussed by MacLean (2001), I would for instance argue that the customers are the principal and that their trust was broken by the lying practices of the salespeople. If for instance large scale pilferage of company properties would be the behavior under scrutiny, I would argue that the principal is the organization as such. In the case of one single person stealing from his organization one could argue that either his direct boss and/or the organization as such is the principal. Or when for instance one unit of an organization forges sales successes and thus doing receives unwarranted pay and rewards from the organization, and thus doing also causes the organization to make wrong decisions about company strategy and investments based on their forged success – which is the example discussed in Chapter 3 – I would argue the organization is the principal. Chapter 4 revolves around three different types of deviance. In each case there is a different principal, as in each type of deviance the professional – the chapter reports on a study performed in three sectors of Professional Service Firms – breaches the trust of a different group; society as a whole when they breach their professional norms, the organization when they breach their organizational norms and rules, and their clients when they for instance over charge or sell products that the client does not really need.

In all, my definition of deviance allows me to avoid having to make a list of exact behaviors that I consider relevant. It also enables me to avoid discussions such as whose norms I ought to use when assessing whether certain behavior is deviant, and whether or not the law is a good or the only measure to be used when assessing whether something is deviant.

## 1.5 About this dissertation

Even though the different studies presented in this dissertation revolve around a common theme they are to be considered as separate efforts to create a better understanding of workplace deviance. The studies are presented in such a way that it is clear that each chapter adds something new to the discussion. However, this dissertation is a paper dissertation which means that the individual chapters are meant to be separate papers. They therefore do not build on each other, overlap or refer to each other. There are three main chapters, Chapters 2, 3 and 4. The dissertation ends with a discussion chapter. This final section of the introduction describes the three main chapters briefly and illustrates how the different chapters add to one another. Where possible, the interrelatedness and differences between those chapters is shown. A summary overview of the three studies is given in Table 1-2 below.

**Table 1-2: Overview of the studies in this dissertation**

|  | Chapter 2: The missing link: The relationship between status and workplace deviance | Chapter 3: I have a dream: Fabricated managerial success through coerced collective deviance | Chapter 4: White collars, dirty hands: A grounded neo-institutional theory of deviance in professional service firms |
|---|---|---|---|
| **Main finding** | The desire for status is an important unifying concept that can explain much of why people engage in deviance | Management can engage in practices that reframe and coerce people into committing deviance | Institutional activities that are aimed at preventing deviance can have the opposite effect |
| **Theoretical approach** | Theories on the origins and effects of (social) status | Sensebreaking and sensegiving | (Neo-)institutional theories |
| **Methodology** | Conceptual | Ethnography | Semi-structured interviews and regression analyses |
| **N** | – | ± 80 (fluctuated over time) | 65 |

The first main chapter *"The missing link: The relationship between status and workplace deviance"*, Chapter 2, is conceptual and makes a case for the importance of the idea of status, and people's feelings about their (social) status, in the explanation of different aspects of workplace deviance. It is not the intention to present a theory of the effect of status on workplace deviance in that chapter. The aim is rather to argue in favor of that the concept of status is an unrecognized common denominator that underlies much of the research on workplace deviance to date, and that its recognition as such can unify and advance research on workplace deviance.

Criminologists have long argued that status plays an essential role in why people would engage in different types of deviance including – but not limited to – what I call workplace deviance (cf. Cloward & Ohlin, 1960; Cohen, 1955; Coleman, 1987; Cressey, 1953). Management scholars, however, seem to have missed this point. This despite the fact that the influence of identity (which is related to especially social status, see Tajfel & Turner's social identity theory, 1979) is increasingly looked at in research on (concepts related to) workplace deviance (cf. Aquino & Douglas, 2003; Tyler & Blader, 2005, and at the 2007 Annual Meeting of the Academy of Management there was a whole symposium organized around the theme, "Doing good or doing evil? Identity and deviance in organizations" by Warren and Vadera).

The way in which the Chapter 2 calls for more attention to the importance of status for workplace deviance follows the suggestion made by Hambrick's (2007). Hambrick argued against management scholars' theory-frenzy as this in his opinion hampers the field of management as in our frenzy we tend to lose the integrity and richness of our otherwise good ideas. In Chapter 2 I steer away from this phenomenon by neither asserting that I advance a theory, nor by latching my ideas onto an extant

theory. There also is, to my knowledge at least, no unified theory of status that suits my endeavor to highlight the role of status in workplace deviance.

The chapter then sets out to highlight how status can explain the intrapersonal dynamics that may cause someone to engage in deviance. These dynamics are argued to be fundamental of nature as they have evolutionary roots and affect people's health and being in ways that usually go unrecognized. As such these dynamics may be particularly relevant to those occasions in which workplace deviance is committed less consciously, less deliberately, and where people did not aim to enrich themselves. In other words these mechanisms related to obtaining and protecting status are discussed in the light of the non-rational types of deviance that are central in this dissertation.

In an attempt to corroborate my point that status is so important, research on workplace deviance is reinterpreted in the light of status dynamics. Seeing the evolutionary roots of status drives, these status dynamics are sought in literature on (economic) anthropology. The origins of status hierarchies discussed, as well as the phenomenon of signaling social status. These are then translated to organizational settings, and related to studies of workplace deviance. The chapter concludes with a discussion of the implications for organizational design and highlights how organizations could better organize themselves if they would want to make themselves less vulnerable to deviance.

Chapter 3 is called *"I have a dream: Fabricated managerial success through coerced collective deviance,"* and is co-authored with João Cunha of the Universidade Nova de Lisboa in Portugal. This chapter moves away from this intrapersonal focus to reveal management practices that coerced employees into committing deviance. The chapter is based on ethnographic data gathered in a telesales unit, dubbed DeskSales,

of a large European telecom organization, which we gave E-Tel as an alias. During the data collection efforts by the second author, DeskSales became infested with deviance, much to the displeasure of the people that actually had to commit the deviant acts. These Desk Salespeople were coerced into performing deviance by the unit's management. The chapter advances two sets of practices that together created a system of collective deviance that was sustained over a prolonged period of time. The first set consisted of practices that reframed deviant acts as non-deviant and hence permissible and smart business behavior. The second set of management practices were types of practices that coerced Desk Salespeople into also adopting those and other behaviors and make an effort to reach the (very high) performance targets that were imposed in them. The second set of practices infringes on the selves of the people who were coerced into committing deviance.

Three types of practices are distinguished. The first and most malignant of these were practices that directly undermined Desk Salespeople's selves which induced feelings of seeking relief from these practices, which could be done by reaching performance targets through deviant ways. The second type of management practice that is identified in this chapter first made people's (a team's) collective self salient, and then undermined people's individual contribution to protecting that collective self. These managers focused on team work and team effort rather than on individual effort. These latter managers would only coerce deviance when they felt it absolutely necessary because they themselves were being undermined by the unit's General Manager. The third type of management practice is less malignant but still infringed on people's selves. These practices aimed to change people's conceptions of themselves, trying to get them to be motivationally involved with the sales targets of

the unit by emphasizing the (mainly monetary) perks that could be attained by excelling on the sales and sales work targets.

As a whole the chapter tells a story of management practices that can coerce people into committing deviance in order to reach demanding targets, and how such a system of deviance can be sustained over time, which in fact was a quite laborious undertaking. These demanding targets, in turn, were set by a manager wishing to fulfill ambitious career goals. In general terms the managerial practices are related to theories of sensebreaking (Pratt, 2000) and sensegiving (Gioia & Chittipeddi, 1991).

Although Chapter 3 is conceptually and empirically unrelated to Chapter 2, there is in a certain sense some overlap between the two chapters. This overlap is discussed here as it will not be discussed in the chapter in order to safeguard the integrity of the chapter when it is read stand-alone outside the context of the dissertation. The overlap lies in a central finding that management coerced people into committing deviance amongst others by undermining people's (individual and collective) selves.

From the onset of the creation or existence of for example social identity theory (Tajfel & Turner, 1979) and its predecessors such as Festinger's theory of social comparison (1954) the concepts of self, status, identity and people's understanding of themselves in relation to others (which is where people base their assessments of themselves on) have been intertwined and interrelated. The choice to then use status in Chapter 2 and self in Chapter 3 is related to the two types of literature used in those chapters.

Despite the fact that some of the literature cited in the two chapters overlaps, which may give the impression that the chapters really revolve around the same issue, the main articles used in each of the chapters describe different phenomena on

different levels. It are these different levels that were relevant to the two first main chapters of this dissertation. So although the status dynamics described in Chapter 2 could very well have something to do with why people respond to the self-infringing practices of the managers at E-Tel, the purpose of Chapter 3 was to reveal practices from the level of the manager. Unlike Chapter 2, Chapter 3 does not enter into a discussion of why and individual employee would engage in the deviance. This difference in perspectives calls for the different literature, and the different literature calls for the use of different concepts despite the fact that they are indeed strongly related.

The last main chapter, Chapter 4, is called *"White collars, dirty hands: A grounded neo-institutional theory of deviance in professional service firms"* and is co-authored with Pursey Heugens and Muel Kaptein, who both work with me at the Rotterdam School of Management. It adds to the discussion by offering an examination of how the institutional environment actually contributes to the problem of deviance. So rather than deterring deviance, the institutional environment (at least the environments of our respondents) seemed to actually contribute to the problem of deviance. The chapter also tries to further our understanding of how deviance might be prevented by a better organization of the institutional environment. The notions presented in the chapter are tied to neo-institutional theory (cf. Greenwood & Hinings, 1996; Hirsch & Lounsbury, 1997; Lawrence, 1999). It examines what companies and external constituencies do in terms of their institutions to prevent or deter deviance from occurring among professionals active in professional service firms (PSFs). Although at first sight the chapter might have a rather rule-based feel to it what it in fact examines is the complete (normative and regulative) social context in which professionals in PSFs operate. Institutions are namely commonly defined as:

"[S]ocial structures that have attained a high degree of resilience. They are comprised of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life." (Scott, 2001: 48)

It is also the whole social context that the chapter examines, and not just the professional rules and regulations that apply to professionals in PSFs. This rule-based feel that the chapter has is simply a relic of the sectors that were studied for this chapter. PSFs are known for their high level of institutionalization and especially accountants and lawyers have an impressive body of externally imposed rules to be mindful of when doing their daily work. This is simply what you also find reflected in (their perception of) the make up of their social context.

Institutional theory is, thus, very useful for finding ways to prevent the more dynamic and collective type of deviance as they are to be considered as the social contextual source of opinions and behaviors for both individuals and systems of people such as working groups or whole organizations (DiMaggio & Powell, 1991). Institutions are construed socially and can only survive by virtue of social reproduction. As such they are a perfect starting point for examining how collections of individuals can come to engage in workplace deviance, but also – which is what we do in this chapter – for examining what organizations do to try to prevent that from happening. For this study, data was gathered among 65 respondents working in one of three types of PSFs; accountants, lawyers or consultants.

We derived constructs from these data using qualitative research methods, which mapped the institutional environment that these professionals work in. This in the first place entailed the professional rules and regulations and the laws that apply to them, as well as the organization's own rules and procedures, etc. Secondly, constructs were identified that either describe how the understanding of applicable institutions is upheld (coupling activities) or how the upholding of institutions is guarded by organizational procedures (institutional maintenance). Thirdly, a couple of

constructs were identified that either undermine the upholding of institutions (decoupling activities), or that create circumstances in the organization that work to undermine the effectiveness or institutions (institutional disruption). Subsequent MRQAP regression analyses indicate that institutional maintenance and coupling activities do little to prevent deviance. In the discussion section of that chapter suggestions are offered as to how the institutional context that professional service providers work in might be adapted for their effect to improve and deviance to be better prevented from occurring.

Although the theoretical perspective in this last main chapter may seem at first sight to differ dramatically from those of Chapters 2 and 3, there is in fact an overlap. As early as Cooley (1902) and Maed (1934) scholars expressed interrelatedness of the private self and the social self, and advanced ideas about the relevance of the social context to people's selves. This final main chapter simply examines that social context. Additionally, one of the arguments presented in Chapter 2 is that the current attempts of organizations to deter deviance do not work to actually deter deviance. Chapter 4 examines those actions (among others) and indeed finds that they do not work to deter deviance. So despite the fact that the self or even the individual professional or his or her behavior is not really the focal point of the chapter – which is much the case in Chapters 2 and 3 – the chapter is a logical extension of the discussion that this dissertation advances.

As stated before, the three studies presented in this dissertation revolve around one common theme of workplace deviance and the relevance of the social context peoples' selves for the question of yes or no engaging in deviance. The dissertation therefore focuses more on understanding the origins of workplace deviance rather than on how to prevent it, though parts of Chapters 2 and 4 do address that point.

What the chapters do from a conceptual point of view is illuminate complementary aspects of workplace deviance. They offer different views of different aspects of the origins and prevention of the same problem, workplace deviance, much along the lines of Schein (2006) argument that different perspectives – that is to say an individual, systemic and interactive perspective – are needed in order to create a better understanding of organizational phenomena. These are, roughly speaking, the three levels of analysis that the three main chapters take. As said before, they are meant to be readable outside the context of this dissertation. So besides the fact that the main chapters do not refer to each other, they also do not refer to this introduction, nor to the discussion (Chapter 5).

To help retain oversight as well as create a better understanding of how the different chapters fit into the overall discussion presented in this dissertation, each main chapter (Chapters 2, 3 and 4) is preceded by a separate introduction in which the linkages to the other chapters are discussed. There, the question of how and why the behavior that is under scrutiny in that particular chapter would constitute deviance is also addressed. This is relevant as there can sometimes be a thin line between good deviance (which is usually called improvisation), and the bad deviance that is central to this dissertation (Warren, 2003). This can lead people to question some of the research findings if left unresolved. See Table 1-3 for a short summary of how the different perspectives of the three chapters, and how these complement each other.

The mechanisms discussed in Chapter 2 are internal to human beings and are evolutionary drives that entice people to adopt deviant behaviors, without overt (external) coercion taking place. Chapter 3, conversely, advances activities employed by managers that can induce deviant behaviors even in those that are in principle unwilling and not wanting to commit deviance, or rather, that want to be good citizens

**Table 1-3: How the chapters complement each other**

|  | Driver of the deviance | Level of analysis |
| --- | --- | --- |
| **Ch 2: The missing link** | Intrapersonal drive for status | Person |
| **Ch 3: I have a dream** | Managerial coercion | Practices |
| **Ch 4: White collars, dirty hands** | Institutional context (intended to prevent deviance) | (Social) context within the organization |

of the organization. No personal volition but managerial coercion is what caused and sustained the deviance there. Chapter 4, finally, works toward understanding how the social context may deter deviance. This chapter also advances suggestions for institutional design and implementation that should help prevent such collective forms of deviance as studied in this dissertation from taking place in the first place. These suggestions are more intended to serve to counteract the less intentional forms of deviance, and are not suggested to be enough to deter the ill-willed people who commit deviance for personal gain-seeking reasons.

The last chapter, Chapter 5, offers general conclusions and suggestions for management as to deepen their understanding of the complex phenomenon of deviance. It especially addresses the idea that identity, status and selves matter. It is argued in the chapter that despite that it should not be expected that deviance can be eradicated from the organization, that especially the more collective forms can be mitigated if managers were to create a better understanding of how their actions work to not only infringe on people's selves and statuses, but also actually define and undermine their status.

The content-part of the dissertation starts in the following chapter, Chapter 2. This chapter advances the argument that human drives toward (social) status is a much overlooked idea in management literature that could explain the reasons for

why people would engage in deviance better and more parsimoniously than the more commonly used concepts.

## Introduction to Chapter 2

This chapter is theoretical, and the point it tries to make is that the concept of (social) status can unify many of the dispersing research results in the field of workplace deviance to one common denominator. A recognition of the value of this concept can therefore advance the field of workplace deviance by much. Not in the last place, this alternative way of looking at people's motivational drives for committing deviance means that organizations should rethink their methods of deterring deviance. Rather than implementing controls and procedures, organizations should change their organizational design and the status hierarchies they create.

The chapter is constructed as follows. First, it argues in favor of the concept of (social) status for the study of workplace deviance. The second step is to illustrate the evolutionary origins of status, and explain that status mechanisms have an oft unrecognized influence on people. The influence it exerts on people's behavior therefore remains unrecognized. In a third step, research from (economic) anthropology is used to illustrate how status hierarchies may differ, and what kind of behavior people may engage in to affirm their status. These research results are then translated to the organizational context, and related to studies on workplace deviance. In so doing, not only the validity of this status approach is affirmed. The discussion also illustrates that social status dynamics are much more present in day to day organizing than perhaps usually recognized. This also effectively renders controls designed for well deliberated deviance committed for rational reasons ineffective. A final section therefore briefly discusses alternative organizational designs that should attenuate status dynamics in organizations, thus rendering them less susceptible to deviance.

As the chapter is conceptual in nature, it does not go into certain specific kinds of deviance. In fact it does not denominate which types of deviance are most likely to occur as a result of the status dynamics that the chapter argues are so important in the occurrence of workplace deviance. This does not mean that the dynamics may lead to any and all kinds of deviance. Rather, keeping in mind the nature of people's desire for status, the types of deviance that are likely most affected by these mechanisms are those that may help individuals or groups of people to obtain a higher status. Within the context of (normal) organizations (versus gangs or other criminal organizations, such as the mafia, etc.) this is most likely deviance that helps people or whole organizations outperform other people or other organizations. However, other types of deviance are possible, too. This is because the question of how social status is defined and what one has to do in order to obtain social status depends on whom you ask. Whereas some organizations only value selling – and hence, those who sell a lot will gain in status – other organizations might value team work – and hence, those who are most devout to the team earn a higher status. Then if there is a strong focus on gaining status within an organization combined with the availability of deviant ways to do what is needed to gain status, the organization is at risk of stimulating deviance in their employees. These employees then do not have rational reasons to gain status, nor to commit deviance for that, but rather give into evolutionarily shaped behavioral patterns that escape our conscious thought and reasoning, and hence also escape our (conscious or rational) morality.

## 2.    The missing link: The relationship between status and workplace deviance

*This study advances (social) status as a unifying concept that can explain much of the disparaged findings in the field of workplace deviance. Status has since long been recognized by criminologists as central to explain the coming into being of deviant subcultures. However, organization scholars tend to ignore the concept of status in the seeking of an explanation for why people engage in deviance. This chapter sets out to illustrate the evolutionary importance of status. By doing so, it illustrates the strong yet involuntary effects of (social) status, and explains how it may cause people to adopt a different (local) morality, thus making it less of a problem to engage in deviance. The chapter subsequently sets out to illustrate the explanatory power of status by detailing some of the status mechanisms found in alternative streams of literature, mainly in anthropology, translating those to organizational phenomena and connecting them to workplace deviance. Implications for management and theory are also discussed.*

### 2.1    Introduction

Workplace deviance is an increasingly popular topic of study (Anand, Ashforth & Joshi, 2004). Its relevance, it seems, needs not to be agued. In PriceWaterhouseCoopers' 2007 Global Economic Crime Survey, no less than 43% of the organizations surveyed reported that they had been the victim of economic crime perpetrated by one of their employees in the two years prior to being surveyed. The costs associated with workplace deviance dwarf that of street crime (Ashforth & Anand, 2003; Croall, 2001; Sutherland, 1983). Those costs do not only affect

organizations themselves, but also on their employees, financers and indeed sometimes society itself. Organizations are therefore looking for effective ways to deter deviance. To no avail, it seems, because scandals keep popping up, surprising organizations and the public alike.

To date, much has been written about how organizations could best deter workplace deviance. Scholars have, for example, examined the influence on deviant behavior of formal organizational structures such as reward systems, control systems and the task environment (cf. Kurland, 1996; Morgan, 1993; Robertson & Anderson, 1993). The role of ethical infrastructures such as ethical codes and whistle blowing hotlines has also been examined (cf. Mesmer-Magnus & Viswesvaran, 2005; Treviño, Weaver, Gibson & Toffler, 1999; Weeks & Nantel, 1992), as well as have ethical leadership behaviors (cf. Brown, Treviño & Harrison, 2005; Dickson, Smith, Grojean & Ehrhart, 2001; Sims & Brinkmann, 2002). The effectiveness of these measures remains, however, unclear (Treviño, Weaver & Reynolds, 2006). The deterrence of workplace deviance therefore remains problematic.

Scholars have, additionally, made a couple of puzzling observations regarding workplace deviants. For one, people are found to be able to be responsible and ethically sound members of the community, while at the same time engaging in workplace deviance – without experiencing mental conflicts (Ashforth & Anand, 2003). Even those who make a living torturing detainees on their organization's behalf are found to be capable of this (Daley, 2002). Secondly, workplace deviants can sometimes become emotionally distraught when they are caught that they become depressed and sometimes even commit suicide (cf. Daley, 2002; Toffler & Reingold, 2003). Why have such a strong psychological response to behavior that one engaged in out of ones own free will?

This chapter contributes to the field by advancing (social) status as a unifying concept that can bridge many of the dispersed and seemingly unrelated findings on workplace deviance. The concept of (social) status is presented to have much more explanatory power than concepts and theories that organizational scholars usually take into account. In broad terms, it can namely illuminate such findings as why research results on how to deter workplace deviance have been inconclusive, as well as explain why people may engage in (certain forms of) workplace deviance rather thoughtless and much more internally motivated than they are able to admit to themselves without getting emotionally conflicted. In so doing, the intention of this chapter is not to provide the field with a unified theory of the influence of social status on workplace deviance. Rather this chapter is in suit with Hambrick's (2007) call to management scholars to be less focused on theory but more on advancing a field by pointing to new or neglected avenues of research. This idea of (social) status is a concept that I believe is neglected by scholars in the field of workplace deviance, despite the fact that it is, as proven in this chapter, very valuable to enhancing our understanding of why people would engage in deviance. This enhanced understanding of the underlying motives for workplace deviance also holds promise for the management and organizing of organizations, as the implications of this status-effect are far stretching for organizational (and organizational field) design.

In what follows I will first relate status to (some of the) research performed on workplace deviance and illustrate how and why organizational scholars studying deviance are misguided when they ignore this concept, which is what they seem to be doing. I then address the powerful influence that status and status threats have on people's behavior and demonstrate how processes revolving around social status are key to understanding specifically the less conscious or deliberate forms of deviance,

which can also explain why people would have such emotional responses to their own behavior, as discussed above.

Extending this idea of status, and illustrating its profound influence, the discussion then turns to demonstrating the strong link between status and deviance, and that it can explain much more than is suspected (or satisfactorily explained) to date. First, seemingly irrational behavior is traced back to status dynamics. Then, contextual aspects are demonstrated to induce status dynamics and hence argued to be more (or less) likely to give rise to deviance. In each case empirical evidence from previous studies is reinterpreted to demonstrate the validity of this status approach. The management implications will then argue that organizations are missing the point when they design policies and procedures to deter deviance. They should shift their focus from such organizational interventions as reward and control systems toward the status hierarchies that they have created, as these are the real source of (unconscious) pressures to commit deviance. Deterring deviance effectively is, hence, done through redesigning the organization, not through add-ons like controls and rules or even employee screening and the likes.

## 2.2    The relevance of status to the study of workplace deviance

Much research on workplace deviance has looked into properties of the perpetrator; the workplace deviant. The aim of many of these studies is to find the (conscious or unconscious) drivers or motivations to commit deviance. Research in this context has, for example, looked at cognitive moral development (cf. Greenberg, 2002; Treviño, 1986), as well as the influence of a number of personality variables, such as Machiavellianism, Locus of Control, or the Big Five personality variables (cf. Bass, Barnett & Brown, 1999; Berry, Ones & Sackett, 2007). Another person-related

construct that is increasingly scrutinized in relation to deviance is that of identity. For the most part, scholars relate identity to morally good behavior (cf. Aquino & Reed, 2002; Reed & Aquino, 2003; Weaver, 2006). However, an increasing number of studies are examining the role of people's identity in their engaging in morally bad behavior or deviance (cf. Aquino, & Douglas, 2003; Bandura, 1999; Misangyi, Weaver, & Elms, 2008).

Despite this (increasing) popularity of the concept of identity in the study of workplace deviance, its twin concept, social status, has received virtually no attention. Exemplary in this respect is Treviño et al.'s (2006) review on behavioral business ethics, which has several paragraphs on identity but uses the word "status" only once (in a section on identity, 2006: 962). This is remarkable seeing the strong interrelatedness of the two concepts, which is most exemplified in Tajfel and Turner's (1979) social identity theory (SIT). SIT is a theory of intergroup conflict, and it details how group status and status threats influence group member's (intergroup) behaviors. So despite the fact that the name of the theory has the word "identity" in it, SIT can be considered a theory about status dynamics.

This surprising reluctance of organizational scholars to examine the relationship of the concept of status with workplace deviance has, unfortunately, hampered the development of the field. It has prevented cross fertilization to occur between the organizational sciences and sciences that have a much longer history of studying (workplace) deviance, which is predominantly criminology. Criminologists have since long considered social status an important driver for deviance. This research line started with Merton's (1938) classic article on social structure and what he calls anomie. In short, Merton's argument is that a culture determines which goals count as the legitimate objectives for all members of society, or, the "things worth

striving for" (Merton, 1968: 187). When individuals then lack legitimate means to attain those culturally-prescribed success goals the result is anomie. One subsequent response may be deviance with the goal of attaining the culturally prescribed goal after all (Lanier & Henry, 2004).

Building on Merton's ideas, Cohen (1955) and Cloward and Ohlin (1960) then introduced social status as the culturally prescribed success goal that is most important in the coming into being of deviance. Most important and influential in this respect are the Cohen's book on delinquent sub-cultures, or gangs, and Cloward and Ohlin's Opportunity Theory. Deviance then is the result of individuals caving in under the pressure to obtain social status in a combination of not having legitimate means to obtain that social status. Social contexts that cause a stronger arousal of these status-desires and dynamics should, therefore, have more problems with deviance than less status-focused contexts or societies (Lilly, Cullen & Ball, 1995). Today researchers in the steam of Cultural Criminology still study the role that sensitivities to image, meaning and representation – status-linked matters – play in crime and crime control (Ferrell, 1999).

Whereas Cohen's work was mainly related to the emergence of deviant sub-cultures such as gangs (also see for example 1969). Cloward and Ohlin's Opportunity Theory (1960), however, also bore relevance to workplace deviants. Their argument was that people are not free to become just any kind of deviant. The kind of deviant one becomes depends on the opportunities that are available to her or him. Whereas slum youth may turn to street crimes in order to establish a desired status, white collar workers have other opportunities at their disposal, and hence are more inclined toward white collar crimes.

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Later work on white collar criminals has confirmed this link between social status desires and workplace deviance. An example is Cressey's (1953) model of the social psychology of embezzlement. Cressey conceptualized three pillars that were jointly necessary for people to engage in workplace deviance; a nonsharable financial problem, the perception that they can solve this problem using their legitimate occupation, and rationalizations that make their behavior acceptable (Lanier & Henry, 2004). According to Cressey, the pillar 'perceived non-sharable problem,' can also take the form of a desire for a better social status or threats to one's current social status. Coleman (1987) said the same somewhat more recently when he argued that being successful vis-à-vis others – which translates directly into having a positive social status – is not a, but the motivation to commit workplace deviance or white-collar crime, as he called it. Organizational scholars have also connected status (threats) to workplace deviance, more in particular to antisocial behavior in organizations, such as saying hurtful things to or about coworkers and gossiping (Aquino & Douglas, 2003). Although these scholars again used the concept of identity, they defined their explanatory construct identity threat as "actions that challenge or diminish their sense of competence, dignity, or self-worth" (Aquino & Douglas, 2003: 195). It must be clear that these are really status threats. These threats, after all, do not pertain to not questioning what someone is (e.g. a writer or not), but questioning how proficient a person is at a certain thing (e.g. being a good writer or a poor writer). The first would be an identity threat, the second a status threat.

## 2.3    The evolutionary origins of status

What is it about social status that makes the fact that organizational scholars studying deviance neglect the influence of this concept such a missed opportunity?

The purpose of this section is first to illustrate the profound influence that status has on human moral reasoning – or the absence thereof. Subsequently some of the puzzling or perhaps counterintuitive findings are discussed. It will be shown how these findings may not be so surprising in the light of the innate desire for social status, and the effects thereof. The next section describes findings in anthropological research regarding status and status competition, which are then translated to an organizational context and social contexts that are more prone to either larger or smaller status hierarchies and gradients, in which reinterpretations of findings on workplace deviance are offered that corroborate that those contexts are indeed more infested with deviance. Thus, the status motive is again proven to be legitimate, but also proven to be a very powerful yet much overlooked explanation for workplace deviance. But what follows first is an analysis of the effect of status desires on (human) moral reasoning.

The fact that status and status hierarchies are so omnipresent in human as well as animal societies suggests that status, or the quest for having a positive social status is evolutionary evolved human behavioral pattern (Waldron, 1998). Although this reasoning might seem somewhat tautological, it is a reasoning not uncommon among anthropologists (see also for example Erdal, Whiten, Boehm & Knauft, 1994). Indeed, several authors who take an explicitly evolutionary perspective have commented on that they see (the need for a positive social) status as something evolutionarily shaped and programmed (Kenrick, Li, & Butner, 2003).

Knowing that the need for (a positive) social status has it's roots in evolution, it is less surprising to know that studies have found a robust relationship between social status and people's health and levels of stress hormones. Studies have found that threats to social status affect the health of people with high status more than

people with low status (Gruenewald, Kemeny & Aziz, 2006), men more than women (Marmot, 2005), and that this effect is (predominantly) related to subjective social status and not objective social status (Adler, Epel, Castellazzo & Ickovics, 2000). Men are said to be affected more because from evolutionary perspective they stand to lose more (i.e. opportunities for reproduction) when their social status diminishes (Marmot, 2005). Indeed, status effects explain (problems with) people's health beyond that what can be explained by income level (and related behaviors, such as eating healthy etc.) alone. So what matters is what people perceive is their own social status vis-à-vis a social status which they desire for themselves.

Organizational scholars are somewhat reluctant to adopt such an evolutionary or biology-driven perspective of humans and human functioning (Nicholson & White, 2006), which, despite some exceptions to this rule (e.g. Pierce & White, 1999; Waldron, 1998) prompted Nicholson and White to dedicate a special issue of Journal of Organizational Behavior to it (2006, 27:2). In their analysis of why this might be so, Nicholson and White suggest that scholars are inclined to decouple human nature from its "biological materiality" and assert that humans, unlike any other species of animals, have "a unique capacity for free-willed action that somehow transcends its biological vehicle" (2006: 115). It is the classic mind-body dichotomy that was introduced to us by Descartes in the 17th century ("cogito ergo sum").

Research on moral intuition, brain, affect, emotion and morality demonstrates shows us with increasing clearness, however, that this division between mind and body might be false (Velásquez, 2007). There is no mind to separate from the body, and the bases of morality lie in affect and not in rational reasoning[*]. Important

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[*] Based on these observations Velázques (2007) reasons that in the future, as we learn more and more about the neurological underpinnings of morality, philosophy and philosophical thought – as well as

scholars in this field are Damasio whose (1994) book was appropriately entitled *Descartes' Error,* and moral psychologist Haidt (2001, 2002; Greene & Haidt, 2002). The validity of this evolutionary perspective is furthermore supported by findings that morality is not uniquely human. Non-human primates, for example, have also been found to respond negatively to unjust treatment, which some would say is a basic human right (Brosnan & De Waal, 2003).

Abovementioned research shows with increasing clarity that much of people's day-to-day (routine and automatic) behavior is guided by affect and not by abstract reasoning. Humans are usually unaware of the influence that biological evolution exerts on their actions and cognitions (Wright, 1995). The biological need for a positive social status may therefore also unwittingly affect people's reasoning about what type of behavior is appropriate to enact in any given time seeing the threats to status or current low status (compared to the subjectively desired status) that one feels one needs to do something about. Indeed, these status mechanisms may even influence people's morality. As demonstrated above, for example status threats cause

religion – will be redundant. I, however, agree with Greene and Haidt (2001) in that there will always be room for philosophy, and religion, in the context of rational debates about what is right or wrong, in which one person is trying to convince another of his or her viewpoints. The problem is, however, that when engaged in normal, routine, work situations (which is more often than not the case in organizations), not much conscious rational thought is used. Rather, people rely on quick, automatic, and affective reactions (Greene & Haidt, 2001). So to understand and explain good or bad behavior in organizations, the neurological underpinnings that affect that behavior are relevant, whereas normative philosophical approaches are less relevant. Having said that, it is not unthinkable that rational arguments do assert influence on these automatic behaviors. For example Dane and Pratt (2007) argue that intuition (and remember that Haidt (2001) refers to his central construct also as intuition) is shaped by experience and memory. It is then through experience that rationality or rules may, eventually, influence people's morality and affective responses.

people to release stress hormones, and a lowering of status makes people ill. Without wanting to get into a discussion about what emotions are exactly, it is not a stretch to argue that these effects will also cause people to emote. As morality is based of affect and emotions (cf. Damasio, 1994; Greene & Haidt, 2002), these status dynamics may, hence, ultimately affect our morality.

All this means that people's morality could fluctuate depending on the exact (social) context that one is in, as a function of, among others, its status dynamics. The fact of the matter also is that people's morality is not the same across social contexts. A loving husband and father at night can be a torturer during the day (Ashforth & Anand, 2003; Daley, 2002), and there is an ongoing debate about the morality of mountain climbers and what to make of them leaving dying team mates behind, or leaving already diseased people lying on or hanging from the mountain as if they are things and not human beings at all (Kaptein & Wempe, 2002).

The suggestion is certainly not that morality should be thought of as something fluid, and that one changes ones norms and values as easily as one changes ones clothes. Morality could perhaps more usefully be compared to identity. Whereas people may have different role identities in different situations – and hence exhibit different behaviors and priorities, etc., in different situations – they can at the same time have one core identity, which defines who they are on a deeper level (Ashforth, Kreiner & Fugate, 2000). The suggestion here is, hence, that people's morality may also encompass both a stable part as well as a more fluid, context dependent, part. Aquino and Reed (2002) present a somewhat similar idea in their model of Moral Identity, which they say is relatively stable set of traits that make up someone's morality (though they say it is not a personality trait). A person's moral identity may nevertheless be suppressed or activated by social contextual features. This could also

explain why people can be very "ethical" in one situation and very "unethical" in another.

The physical side-effects of a loss of social status discussed above can explain why many of the workplace deviants, after having been found out, become depressed. After all, if one was a grand success in the eyes of others before, one is likely to suffer a great loss of social status when people find out this success was false. When a person suffers a great loss of social status his or her levels of stress hormones increase (Gruenewald et al., 2006). A person may, as a consequence, become depressed and perhaps even commit suicide. This effect may also explain how it is that former CEOs of scandalously imploded organizations can so fervently pledge to their innocence before congressional committees, as for example former Enron CEO Jeff Skilling did. Perhaps their status drive, which Skilling so obviously had, shaped their morals in such a way that what seems so out of line to outsiders, became perfectly acceptable and sensible to the person who is in the heat of a status battle. And perhaps this is so strong that it takes a while before a person can get a different perspective. Though by no means related to the status battle, Gioia's (1992) account of his role in the Ford Pinto recall department (who saw no reason to recall the Pinto) confirms that it may take years for a person to look at a certain situation with a different sense of morality. Gioia, who worked in the recall department, did not see the ethical issue until long after he quit working there.

These biological status drives play a role in people's day-to-day working life far beyond what people normally perceive to play a role. Obtrusive as they are, these biological drivers result in apparently irrational, illogical behavior. In an effort to illustrate the importance of social status in the study of workplace deviance, the next

section addresses findings regarding workplace deviance that can very well be explained by these underlying biological status drivers.

## 2.4 Beyond the picket lines: Reinterpreting research on workplace deviance

In this section a number of apparently disparate and unrelated research findings and observations on workplace deviance are discussed. As will be shown, all these can be reinterpreted in the light of the underlying status dynamics, discussed in the previous sections of the chapter. The section is not exhaustive but rather aimed at proving the point that status is a unifying concept that connects different realms of research to each other. If scholars were to focus more of its attention on elements of status this could therefore help advance the field of workplace deviance tremendously. First, the section goes into seemingly irrational results from studies on workplace deviance that look at the individual and his or her behavior. Then, the focus is switched to the social context, with an examination of what factors causes a social context to be more hierarchical and thus give way to more deviance. Examples of unanticipated findings in the field of workplace deviance are discussed. In the sections findings on the individual level are mixed with findings on group level, as if there were one. The legitimacy of such an approach is supported by findings in SIT. As discussed earlier on in this chapter, SIT is really a theory about status competition. And what research has found is that essentially the same dynamics operate (and therefore guide behavior) on the intgergroup level, as well as on the interpersonal level (Hogg, 2003). A person, under conditions of high identification, can be as motivated to engage in deviance by status mechanisms operating on the group-level as a person can by status mechanisms operating on the level of the individual.

### 2.4.1 The irrationality of committing deviance

Ones social status depends heavily on one's social context. The social context affects or determines the height of one's social status (how does one's performance compare to that of others, for example), and cause threats to one's social status. Moreover, as also noted by the criminologists cited above, the social context is the source of pressures on a person to have or obtain a certain social status. How much a person desires a certain social status is determined by the importance that the social context attaches to or how much it presses the need to have a high social status (Cohen, 1955; Frank, 1999). Lastly, what behavior or behavioral outcomes exactly provide one with social status is also heavily context dependent. Whereas behaving violently may earn one a higher status in the context of a gang, the same usually does not apply inside (normal) organizations. And where selling a lot will earn one high status in one organization, other organizations might value high quality more. The effect hereof is that the behavior that people have to engage in or behavioral outcomes that are necessary to obtain a higher social status or protect a current is markedly different in the two organizations.

The desire for status may motivate a person to pursue wealth and seek material gains. As Frank illustrates in his book *Luxury Fever* (1999), there is nothing quite like wearing a $875 pair of alligator shoes to make a lasting impression at ones senior prom. Frank's argument is, however, that people have a need to be of higher status than others, and in their quest may become quite irrational. Whereas the $875 shoes might at first sight be a little over the top but not completely irrational, the fact of the matter was that the 17-year Detroit boy had to save up his earnings from a part-time job for several months in order to be able to buy those shoes. Not too rational, but according to his testimonial it was all worth it. In his book, Frank also recounts

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experiments showing the irrationality of people's need for status. In one such experiment he gave subjects the choice to earn $100,000 per year in a society where the average income was $90,000, versus $110,000 in a society with an average income of $200,000. All else remaining equal (price of food, utilities, etc.), a substantial proportion of subjects prefer the first scenario despite the fact that the second scenario is much more rational from an economic point of view.

Still today, scholars of workplace deviance struggle with some of the irrational and puzzling findings and observations that they make regarding why people may commit workplace deviance. The argument presented here is that those findings may be better understood if status dynamics are taken into account. The intangible nature of social status namely makes that it can explain behavior beyond that which is explained by financial drives alone. For example, research has found that people engage in deviance also to obtain goals when no material gains are at all associated with obtaining that goal (Schweitzer, Ordoñez & Douma, 2004). The Xerox case of deviant sales practices, as described by Darley (2001), also hinges on these non-material gains. In Darley's words, "[i]t's not that the units … compete just for the bonuses … It is rather that they compete for the glory, the self-validation, the acclaim of others" (2001: 47). Also, when ethical behavior is first rewarded and then not, people lose their motivation to engage in ethical behavior as the behavior has lost its appeal (Tenbrunsel & Messick, 1999), and thereby lost its status-enhancing value. Zahra, Priem and Rasheed, finally, express their wonder at why it is that white collar criminals so often are people who "already have 'made it' but who can lose nearly everything if the fraud is discovered." (2005: 806). Why would such established people commit fraud? It just is not rational. Status arousing such unconscious mechanisms, it could perfectly explain such apparent irrational behavior.

Other common types of deviance that may clearly be related to status mechanisms as described here are people who engage in deviance out by hiding their mistakes (Robinson & Bennett, 1995). This very clearly ties into saving face and thereby protecting one's status. Deviance has also been argued to occur as a result of people's wish to perform better than others (Ashforth & Anand, 2003). This, too, ties in directly with the status mechanism. The status mechanism may even play on the level of the organization. Baucus and Near (1991), for example, found that organizations with a good performance have furthermore been shown to engage in deviance more often than organizations whose performance is poor. This can be interpreted as a status-effect as people may base their social status on the group they are a member of, as SIT dictates (Tajfel & Turner, 1979). So if the status of one's organization is under threat, so is the status of people who are a member of that organization. This mechanism is in par with both Aquino and Douglas (2003) and Gruenewald et al.'s (2006) findings that (in the presence of aggressive role modelers) people of high status respond stronger to status threats than people of low status.

This short review of how different types of deviance may be tied to status mechanisms is not meant to be exhaustive. Rather, it is meant as an illustration of the relevance of status mechanisms for the explanation of some of (the more neglected or puzzling) findings of research on workplace deviance. As these mechanisms of social status operate outside of people's conscious awareness, they may very well be capable of explaining the seemingly less rational motivations for committing workplace deviance.

I now turn to examine the social context and its influence on status hierarchies, and on deviance. As noted above, this focus on status drivers as an explanation for (all kinds of) deviance was originally born out of a shift of focus from finding

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explanations for deviant behavior in the individual, to finding explanations in the interplay between the individual and the context (Coleman, 1987). The idea was that it was not the individual who was deviant per se, but rather that the context turned the individual deviant (Lilly et al., 1995). If this holds, than different contexts should have different levels of deviance. More specifically, contexts that differ in terms of their status dynamics and hierarchies should produce different levels of deviance. The fact of the matter is that not all status hierarchies and contexts are the same (Marmot, 2005). And as becomes apparent in the following paragraph, variances in status-mindedness of the context indeed produce different levels of deviance.

### 2.4.2 Social context and deviance: Lessons from anthropology

The idea presented in this paragraph is that less pronounced status hierarchies are less likely to be plagued by deviance than more pronounced status hierarchies. To illustrate the viability of this perspective, this paragraph highlights a number of factors that are said to influence the status hierarchy and the associated dynamics as it may develop or exist within an organization, or within a field of organizations. The relevant status hierarchy results predominantly from perceived status differences, and not so much from actual layers within or differences between organizations. To this effect, the chapter steps outside the boundaries of conventional organizational literature, and uses findings from anthropological research to discuss aspects of the social context that give way to status hierarchy formation and its dynamics, which in turn should affect the level of deviance in the organization or in an organizational field.

At first sight it might seem a stretch to use research from such a different area as is anthropology. This, however, is justified as the dynamics that this chapter argues

may underlie people's choice to become deviant are related to evolutionary imprinted biological mechanisms and drives. And there is no reason not to assume (and many reasons to assume) that these biological mechanisms operate in a similar manner in all people, were they CEOs of big companies or indigenous hunter-gatherers in the plains of Africa. This alternative use of theory is in keeping with Hambrick's (2007) call to break out of our self-imposed suffocating boundaries and demands about what constitutes acceptable ways of theorizing, in order to provoke significant shifts in research focus. And that is what I attempt to do in this chapter.

**Creating an inclusive organization.** Although Marmot himself is an epidemiologist, he bases much of his book *The Status Syndrome* (2005) on works of anthropology. In that book, he asserts that the most general feature of societies with minor status hierarchies is that they are inclusive and that people feel that they have a certain control over their daily life and activities. In such societies, status and status differences play little if any role. Focusing on the relationship between status and health himself, Marmot (2005) indeed also finds that these societies have a better overall health than societies that are more individualist and in which people can exert less control over their own lives.

Translated to the current context this would suggest that inclusive organizations would be less troubled by deviance than would non-inclusive (individualist) organizations. Work on ethical climates and cultures such as that of Treviño, Butterfield and McCabe (1998), corroborates this idea. They found that the climate dimension Employee-Focused Climate, which can be seen as measuring the inclusiveness of the organization, in most cases had a negative effect on the occurrence of deviance, though the effect was never significant. Conversely, they

found that a non-inclusive climate dimension such as the Self-Interest dimension had a positive and significant effect on perceived deviance.

What organizations could do regarding their design to copy Marmot's (2005) idea of an inclusive society with more room for personal control, for instance, is to diminish their number of hierarchical layers or to decentralize their operations, or to simply de-bureaucratize. Robinson and Greenberg (1998) review research that tends to corroborate this idea that non-bureaucratic organizations are less plagued by deviance. Barker's (1993) findings regarding the "iron cage" of concertive control in self-managing teams, where there are no leaders but rather everyone keeps an eye on everyone, also corroborates this idea that the absence of hierarchy makes for organizations that are less susceptible to deviance. Contrary to what people usually assume, Barker found that concertive control tends to exert a greater constraint on people's behavior than more traditional bureaucratic forms of control.

**Ease with which resources can be obtained.** Status hierarchies among different peoples differ strongly depending on their sources of food (Marmot, 2005). In societies in which food supply is less certain and harder to obtain status hierarchies tend to be small – not nonexistent, but small, with fewer hierarchical layers and smaller power distances. Conversely, in societies where food supply is more predictable and stable and easier to obtain, status hierarchies are much more pronounced. Examples that Marmot (2005) uses are that of peoples who either hunt and gather, or that supplement this with farming.

In farming societies, the food supplies are more stable, and, therefore, status hierarchies tend to become more pronounced. Farming societies can simply afford to be less preoccupied with immediate survival – as the food supply is assured – and as a

result have more space to develop larger or more pronounced status hierarchies. The same goes for societies who supplement their food with fishing, which is also a more reliable and easier to obtain source of food than is hunting (Coleman, 1987). Translating this to organizational settings, the organizational parallel for food may be the resources the organization needs to produce its products. Counterintuitive as it may seem, the suggestion, hence, is that if this status mechanism works as is suggested in this chapter, that sectors where resources are abundant have more deviance than sectors where resources are less abundant.

This idea is corroborated by the results of Baucus and Near's (1991) event study analysis of illegal corporate behavior. Baucus and Near included in their study a number of environmental variables, one of which was munificence, or the environmental abundance of resources available for production. The results of Baucus and Near's study were that munificence had a curvilinear (U-shaped) relationship with illegal behavior. Organizations operating in moderately munificent environments had the lowest levels of illegal behavior, and as expected organizations operating in environments in which ere scarce had higher levels of illegal behavior. However, organizations operating in environments with high levels of munificence displayed the highest levels of illegal behavior, and engaged in significantly more illegal behavior than firms operating in environments where resources are scarce. This particular finding proved to be puzzling, but may be explained by the status-idea presented in this chapter. Business environments in which resources are widely available (are less uncertain) may be comparable to food supply being more certain. In such societies status plays a bigger role, so in munificent environments, organizations may be quite likely to engage in deviance, based on their desire to obtain status.

Although at first sight the finding that contexts with scarce resources are also quite susceptible to deviance might disprove the status-argument, I suggest that it is not. In human societies the competition for food likely seizes to exist much faster than is the competition in organizational societies for scarce resources. A continuing competition for food would in the end likely cause a human society to die out. I would suggest that the desire for the society or group to survive as a whole trumps the (personal) desire for status. This worry does not really play a role in inter-organizational competition as (massive) organizational death is not as detrimental to the species, at least not to those who are doing the "killing." The fact that such survival-based competition will likely to exist in resource scarce contexts assures that for that some status dynamic is still upheld (see for example Coleman, 1987, for how commercial competition ties in with status and, ultimately, with deviance). The results of Baucus and Near's study suggest that the status-dynamic is smaller in the scarce resources context than it is in the resource rich contexts, as the former context showed lower levels of illegal behavior than the latter context. This might suggest that the status effects stemming from resource richness, which is the natural and normal context in which status dynamics arise, are fiercer than the inter-organizational survival competition status-effects, which do not avow by any biological or evolutionary forces.

**Signals and status competition.** In 2005, Bird and Smith advanced a theoretical framework that explained a number of convergent ideas about social status and status competition. This was (Costly-) Signaling theory, and according to Bird and Smith, the theory "provides a way to articulate idealist notions of the intangible social benefits that might be gained through symbolic representations of self with more

materialist notions of individuals as self-interested but socially embedded decision makers" (2005: 222). Bird and Smith continue to discuss a number of phenomena that are clearly related to status competition, but seem ever so inadequate from the perspective of individual gain seeking, which some say is the goal of status competition.

This theory can explain such phenomena as conspicuous consumption, in which people signal individual wealth – which earns them status – by wasting enormous amounts of resources (money, time) on organizing lush parties. But it can also explain more subtle status competitive phenomena. One of those examples is what Bird and Smith call wasteful subsistence activity, where people (especially men) produce goods, and spend much time and effort in doing so, which are meant for public display and not for consumption. In this context Bird and Smith discuss yam growing, which is common in many Melanesian societies. Whilst in those societies yams are also produced for consumption, men are known to have their own special gardens in which they grow super-sized yams. These yams are not only meant for public display only, but because of their size (they can be over 8 feet long) they are also, generally, too woody to eat. Melanesian men identify closely with their best yams, and they see them as symbols of their manhood. The fundamental dynamic at play here, so argue Bird and Smith, is one of competitive display. Men are displaying their status through their yams. The bigger and more beautiful the yam – for example shape and hairiness matter also, the higher the status of the man who produced it.

Translating this competitive display that signals status to an organizational context, I would argue that one form of competitive display that organizations may engage in, which may lead to workplace deviance, is that of the having of a high stock prize. High stock prizes signal that the company is healthy and doing well. As such,

organizations may start to consider their high stock prizes as a symbol of the status of the company. I would suggest that the preoccupation with having and maintaining a high status, the importance of which and effects thereof discussed in earlier parts of the chapter, may make a company strongly focused on keeping their stock prize up. After all, the stock prize is a signal of their high status. Social status mechanism working as inconspicuously as they do boards may subsequently lose sight of right and wrong and start to engage in deviance to keep their stock prize up.

Enron was of course one of the most famous examples of a company who was fixated on its stock prizes and who engaged in deviance because of it. In the words of former Enron-employee Amanda Martin-Brock, "We were surrounded by the health of the company; what was the stock prize doing. We were consumed by it." (from the documentary Enron: The Smartest Guys in the Room). But more rigorous research efforts can also be reinterpreted as CEOs engaging in workplace deviance for the sake of keeping the stock prize up.

Harris and Bromiley (2007), for example, found a strong relation between the fraction of CEO compensation that consisted of options and the probability that a CEO would engage in financial misrepresentation. Arguably, organizations that pay their CEOs (partly) in stock or options attach a greater (symbolic) value to their stock prize on a whole than do listed organizations that do not pay their top management in stock. To the author's knowledge there is no research to corroborate this argument. This has likely to do with the fact that most research on executive compensation both bases itself on agency theory (along with its assumptions about rationality and self-interested behavior) and has neglected to delve (much) into the influences of different elements of executive pay, for example base salary vs. bonuses vs. stock options

(Devers, Cannella, Reilly & Yoder, 2007). Questions about the symbolic value of elements of pay, etc., have simply not been relevant in this research field.

Cho and Hambrick (2006) however did find that changes in pay structure (to include performance-based pay such as stock options) significantly affected top management teams' attention. More specifically, when changes in compensation occur this changes management's attention, which in turn changes an organization's strategy. Management is, hence, affected by the pay structure that it is in and this affects the organization as a whole. What I would then suggest is that companies that pay they CEOs in stock attach more value to their stock prize than do companies that do not pay their CEOs in stock, as to the former it is a symbolic representation of their company's status. To the latter organizations, their stock prize holds little symbolic status value.

Putting two and two together, I suggest that what Harris and Bromiley (2007) tap into is not a personal profit seeking mechanism but rather the status mechanism that I discuss in this chapter. CEOs then engage in misrepresentation in order to maintain a positive signal of the company's status, and not to fatten their own personal bank account. This might also explain why Harris and Bromiley found no support for the hypothesis that the proportion of CEO pay based on bonuses positively influences the probability of accounting misrepresentations. This finding is not consistent with the personal profit seeking idea, but consistent with the idea that what matters is a symbolic representation of company status (through the having of a high stock prize) and nothing much more. If CEOs were in it for personal profit, their bonuses would also motivate them to keep the company's stock prize up.

In sum, status is an important – and almost omnipresent – driver of deviant behavior. As it is such a strong and very obscure driver for human behavior, it holds

power to be able to parsimoniously explain many of the disparate findings that have been found so far. However, if status forces are part and parcel of everyday life like they seem to be, why do some people engage in deviance while others do not? Even in highly (status) competitive environments there might still be people who do not engage in deviance. Equally, in situations that have very low status dynamics there still may be people who do engage in deviance. It is likely that there will be an interplay between status forces and individual difference variables, that make some people more susceptible to or influenced by status dynamics than others. The former would therefore are feel compelled to commit deviance much quicker, under circumstances of fewer status dynamics, than the latter. Alternatively, some people may be naturally more inclined to engage in deviance than others because, for example, they are less able to perceive ethical issues. This could, for example, be the case with those whose reasoning is at lower levels of Kohlberg's (1969) cognitive moral development scale. Having now illustrated how and why status dynamics may lead to workplace deviance, in that which follows I turn to the implications of those dynamics, and the likelihood that they give rise to deviance, for management and theory.

## 2.5 Implications for management and theory

In this chapter I have illustrated some of the possible applications for status dynamics in the study of workplace deviance. Despite that the focus has been on the negative sides of status, it must be said that it of course has its positive sides as well. In fact, had it not had such positive sides it would not have been selected out in evolution in the first place. Also the dynamics that people's desire for status are not inherently bad, and do not have to result in deviant behavior. The drive for status may,

for example, stimulate people to work harder and persist longer at difficult tasks, to name but two examples. However, the fact remains that the dynamics may also give rise to deviance. They can therefore not be ignored in the design of organizations and organizational controls that remedy or at least deal adequately with these possible negative effects.

As shown, status dynamics are quite elusive and operate outside of conscious experience and rational thought. The fact that much related to the origins and motivations of workplace deviance, as illustrated above, is not rational, not well thought out, and committed from unconscious motivations is problematic for organizations. Much of the controls and procedures that organizations design to ward against problems of deviance are namely designed under the assumption that people think rationally and commit deviance with rational motives. Assumed is that people are relatively aware of what they are doing and why they are doing it. As shown, however, much deviance is committed for different reasons.

To be sure, there are those who are consciously intent on committing deviance (although these may even actively seek ways to escape surveillance or to remain undetected). But not all forms of deviance can be explained this way. Trying to deter the forms of deviance that are driven by the here discussed status dynamics by implementing controls and surveillance systems is likely ineffective. They may even be counterproductive as they can increase the salience of status by selectively drawing attention to aspects of people's social status. For example when an organization says it values teamwork and reaching sales targets equally, but only (financially) rewards the sales targets and not the team work – a common situation in many organizations – people generally tend to forget about the team work and mostly focus on reaching sales targets. After all, people are drawn to behavior that is rewarded and will perform

that behavior, and not per say the behavior that an organization only endorses in words (Kerr, 1975) Organizations should therefore reconsider their organizational design as a whole as to ward off such status dynamics occurring within their ranks. After all, as shown in this chapter, status dynamics result from an interplay between the individual and the social context. So what are the alternative organizational designs that can render status dynamics less salient or relevant, and as a consequence make the organization less susceptible to deviance?

As also briefly discussed before, Marmot's (2005) overall conclusion is that the more inclusive societies are, the healthier the population is. This would mean that more inclusive organizations have fewer problems with deviance. As also discussed above, employee focusedness and the implementation of self-managing teams are such solutions. Additionally, organizations could also just mediate their mindedness of (interpersonal and interorganizational) competition. The more competitive an environment, the more salient people's social status becomes. What it basically comes down to is that organizations should not focus too much on things that increase or make more salient the status hierarchy. So no intense focus on incentives, promotions, on attaining goals, etc. This is not to say that organizations should stop having ambitions all together. Rather, organizations should perhaps tone them down in order not to invoke the dynamics which are discussed here. They should play less hardball, as it were. Because irrational and appealing to heath issues as they are and do, these dynamics play a large role in the coming into being of the larger corporate scandals that we have been whiteness to in the past decade or so.

There are many implications for theory, of which I discuss the most important ones. Firstly, as this chapter does not provide a unified theoretical framework for the relevance of status in workplace deviance, scholars should focus on developing one.

Secondly, these mechanisms should be put to the empirical test. Although the present chapter is based on empirical work of others, the mechanisms that I have advanced in the organizational domain remain to be tested. I also did not give, nor was I attempting to give, a full discount of all status mechanisms relevant or present in organizations. In order to establish what the boundaries and limits are of this idea of status dynamics, it is important to delineate what it still can explain, and what it can no longer explain.

Individual gain seeking behavior, for example, can also be reinterpreted in terms of status seeking under the condition that money is the thing that people base their status on, like the Melanesian men base their status on their yams. But can petty form of deviance be explained by status mechanisms too? For example, if everyone is stealing office supplies and therefore I do it too, does this have something to do with my sense of status? Also, whereas men are very susceptible to this status mechanism, which is likely related to evolutionary forces, women are much less so. Yet, women also engage in workplace deviance. How does that work? Is this merely a question of social learning (men do it for the status motive, and women do it because men do it too)? Or is it just a more low-key form of status dynamics that they feel? If the former, do women who work in male-dominated environments also exhibit more deviance? There are still many questions left unanswered. I nonetheless hope to have contributed to a unification of this disparate field of workplace deviance. In so doing, I hope to have helped the field advance to a higher level of understanding what deviance is all about, and why people guilty of one of the largest corporate scandals can look up to congressional committees, looking all innocently, and say without blinking an eye that they have only tried to do what was best for the company, in all the time they worked there. I think that these mechanisms detailed in this chapter

indeed caused them to honestly believe in their own innocence and in their own well-willingness when they did what they did to lead the company down into a scandal.

**Introduction to Chapter 3**

The discussion in the previous chapter centered around unconscious drives that motivate people to engage in deviance. These mechanisms were related to the desire for social status, which is a drive that is evolutionarily imprinted in human beings. People are in general not aware of such drivers, but they do affect their behavior (and even health). So in order to gain (social) status, people are argued (and found in previous studies) to engage in deviance. So in order to deter deviance, organizations would be wise to reconsider their status hierarchies and try to mediate the harmful status dynamics that are provoked by the organizational context. Thus doing, so argues the chapter, organizations become less susceptible to workplace deviance.

The next chapter is based on ethnographic data collected in a unit called DeskSales, which was part of a company E-Tel. The discussion now moves away from this intrapersonal perspective to managerial practices that coerce employees into committing deviance. The study advances two sets of practices used by managers in the unit to create this system of sustained collective deviance. One set of practices reframed deviance in such a way that the behavior no longer seemed deviant, but rather sound business practice. The second set of practices infringed on Desk Salespeople's selves. These practices were used to also get Desk Salespeople to engage in deviance when the reframing proved to be insufficient.

It is quite possible that dynamics such as those advanced in the previous chapter interfered with people's ultimate decision to indeed engage in deviance. However, the type of data that this chapter is based on (mainly observational) makes it impossible to evaluate or study this. Moreover, the choice was to focus on

management practices as the contribution to the literature that can be made is largest in that area. The idea is namely that people who commit deviance do so more or less out of their own free will, which is proven to not be the case at all.

Nonetheless, the concepts that we use in this chapter (of self) and the concept central to the previous chapter (status) are closely related. In fact they are sometimes used almost interchangeably. The choice to use the "sense" vocabulary in this chapter is based on the one hand on the literature that we used, which uses the "sense" vocabulary and not "status" vocabulary. Moreover, whereas status reflects more a sense of hierarchy and comparison others, the concept of self reflects more a sense of self-worth. It has less this idea of how do I do compared to others (which is status), and more an idea of how good do I feel (working here). This is much more appropriate to use in the context of what happened at E-Tel, as people felt very uncomfortable by many of the person-directed actions undertaken by E-Tel's management. Management compared employees to each other, but this practice did not lead employees to care about this comparison. It led employees to feel uncomfortable with their selves, and with the self-undermining thought of underperforming.

People at DeskSales engaged in many different kinds of deviance, ranging from cyber slacking on the job to one observed occasion of actual bribery, involving an actual brown envelop. We choose to limit ourselves to the type of deviance that was popularly referred to as "door slamming," which meant fabricating calls, sales, and salesreports, etc. The fact that in some instances counter services were provided for being allowed to report a sale that someone else made, suggests to some that this is just a case of organizational improvisation. We, however, argue differently. DeskSales was namely created by E-Tel to sell, and they insisted to E-Tel that they

were indeed selling. In this case E-Tel is the principal. And E-Tel is consistently being lied to by its agent, DeskSales. Not just that, but DeskSales was also simply not doing what E-Tel created DeskSales to do, and what E-Tel was rewarding DeskSales for supposedly doing (which was to sell). This makes DeskSales behavior a clear violation of trust. And that is what makes this case about deviance, not about organizational improvisation.

# 3.  I have a dream: Fabricated managerial success through coerced collective deviance[†]

*An ethnographic study examines a case of coerced collective deviance. It shows how managers of a telesales unit engaged in two sets of practices in order to get their Salespeople to commit deviance. One set comprised of practices that reframed deviance in such a way that it appeared legitimate business behavior. A second set of practices was used to coerce Desk Salespeople into adopting those behaviors as many remained resistant to them. This second set consists of practices that infringed on Desk Salespeople's selves. These two sets of practices built on each other to create a sustained system of deviance. This made the unit appear to be highly successful, something the unit's General Manager used to realize her own career goals.*

*"I met [a Desk Salesperson], he was wearing a black tie. He told me 'I am mourning the death of the truth,' […] referring to [the fact that this was the last day that I would be collecting data at DeskSales]." (Field note September 25, 2003)*

## 3.1  Introduction

One common assumption underlying research on workplace deviance is that people engage in it because they fail to see the deviant nature of the behavior they engage in, for example because it is normalized (cf. Vaughan, 1996), or because of a lack of moral development (cf. Treviño, 1986). Another common assumption is that people commit deviance because they are intrinsically motivated to do so. Such studies have, for example, found that people commit deviance because others do it too (cf. Robinson & O'Leary-Kelly, 1998), because they feel the need to retaliate against

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[†] This chapter is co-authored with João Cunha.

their organization (cf. Aquino, Lewis & Bradfield, 1999), or because it is simply the norm within the organization (cf. Robinson & Greenberg, 1998).

Some work has been done on systems of coerced deviance. One such example is the seminal work Crimes of Obedience (Kelman & Hamilton, 1989), which focuses on people's duties to obey or disobey authority. Another example is Hilberg's (2002) work on the Nazi Holocaust, which focuses on the role of the bureaucracy in the sustaining of a system of coerced deviance. Rarely, however, have there been studies that look at practices that managers engage in, through which they deliberately create a situation in which employees feel coerced to commit deviance against their will. The contribution of this chapter is that we present such a model, and show how this system of coerced collective deviance was sustained over time. To this end we draw on an ethnography of a desk sales unit (DeskSales) in a large European telecommunications company (E-Tel for short) whose managers enforced deviant behavior on their desk salespeople.

In 2006, Mariah, who headed the unit in which our data were collected from early 2003 to late 2004, was listed among the fifty most promising young managers in Europe. Mariah's successful career at E-Tel started in January 2003, when she accepted the position of General Manager of DeskSales, when it was only recently created. Under Mariah's management, Desksales' performance rose to levels above and beyond upper management demands and expectations. During Mariah's 18 month tenure at Desksales, she induced a growth in personnel from 100 to 350 people and in reported sales from 27 million dollars to 182 million dollars. This outstanding performance paved the way for Mariah's further successful career at E-Tel. However, she paved that way with deceit as the tremendous success of the unit was the result of,

and could only be obtained through, having her Desk Salespeople engage in deviant sales practices.

The body of literature on deviance and related behaviors (unethical behavior, corruption, illegal behavior) is growing rapidly. In a general review of this and other ethics-related literature, Treviño, Weaver and Reynolds (2006) advocated the need for more research on the level of the group to create, among others, a better understanding of the coming into being of collective forms of deviance. Another one of their recommendations was for research to focus more on the role of leadership therein. In this chapter we address both these recommendations.

The first contribution of this chapter is that we show that deviance can be actively forced upon collectives of individuals and thus doing be sustained over a prolonged period of time. Much of especially the management-related research on collective forms of deviance to date has tended to revolve around non-coercive deviance. It for example focused on the processes that underlie the acceptance and perpetuation of mindless, automatic and routinized deviance by collections of individuals in organizations (e.g. Ashforth & Anand, 2003; Brass Butterfield, & Skaggs, 1998; Brief Buttram, & Dukerich, 2001; Misangyi, Weaver & Elms, 2008; Vaughan, 1996). A possible exception is the abovementioned work of Hilberg (2002). Hilberg did examine traits of the bureaucratic system that were specifically designed to reduce resistance against prescribed deviance. Authors nonetheless maintain that that coerced deviance like that what took place at DeskSales is not sustainable in the long term as people would remain resistant to it, which would cause the system to implode relatively soon (Ashforth & Anand, 2003). Although people indeed remained resistant, the deviance at DeskSales was kept well hidden and successfully

perpetuated over a prolonged period of time despite Desk Salespeople's continuous resistance to it.

Our second contribution is that we show how sustaining collective deviance is a demanding managerial challenge, and we detail which practices managers used to face this challenge. As also remarked in Treviño et al.'s (2006) review, the role that is habitually attributed to leaders is one of role modeling and being the source of punishments and rewards for the right or wrong behavior. Efforts have been made to look at other aspects of leadership or (middle) management, for instance by Clinard (1983) and by Dukerich, Nichols, Elm and Vollrath (1990) who found in experiments that leaders can influence moral reasoning in groups. Contrary to what literature suggests, however, we found that the rewards played almost no role in motivating people to commit deviance. We also found managers to be much more directive and deliberate in their actions to get people to resort to deviant behavior than literature proposes, without ever directly telling or overtly forcing them to become deviant.

In this chapter we identify three types of practices that managers engaged in to coerce Desk Salespeople to remedy their low performance through deviant work practices. Two groups of Desk Sales Managers drew on practices that undermined Desk Salespeople's selves, inducing in them a need to seek relief from these practices which in turn led to their compliance. The three Desk Sales Managers in one group ranked their Desk Salespeople according to their reported performance and exposed those rankings publicly to the whole unit. The two Desk Sales Managers in the other group exposed their Desk Salespeople with the lowest performance to the rest of their team as those responsible for the team's underperformance. Both types of Desk Sales Managers were successful in having their Desk Salespeople comply with a number of deviant behaviors through which they reported revenue as the outcome of their own

saleswork. A third group of three Desk Sales Managers used an opposite approach and conditioned their Desk Salespeople to care about rewards and career enhancement. By doing so, they induced a need for recognition in their Desk Salespeople, which motivated them to engage in deviant practices. These three groups shared two practices which reframed deviant behavior as sound business practice. They in addition all benefited from a set of boundary conditions which contributed to the perpetuation of these deviant practices.

Our contribution to the field is especially relevant because of the unique nature of our data. Empirical research on collective forms of deviance comes in many forms. Researchers have for instance made post-hoc reconstructions using archival data or retrospective interviews (e.g. Vaughan, 1996; Lee & Ermann, 2002). Others have based contributions on the author's own experiences working for a company, such as Gioia's (1992) account of his experiences at Ford during the Pinto-crisis. Yet others used surveys to study group-level deviance (e.g. Robinson & O'Leary-Kelly, 1998). However, ethnographic data collected while it is taking place and is being sustained, which are the data that we present in this chapter, is relatively rare. Ethnographic or anthropologic data on deviance has been presented before, for example by Sherman (1985) in his work on corrupt police officers, and by Mars (1982) who wrote about daily work fiddles. However, instances in which the actively engaging in deviance of large collectives of individuals is studied in real time, up close and in detail such as in our case, remain rare. Our data hence offer a uniquely rich account of collective deviance, which we have used to direct attention to new avenues of research to better our understanding of that topic.

In this chapter we advance a model for coerced collective deviance. The practices that it proposes are new to the field of deviance. The relevance of the

theories it is grounded in to the field of deviance is relatively unexplored. We begin our explanation of this model by presenting the context in which this sustained collective deviance took place and explain what it entailed exactly. We will then discuss the two sets of practices that lie at the core of our model, which is followed by the moderating boundary conditions that we discern in the data. The chapter ends with a discussion of the absence of whistle blowing, which is followed by our conclusions. What follows first is a methods section.

## 3.2    Methods

### 3.2.1    Data collection

The data for this research come from a 15-month ethnography of deviant behavior at DeskSales – a business-to-business desk sales unit of Europe Telecom a large European telecommunication company. We chose ethnography as a research method for two reasons. The first reason is fundamentally a conceptual choice. Choosing a research method when researching organizations is to choose a theory of social phenomena. This study follows a growing stream of management research that takes practices to be the constituting element of social and organizational experience (cf. Barley, 1986; Orlikowski, 1996; see also chapters in Schatzki, Knorr-Cetina & Savigny 2001) and which seeks patterns across individual and group practices to explain specific organizational dynamics. The second reason to use ethnography is a substantive one. Literature on workplace deviance has shown that deviant behavior in organizations is a situated and improvisational process (cf. Mars, 1982). It is situated because it is contingent on a person's local resources and local arrangements with others. It is improvisational because it is accomplished at the margins of managers

and employees' prescribed work procedures and prescribed relationships. Tracking these improvisations requires a method of data collection and analysis, such as ethnography, that abstracts from the particular while capturing the set of conditions for action that ground these tactics (cf. Agar, 1986).

The data were collected by the second author, and consisted mostly of systematically collected observational data, gathered in DeskSales' open space office as well as outside the office and in E-Tel's cafeteria. The author furthermore joined a group of Desk Salespeople for their month-long "induction" training when they first joined the company. The author logged these observations systematically in an elaborate research journal and checked and compared them with other data sources as to guard their validity. These observations were supplemented with 55 open-ended interviews with Desk Salespeople, Sales Managers, Senior Sales Managers, the unit's General Manager Mariah, Field Salespeople and the unit's training staff. Data collection procedures consisted of shadowing a Desk Salesperson for the duration of her or his working day and collecting all their incoming and outgoing communication (electronic mails, telephone calls and forms). During the shadowing the author asked numerous questions for clarifications. The week after the shadowing had ended all Desk Salespeople were also interviewed. The observational and interview data were complemented with official documents produced by the company, as well as with email inboxes and outboxes. The organization had an email retention policy that disallowed any emails to be deleted. These boxes were therefore complete and provided objective data for the analyses.

### 3.2.2 Data analysis

Based on the data we developed and evaluated several different conceptual models. The model that we present in this chapter we believe represents the data well while at the same time being parsimonious and contributing novel insights to the field of (collective) workplace deviance.

The analysis through which we arrived at this model began by articulating the major challenges that DeskSales' General Manager and her Desk Sales Managers faced when attempting to achieve the demanding sales and saleswork targets that had been imposed on them and by documenting the practices they enacted to address these challenges. This was accomplished in three stages. The first consisted of performing open coding on fieldnotes, interviews and documents, following the techniques articulated in Emerson, Fretz, and Shaw (1995) and Spradley (1980). The second stage grouped the results of this first coding into challenges and the tactic enacted to address them. This was done by sorting the interpretations and practices articulated during open coding. In the second stage of the analysis, Desk Sales Managers were sorted into three distinct groups in two steps. The first classified desk sales managers according to the similarity of their interpretation of their challenges and the similarity of the practices they enacted to address them. The second mapped the challenges that each group faced to each group's practices. The goal was to articulate the relationships between each of the practices enacted by Desk Sales Managers and the challenges they faced when attempting to reach their targets. In the third stage of analysis these challenges and practices were arranged into narratives to articulate the processes by which Desk Sales Managers were able to lead their Desk Salespeople towards achieving their targets while only carrying out little if any of the actual sales and saleswork needed to do so.

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In the following, we will first set the scene of the study by describing the contingencies that DeskSales and its managers faced that made achieving the targets such a challenge. Here, we will also explain what type of deviance we consider in this chapter. Keeping with the analytic flow above, we organized the remainder of the presentation of our model in two sections. In the first section the core of our model of collective deviance is presented. In this section we discuss our first-order and second-order analysis (Van Maanen, 1979) of the two sets of practices that we found managers at DeskSales to engage in, which are (1) practices that made the deviance seem less deviant, and (2) coercive practices. These two sets together created the system of collective deviance. The second section discusses three boundary conditions that seem to play a moderating role in the relationship between the normalizing practices and the coercive practices on the one hand, and the collective deviance on the other. Without these three boundary conditions the system of collective deviance would have most likely fallen apart and been uncovered. These boundary conditions are relevant in keeping the system of coerced collective deviance up and going. We address the absence of whistle blowing in a separate paragraph after which we briefly discuss some conclusions and management implications.

## 3.3    The conditions for DeskSales' deviance

Europe Telecom (E-Tel for short) created DeskSales in an attempt to cut cost. Its creation enabled E-Tel to reduce significantly the number of its (much more expensive) Field Salespeople. Both DeskSales and FieldSales serviced the same client pool of E-Tel's largest corporate customers. DeskSales was to focus on selling low complexity products, e.g. phone board switches and individual ADSL connections. Field Salespeople exclusively focused on selling high complexity products, such as

complete call centers. DeskSales was officially launched one month after the second author started participant observation there. The unit was initially staffed by 80 Desk Salespeople, grouped in eight sales teams. Each team was headed by a Desk Sales Manager that reported to Mariah, who was DeskSales' General Manager. A simplified organizational chart can be found in Figure 3-1.

**Figure 3-1: A simplified organizational chart of DeskSales**
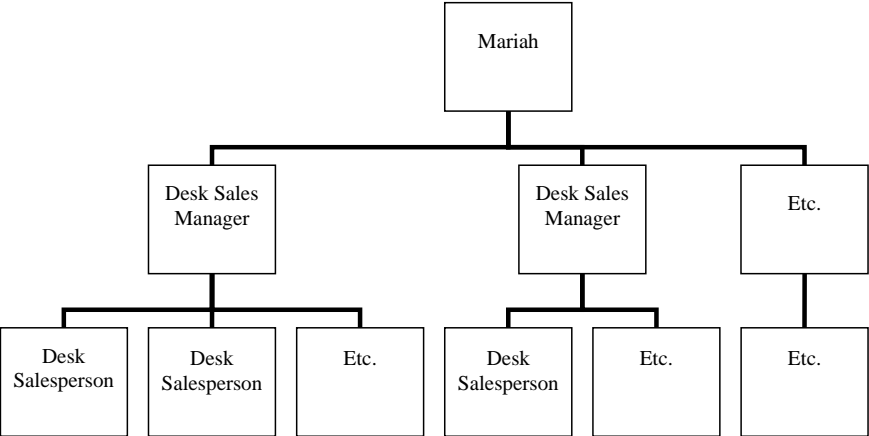


### 3.3.1 Siebel

E-Tel used Siebel – an information system specifically designed for sales environments – to support and supervise its salesforce. Siebel allows salespeople to store and access information about customer contacts, keep track of their saleswork and store and access information about their open sales. Concretely, Desk Salespeople would register all the contacts they had and information they obtained about their customers in Siebel, and take notes in Siebel about the status of the relationship, such as whether sales could be expected or estimates were given. The actual sales to the customers were also recorded in Siebel.

Next to this sales support function, Siebel was also used as a management tool to supervise, manage and measure the work of all of the company's sales units, DeskSales included. The General Managers of all of E-Tel's sales units, Mariah being one of them, relied on Siebel to forecast sales, to reward and discipline salespeople and to assess their unit's progress toward its targets. General Managers, in addition, used Siebel to prepare (performance) reports for upper level managers, who in turn used them to assess the organization's performance and to justify and create company policy and strategy. Siebel data were also used to calculate sales-bonuses for salespeople and their managers and to justify promotions and account assignments. Much, if not all, of E-Tel salespeople's and their managers' everyday work experience, hence, revolved around Siebel. At DeskSales, Siebel was the vehicle for its deviance.

### 3.3.2 DeskSales' performance pressures

This study focuses on the first full financial year of DeskSales. During this period, DeskSales established itself as the top performing unit in E-Tel's business-to-business salesforce, catapulting Mariah into her successful career in the company. DeskSales being a newly created unit in the company it also had to prove its value that first financial year. Mariah was head-hunted from a global consulting firm. When she joined DeskSales Mariah voluntarily took on a demanding "stretch" sales target that far exceeded the targets and expectations of E-Tel's top management team. Thus doing Mariah aimed to legitimize DeskSales as a member of E-Tel's sales organization. To get her unit to also reach their targets, she created a complex set of incentives. In this incentive scheme, Mariah firstly established a set of targets for saleswork. Each Desk Salesperson had to make seven calls to customers per day as

well as complete a sales plan for every sale they made and they had to keep Siebel free of errors (typos, miscalculated revenue and misassigned products).

She secondly created two types of sales targets. One was for "created and owned sales" that Mariah defined as being initiated and closed by a Desk Salesperson, which he or she discovered in everyday interactions with the customer and whose value and product complexity were low enough for Desk Salespeople to handle. Each Desk Salesperson had a target for "created and owned sales" of 350,000 dollars per year. The other sales target was for involved sales, which were sales that Desk Salespeople either initiated or closed, but not both. These were the sales opportunities that Desk Salespeople discovered in their everyday interaction with the customer that they were not qualified to handle. The target set for these sales was 200,000 dollars per year per Desk Salesperson.

The legitimizing effect of reaching the "created and owned" targets laid therein that it would prove that DeskSales brought new revenue to the company which would not have been obtained if the unit had not existed. By reaching the involved sales targets, Mariah legitimized DeskSales' existence by showing how the unit's value to E-Tel rested not only in the unit's ability to sell independently, but also in its ability to assist Field Sales Teams in selling. At the end of the first financial year Mariah had far surpassed the stretch targets she had taken on, which earned her a promotion to head the whole of E-Tel's customer service operation. During her first year at DeskSales, Mariah not only promised an excellent sales performance, but also delivered on that promise.

### 3.3.3 DeskSales' lagging salesforce

Delivering on that promise was difficult not just because the performance targets were high, but also because many of the Desk Salespeople lacked the qualifications and skills to perform their jobs well. When DeskSales was first created it proved impossible to find experienced salespeople because, according to the people who first set up the unit, "no one in the company [was] interested in being a Desk Salesperson," "there [was] nothing attractive to reconsider a career at the desk." They resolved this by transferring seventeen salespeople from another desk sales unit at E-Tel, which had been dedicated to E-Tel's smallest corporate customers. They staffed the remaining positions with people hired from temporary work agencies. Everyone hired at DeskSale's start underwent a three-week training program to familiarize themselves with E-Tel, Siebel, its chosen sales techniques and DeskSales' products. These trainings proved hardly effective, however. From the onset DeskSales was described by trainers as a place where "there's no wisdom," where "they're all green [as in inexperienced], even [the most experienced Desk Sales Manager] is green." Even the seventeen people recruited from E-Tel's small corporate clients desk sales unit, such as Pete, often felt incompetent at their jobs:

> "[My job] is quite frustrating at the moment. I find it quite difficult to get into the account. Quite difficult to sell. […I]t's quite hard for me to get into the account and find a specific role in it. So I find myself just getting on, getting on with [service issues such as] backup for the [Field Salespeople] and that sort of stuff so it's quite frustrating at the moment actually."

Those who were new to E-Tel shared these feelings of incompetence. Michael, for example, still struggled to understand E-Tel's products and its pricing policies after having worked at DeskSales for over a month. In a mid-morning break in Michael's sixth week at Desksales he complained that he "couldn't understand a word of what was written" in an email he had received from a client asking about the price of a set of products. Michael blamed his difficulties on the "very superficial" training

he and others had received upon joining DeskSales, saying "we don't know what we don't know, a lot of stuff was not covered." Desk Sales Managers such as Roger, however, attributed Desk Salespeople's lack of skills not to insufficient training but to a more fundamental lack of the right dispositions, saying that, "they haven't got […] the internal natural skill set to be a really good businessman, and you need really good businessman to [sell from the desk]." He attributed this to the type of people that were hired at DeskSales. Agreeing with this, Colin, one of the most experienced Sales Managers at DeskSales and involved in many of the recruitment interviews, said:

> "I don't see too many proactive salesmen […] in [DeskSales]. […T]hey're not the sort of person […] that can […] actually manage their space really effectively and no wonder because they're getting paid a 15 thousand basic. You're not going to get a [talented salesperson] that fancies having a 9-to-5 office job coming to work on the desk for a 15 grand basic. A lot of the people that they've employed, because they had to employ 70 people in a short space of time came in on agency contracts. They didn't have a job, so you're taking on unemployed, show them how to use the systems and all they're doing is managing their email, […]they take a lot of orders, they do a lot of work that they're not supposed to do and […] there is a lot of time wasted[…]. I don't see too many people doing business [at DeskSales]."

### 3.3.4   DeskSales' deviance

In this section we detail the types of deviance Desk Salespeople engaged in to build a representation of success that helped Mariah launch her career. Desk Salespeople called these behaviors "door slamming," which meant "fabricating [sales and calls] and putting your name on [sales] you were not involved with" Door slamming undermined the very reason of DeskSales existence. DeskSales was created to cut sales costs by alleviating FieldSales from the smaller sales that could be handled from the desk. By engaging in door slamming Desk Salespeople did neither of those things. Instead, they focused on portraying themselves as doing so.

The first type of deviance consisted of claiming sales that DeskSales did not actually make. This firstly consisted of appropriating parts of, or claiming involvement with, sales made by Field Salespeople. This way positive sales results

were created artificially. Desk Salespeople and Field Salespeople were assigned to specific accounts which created the possibility for Desk Salespeople to try to build up relationships with their Field Salespeople. This type of deviance involved Desk Salespeople persuading Field Salespeople to allow them in on parts of their sales. Desk Salespeople frequently offered to do administrative work in return. This type of deviance was very delicate and complicated to engage in as an accidental (partial) double booking of a sale would raise a red flag in Siebel and thus had to be avoided at all cost. At times, people would also reroute sales that were done in E-Tel units that did not have targets imposed on them to add them to one of the DeskSales' accounts, for which they'd spend quite some time searching E-Tel's IT systems. One such occasion for example, entailed that they were linking a couple of hundred thousand pounds from headsets, headset cushions and phones sold to [a company] to the ICT "Call Centre" chapter. The rationale was that these products were sold for a call center so they were part of that ICT chapter. Secondly, Desk Salespeople also often simply registered customer orders as sales. This, too, created a false representation of the successfulness of DeskSales as these orders would have come in regardless of DeskSales' existence. DeskSales was, thus, not contributing anything to E-Tel by registering them as sales. Desk Salespeople saw the unit as "a false economy […] we're not selling like they say we are, we're order taking and dealing with day-to-day stuff for [Field Salespeople]."

The second type of deviance understood to be part of door slamming was reporting fictitious calls and fabricating false call reports or notes. As in many sales-environments, DeskSales had targets for the number of calls that were to be made per day or per week. Desk Salespeople also had to report those calls in Siebel, and add notes about the call and the sales progress with that client. Desk Salespeople fiddled

on both these counts, registering calls that were not actually made and making up fictitious sales reports. Here are three Desk Salespeople discussing their antipathy for Siebel administration and the having to report fake calls:

> Neil then went back to the topic of having to enter 10 relationship-led calls on Siebel saying that it shouldn't take so long to do it. [...] Elliot said that they could actually put in calls that they did not make because Siebel was not like the other KPI systems that automatically and unobtrusively recorded behavior. Elliot adds that "they're forcing us to lie and to cheat the system." Neil concurs.

The overwhelming majority of Desk Salespeople did not engage in these behaviors willingly or for their own personal profit. Besides not having the right skills many of the Desk Salespeople were also unmotivated at their jobs. For them, DeskSales was a place to make enough money to build up the savings needed to follow their true career ambitions, or a "quick way to save 10,000 dollars," as Desk Salesperson Andrew said. Andrew wanted to pursue a career in storyboarding and "hate[d]" his job and DeskSales. Like Andrew, many Desk Salespeople felt that their salary was enough for that purpose. Having no desire to obtain bonuses, they remained unmotivated to reach their sales and saleswork targets, and also to report the activities they did perform in Siebel. The latter was an essential step seeing Siebel's central role in the management of E-Tel.

The few Desk Salespeople who did care about the bonuses and strived to sell as much as they could were also unmotivated to report their sales and saleswork in Siebel. Tom, who was considered by his peers as one of the most ambitious salespeople in the unit, said:

> "Going back to what we are, we are salespeople working from the desk. My drivers are sales. That's it. The internal drivers are stats. And if you try to put a salesperson next to stats it doesn't work. Sales people don't like stats. Because it's paperwork, it's something you've got to do after the event."

Reaching the demanding performance targets and having people also report on them in Siebel, hence, proved very difficult for Mariah and her Desk Sales Managers. As this chapter demonstrates, they resolved by coaxing, somewhat coercively, Desk

Salespeople into committing deviance, which enabled them to create a representation of sales success which was hardly if at all grounded on actual sales behavior. Desk Salespeople, however felt very uncomfortable from having to engage in these activities and were also very resistant to them. Bonuses, rewards and prizes were not enough to overcome these reservations. When talking about one of the Desk Salespeople who reached the highest bonuses, Tom mentioned that "scamming helps." Edwin replied "at least I can sleep at night with a clear conscience" and that he did not like to claim stuff that he had no involvement in.

In what follows, we examine the practices engaged in by Mariah and her Desk Sales Managers that, notwithstanding their resistance to deviance, coerced Desk Salespeople into creating a representation of success by engaging in precisely those types of behaviors. The next paragraph details the core of our model; the practices that managers engaged in which, together, coerced Desk Salespeople into committing deviance.

## 3.4    Creating a system of collective deviance

We discern two distinct sets of practices that the managers at DeskSales engaged in to fulfill Mariah's dream of heading a highly successful unit. These practices built on each other and together created a system of collective deviance committed by the Desk Salespeople. A graphic representation of the model can be found in Figure 3-2.

The first set of practices used by DeskSales' management, consisting of both Mariah and her Desk Sales Managers, essentially facilitated Desk Salespeople's use of deviant ways to create a representation of high performance. They did so by reframing, or normalizing, deviant behaviors as admissible non-deviant practices that

**Figure 3-2: A model of coerced collective deviance at DeskSales**

**Normalizing deviance**
Reframing Managerial Practices

- Co-opting organizational rules
- Co-opting client orders

**Coercing deviance**
Practices Infringing on the self

- Undermining Salespeople's individual selves
- Changing Salespeople's individual selves
- Creating and undermining Salespeople's contribution to a collective self

**Sustaining deviance**
Boundary conditions

- Field Salespeople's willingness to share
- Siebel's aura of truth
- Absence of detailed inspection

**Sustained collective deviance**
Door slamming by Salespeople

- Claiming sales not made
- Fabricating calls and call reports

saleswork should be seen – and used – by Desk Salespeople as sound business practices that they should engage in to reach their targets. The second set of practices used by DeksSales' management was designed to also get people to actually do the work to create that representation of successful selling, which not only entailed selling but also such as actually registering calls and sales in Siebel. Without this essential step the performance of DeskSales would still go unnoticed, after all.

We begin our discussion with the set of practices that made deviance look less deviant because they can be seen as facilitators of the process of creating a deviant system. As such, they more or less antecede the creation of a system in which deviance is engaged in by a collection of people, though it also helped to keep it going. The second set of practices only worked to start this system up and keep it running. The latter set of practices is discussed in the second section of this paragraph. In both sections we discuss the practices engaged in by Mariah, the unit's General Manager, and by the Desk Sales Managers separately.

### 3.4.1 Normalizing deviance: Reframing managerial practices

As discussed above, Mariah wanted to legitimize the existence of Desk Sales by proving that the unit added value to E-Tel in the form of new sales revenue. The fact that Desk Salespeople were incompetent at their jobs and oftentimes also lacked any commitment to reaching their sales targets, discussed above, made getting them to perform up to par a challenge. We propose that the first set of practices that Mariah and her Desk Sales Managers engaged in to make the unit appear to be a success by getting Desk Salespeople to reach their targets was to find deviant ways in which people could reach their sales targets, and present them to Desk Salespeople as legitimate and smart sales behaviors. Both Mariah and her Desk Sales Managers used

rhetoric that framed and continuously reaffirmed deviant behaviors as the normal and smart way to reach sales targets.

What Mariah and her Desk Sales Managers in essence engaged in was a process of sensegiving (cf. Gioia & Chittipeddi, 1991) in which they tried to influence and change Desk Salespeople's thoughts and feelings regarding the appropriateness and use of certain behaviors toward a preferred redefined new interpretation. Sensegiving is a practice that has mainly been related to processes of (strategic) organizational change (cf. Maitlis & Lawrence, 2007; Rouleau, 2005) but that we found to also play a dominant role in the coming into being of collective deviance at DeskSales. Mariah and her Desk Sales Managers very actively reframed the deviance that was needed to reach the sales targets as legitimate, even smart, business behavior. As such they tapped into what Tenbrunsel and Messick (2004) argue is people's natural tendency to engage in self-deception anyway, which entails that people are naturally inclined to reinterpret or reframe the ethical nature of their behavior. Tenbrunsel and Messick call this self-deception "ethical bleach." We argue that this managerial practice, hence, facilitated or even catalyzed the commitment of deviance. Though falsely recording saleswork in Siebel was also a part of the "door slamming" deviance that occurred at DeskSales neither Mariah nor the Desk Sales Managers tried to reframe that much beyond saying that it was only an administrative issue. It was a necessary evil even for those who had little problems cheating.

Mariah normalized sales deviance by co-opting extant organizational rules regarding the type of sales that DeskSales was supposed to be making. E-Tel used product type and revenue to separate between the low to medium complexity opportunities which were to be handled by Desk Salespeople, and the high-complexity products that were to be handled by Field Salespeople. DeskSales was to

handle all the off-the-shelf products and the tailored products that cost less than 75,000 dollars. Mariah took this rule and reinterpreted it as that DeskSales was entitled to claim all sales up to 75,000 dollars for themselves, even those made – or were in the process of being made – by Field Salespeople. She thus instructed her Desk Sales Managers to introduce this tactic in order to create the revenue needed to reach the unit's targets. The process is explained hereunder by Peter, a Desk Sales Manager. In his team's morning audio call on September, 4th:

> Peter announced that each of his desk salespeople was to use Siebel to find the open sales on their accounts worth "75K or less." He told them that "it's the type of opportunity that we need to concentrate upon." He argued that field salespeople should pass everything under 75K to desk salespeople. Diane, one of the desk salespeople on the team was unpleasantly surprised claiming that, "I didn't know about this!" Peter replied, "well, you're being briefed now." Diane asked, "do the [Field Sales Teams] know about this?!" Peter replied that "they should." Rob, a desk salesman on the team wondered, "how are we going to add value?" Peter seemed surprised, "Value!? How do you add value now?" Answering his own question, he claimed that, "if we take ownership of the 75K deals they're free to do the million dollar deals." Peter added, "these should be handed to us because they are more effectively dealt with by the desk, that's all you need to tell them."

This type of deviance had some benefits for the Field Salespeople who indeed had Desk Salespeople take care of the administration involved with their sales, which freed up their time and hypothetically enabled then to sell more. What makes it deviant is that E-Tel had not created for and did not evaluate DeskSales on the basis of the administrative work that they performed. DeskSales' purpose was to sell. They did not sell, but instead passed other behaviors off as being sales. The losses that E-Tel suffered as a result of DeskSales' deviance entailed among others the salaries and bonuses paid to Desk Salespeople, but it also led to E-Tel cutting away their only functioning sales channel. As DeskSales seemed such a success, E-Tel continued to cut down the number of Field Salespeople.

The reframing that the Desk Sales Managers engaged in did not revolve around organizational rules but rather lashed on to and co-opted (normal) practices of clients for the benefit of the unit. It revolved around a reinterpretation of clients'

orders as legitimate revenue that the Desk Salespeople could claim to reach the targets imposed on them for owned sales. In short they portrayed orders as being the same as sales. Desk Sales Managers' normalizing practices went one step further than Mariah's normalizing practices, though. Whereas Mariah simply reinterpreted a rule and ordered her people to follow her reinterpretation, the Desk Sales Managers also designed tools to help their Desk Salespeople engage in the type of deviance they normalized.

Customers traditionally placed orders through E-Tel's service units. These units were not a part of DeskSales nor of FieldSales. This passing off of orders as sales is deviant because by so doing, DeskSales stole income away from other parts of E-Tel. More importantly, though, is that this type of deviance helped legitimize the existence of DeskSales by making it seem as though they were creating sales revenues for E-Tel that E-Tel would not have had without DeskSales. But these orders would have come to E-Tel regardless of DeskSales' existence. E-Tel could have saved all the cost related to the existence of DeskSales while at the same time still receiving this same revenue.

Examples of the tools developed by the Desk Sales Managers in this regard are the Siebel software script that Jerry designed and provided his Salespeople with, which found all the orders customers placed through E-Tel's service units. These were oftentimes left unclaimed by the service units as these units had no sales targets to reach, which left them open to be stolen away by Desk Salespeople to report them as their own sales without ever having done anything for them. Roger had an easier but equally effective tactic to report orders from their customers which he had learned from Peter. He called it project JESS and announced it in his audio call of February, 12th:

"[it] means Justifying Excellency in Sales Success." He said that the point is to create email addresses that customers can use to place orders directly to their desk salespeople. He used Ian as an example. His account (the company XYZ) would get a xyz-orders@e-tel.com email address that would be forwarded to Ian's own email address. He added that Peter's team had this for their customers, "that's why they're so successful and get so much stuff coming from the desk," "that [the email address]'s much easier to remember." He said, "we should get more orders that way, we will also get the odd billing and service request but we can forward those on if needed."

By presenting them with these two normalized types of deviance, and designing tools to also carry it out, Mariah and her Desk Sales Managers pointed Desk Salespeople to a solution for how they could resolve the tension between having to make (high) sales targets while not knowing how to sell. As also illustrated by the quote in which Roger introduces the 75k rule, however, Desk Salespeople remained resistant to them. Desk Salespeople also resisted doing the saleswork that they were assigned to do (e.g. registering their calls and reports in Siebel). As discussed earlier, neither Desk Salespeople who produced sales revenue through deviance nor those who created legitimate sales and enjoyed their work at DeskSales were inclined to do saleswork, despite the fact that Mariah established targets for saleswork and the fact that saleswork was part of their job description. More was needed than making deviance easier to commit to get Desk Salespeople to create the representation of successfulness. Mariah and her Desk Sales Managers therefore turned to practices that coerced the Desk Salespeople into performing the necessary (deviant) behaviors. These practices are discussed in the next section.

### 3.4.2   Coercing deviance: Practices infringing on the self

To get the Desk Salespeople to also use deviant ways to work toward reaching their targets – and to also get them to record it all in Siebel – Mariah and her Desk Sales Managers referred to practices that coercively pressed people into reaching their targets and committing the deviance required for that. Desk Sales Managers could be divided into three groups according to their choice of the mix of practices to coerce

**Table 3-1: An overview of Desk Sales Managers' practices**

| | Peter Smith | Jerry Tompson | Roger Willow | David Wilson | Mark Jones | Simon Richards | John Leary | Colin Willard |
|---|---|---|---|---|---|---|---|---|
| **Type of manager** | Undermining individual selves | Undermining individual selves | Undermining individual selves | Undermining collective selves | Undermining collective selves | Undermining collective selves | Changing individual selves | Changing individual selves |
| **Main managerial goal** | Smash targets to earn money | Smash targets to earn money | Smash targets to earn money | Achieve targets to reduce pressure | Achieve targets to reduce pressure | Achieve targets to reduce pressure | Achieve recognition | Achieve leadership |
| **How did they enforce action** | Opportunity to make money | Threat of sanctions | Opportunity to make money | Responsibility towards the team | Responsibility towards the team | Responsibility towards the team | Opportunity for career | Opportunity for a career |
| **Performance measurement practices** | Displayed detailed performance for each individual target. Used colors to distinguish those that met their targets from those who did not. | Displayed detailed performance for the most important target. Ranked salespeople using characters from Snow White. | Used a 'Traffic light' system to track compliance to targets. Ranked salespeople using characters from Star Wars. | Displayed team achievement and individual achievement disguised (colors instead of names). | Displayed team achievement and individual achievement. Labeled underachievers as "letting the team down." | Only sporadic measurement. | Praised and symbolically rewarded individual achievement. Measured performance to increase competitiveness among team members. | Praised individual achievement. Underscored career consequences of achievement. Only made individual achievement visible to other team members. |
| **Communication practices** | Routinely announced individual achievement of each target. Highlighted distance between achievement and target. | Routinely announced individual achievement and enforced increased reported performance. | Routinely announced the names of those that failed to comply with targets and threaten them with sanctions if noncompliance continued. | Routinely announced team achievement highlighting those who were keeping the team from reaching its target. Shared jokes, personal gossip. | Routinely announced achievement of team target admonishing those that were keeping the team from reaching its target. | Shared personal gossip, jokes. | Passed on kudos from senior management. Highlighted transparency of performance and management surveillance. | Highlighted visibility to senior management. Highlighted transparency of performance and management surveillance. |

their Salespeople into reaching their targets through deviance. An overview is given in Table 3-1.

Peter, Roger and Jerry mainly coerced their people by means of undermining their Salespeople's individual selves. Colin and John mainly relied on self-changing practices that also infringed on the Desk Salespeople's individual selves in order to force their people to commit deviance. Mark, David and Simon, lastly, focused on the collective selves of their team members and engaged in practices that undermined those collective selves. Mariah engaged in the two types that infringe on people's individual selves, however as shall be discussed her undermining practices proved far more effective than her self-changing practices, which suggests an incompatibility between these two types of practices.

Lofland has long argued that infringes on the self of (future) deviance committers, phrased by him as the "social deconstruction as the kind of object he believes himself to be" (2002: 42, this is an unabridged republication of his 1969 book), can cause a person to become a deviant. Nonetheless contemporary research on workplace deviance has overlooked the concept of self despite its obvious relatedness to the concept of identity, which has been merited with attention in this context (cf Treviño et al.'s 2006 review; Pratt, 2000, who offers a model that relates the concepts of self and identity to each other).

In the model that we advance in this chapter, depicted in Figure 3-2, however, we propose that the self did play a central role as the object of managerial practices aimed at getting people to reach their targets and use deviant ways for that if necessary. We begin this paragraph with a first order analysis (Van Maanen, 1979) of the coercive practices we found management at DeskSales to use. We will again discuss Mariah's practices separately from those engaged in by the Desk Sales

Managers as there are, again, important differences between hers and their practices. These lie predominantly herein that Mariah again co-opted and created legitimate organizational elements for these practices, whereas the Desk Sales Managers again used more improvisational and interpersonal practices. After this we will report on a second order analysis in which we address the underlying theoretical constructs and mechanisms of these self infringing coercive practices.

### 3.4.3   Coercion though undermining the individual self

Three of the Desk Sales Managers coaxed Desk Salespeople info committing deviance primarily by ways of undermining their selves. The undermining that took place at DeskSales took on several forms which all came down to a constant reminding and evaluation of the importance of reaching targets. This simultaneously signaled to (underperforming) Desk Salespeople to what an extent they were failing at their jobs and what they should to do if they wanted to improve that situation. Practices also included threats about sanctions that would follow continuing noncompliance.

One of the dominant ways in which Desk Salespeople's selves were systematically undermined by their Desk Sales Managers was by publicly displaying their performance relative to their targets on publicly accessible and visible whiteboards. Each of the undermining Desk Sales Managers used this tactic though each had his own specific style. Peter used several whiteboards and kept track of every single target on a separate whiteboard. He updated these performance statistics everyday and used different colors; red to indicate that the person was performing under target, green to indicate above target performance. Peter believed this tool worked well, because "those who feel embarrassed because they're not at the top […]

quite often come up [to talk to me] and say 'I'm not doing well here' and then we'll have a discussion about that."

Jerry and Roger both shamed their Desk Salespeople into compliance by ranking them in hierarchies which were also displayed on the whiteboards. Rather than numbering the positions in the hierarchies, they associated fictional characters with each position in the hierarchy. Jerry based his hierarchy on "Snow White," associating the "Prince" with the number one spot and "Dopey" with the last. Roger based his hierarchy on "Star Wars," and associated the first place with "Darth Vader, The Dark Lord" and the last place with "Ewok."

Jerry's use of a "traffic light system to track performance" also had an undermining effect on his Desk Salespeople. In this system, each Desk Salesperson had two traffic lights, one for created and owned sales and another for involved sales. Green meant the Desk Salesperson was performing above target, amber that the person hit his or her target and red meant under target performance. According to Andrew, one of Jerry's Desk Salespeople,

> "Jerry wants to put people that have two red lights on poor performance, which is a call center type HRM policy that sets targets agreed between employee and manager that, if not met, are fair grounds for dismissal."

All three managers haunted and undermined their Desk Salespeople verbally by evaluating each person's individual performance on a daily basis, including giving warnings and expressing threats regarding (future) failures to meet targets, during their team's morning audio call. The fact that people not uncommonly apologized to their Desk Sales Manager in front of everyone during those calls ("Sorry, Peter") for their not yet reaching their targets or closing deals illustrates the undermining effect of this practice. Because each morning started with such a call and each morning everyone's performance was discussed in front of the these calls worked very

undermining on Salespeople selves. An example of on such interrogating calls is this one by Peter, on January 15th:

> Peter then goes to announce the total revenue figures for each [Desk Sales Person]. Diane has $5 million, "well done." Russell "hot on your heels," Peter adds to Diane. Karen made 100 k. Rob got 67 K, "well done." Estelle, has "lots of quotes" but [Peter says] he needs to "translate them into wins on Siebel." Estelle replies that quotes will take 2 / 3 months to be in Siebel because Gail needs to track them down from Service. […] He continues: "Russell; is hot on Diane's heels". Russell has 80 k. Laura has 1.5 million: "Laura is really storming up now" "Well done Laura." Team as a whole has brought in 10 million of revenue and 3 million on NIBR. He reads everyone's opportunities, "keep on top of those expected closed dates." Rob has 5 million worth of opportunities, which bring him "extra pressure." Peter asks people "if things slip let me know" because of the forecast and also "so we can also put that on the notes in Siebel." Tony is also "under a lot of pressure," he has a 33 million opportunity. The account team put it at 50% so it's in everyone's radar."

The three managers also used emails to comment on, prevent, and most importantly correct the failure of, their Desk Salespeople's compliance to targets. The latter was a practice referred to by Desk Salespeople as "naming and shaming," which nicely illustrates that these mails were perceived as having an undermining effect. Peter sent emails everyday reviewing everyone's performance, listing people by name and reporting on each person's individual performance.

Jerry's approach was similar. Jerry had his deputy Desk Sales Manager send his Desk Salespeople a daily reminder by email to report enough customer calls to meet their target. The practice met with some resistance. Desk Salesperson Andrew, for instance, replied to the daily reminder on June 13th: "Do you think this could be whittled down to once a week!?" The reply was negative. Jerry himself furthermore named and shamed by frequently sending all of his Desk Salespeople so called "sinners lists." "Sinners lists" were tables with the names of the people who had failed to reach their sales and saleswork targets. An email of his sent on May 21st read "Sinners for this week are in the below table, shame on you!"

Roger' naming and shaming approach was harsher as his style was to threaten people into compliance. In many of his messages complaining about his team's

apparent unwillingness, in his eyes, to reach their targets he warned about having to give them a "poor performance," such as in the email sent on May 16th:

> Team,
>
> Just to give you an update on our performance so far….
> RELATIONSHIP LED CONTACTS
> Here are the Relationship Led Contacts Outbound Call & Outbound Email recorded on Siebel since the 1st of April…
> 316 for the whole of the TEAM.. We should have done 1250...
> […]
> Here's what you have done!
> [here follows a list of his Desk Salespeople, in alphabetic order, where the number of calls they made is written behind their names]
> Very Disappointing, […]
> The target by the 30th May is 205 any one not reaching this will find that it will not only be myself that is completely miffed off but the rest of B&D Business Mgr, poor performance will quickly follow rest assured.

Mariah again used organizational vehicles, as it were, for her undermining practices of the Desk Salespeople. The first of her undermining practices was reducing the Desk Salespeople to their Siebel statistics. She relied exclusively on Siebel to manage them and had little personal contact with any of the Desk Salespeople and hence never looked at her people as people but only as numbers. Mariah depersonalized her Desk Salespeople and as a result they lost (parts of) their selves.

The high targets that Mariah set for everyone also worked to undermine people's selves as those high targets added considerable pressure and made it very difficult to perform well, which hence led to other undermining behaviors such as those that Desk Sales Managers engaged in. Mariah's repertoire of undermining practices also included weekly one-on-one telephone calls with the Desk Sales Managers in which she admonished them on their teams' performance and monthly calls with the whole unit. Mariah's call practices were essentially the same as the Desk Sales Manager's call practices. Mariah would occasionally follow calls up with emails. Her approach to the email practice was slightly more derogative than of the

Desk Sales Managers. This is an example from an email she sent to Desk Sales Managers on April, 24th:

> "I am far from impressed with the stats below. We are meant to do 35 customer calls per week per Desk Salesperson. That is a mere 7 a day per person. This is hardly tough going, […] I do not want to hear any moans about not logged [calls and sales] that is your issue in terms of sales mgt discipline - this will AFFECT your bonus have no fear." *(emphasis in the original).*

On the surface the emails she sent to Desk Salespeople seemed more positive but were all the more derogative because of it. She used emails sparingly and only to communicate changes to incentives and training policies. These emails were derogative in that they communicated things that Desk Salespeople would very clearly perceive as something negative as if they were positive. She, for example, sent an email on August 15th that she started with "Dear All – Fantastic news." In the email she announced to the Desk Salespeople that they were going to receive training. Desk Salespeople did not find this news fantastic, however, as the training was obligatory and would be taking place after office hours in people's spare time. This practice again signaled to the Desk Salespeople that they were not being taken seriously and we argue induced feelings of being de-individualized by Mariah, which along with all the other practices undermined the selves of the Desk Salespeople – and where Mariah targeted the Desk Sales Managers their selves also.

We advance that this constant haunting, reminding, publicly highlighting and demeaning of people's performance undermined people's sense of self, breaking down their sense of self and self worth. Seeking relief from these practices Desk Salespeople, in an attempt to fend against that and restore some positive sense of self, referred to whatever behavior was necessary to not feel so undermined by these practices anymore. In many occasions this entailed having to commit deviance in order to reach the various targets set for them, as they were otherwise unable to meet those.

### 3.4.4 Coercion through creating and undermining a collective self

Three other Desk Sales Managers, Simon, David and Mark, coaxed their Desk Salespeople into committing deviance by first increasing the salience of the team, thereby emphasizing a collective self which automatically deemphasizes people's individual selves that the other Desk Sales Managers focused on. These three managers subsequently stressed the importance of protecting the team in order to coax Desk Salespeople into committing deviance.

The practices of these three managers are comparable to those of the individual-self undermining managers, though much less direct and with the twist that they frame their coaxing efforts in terms of supporting the team – the team being their Desk Sales Team and not the unit as a whole. These three Desk Sales managers rarely met their team in the office space where the unit was housed. They preferred to meet their Desk Salespeople in person outside the unit's office space. These three teams therefore had fewer team meetings over the phone than did the other teams, restricting the frequency of calls to once a week or once every week. The ones that did take place, according to David, were organized for "team building" purposes. Only sometimes was "there something important" discussed in the calls.

The Desk Sales Managers often opted to meet their team in, and hence spent a lot of time in, the building's cafeteria. They also liked to socialize with their Desk Salespeople after hours over drinks in a bar. On such an occasion, David expanded on his management style and philosophy by comparing his style to Jerry's. He said he focused on "building and keeping a team" and "building team spirit" rather than on "making the numbers" like Jerry – and many of the others – did. He gave the example of a large Private Circuit order that had come in that morning and had needed pricing.

Although this order was for one account and was therefore the problem of only one of his Desk Salespeople, everyone who was not doing anything pitched in to help.

In order to coax their Desk Salespeople into committing deviance Simon, David and Mark used a rhetoric of team achievement and a need for relief of supervision – which essentially entailed a relief of Mariah's undermining practices of hounding the unit regarding reaching the targets. At the end of his morning call on January 20th, Mark, for instance, explained to his team that "I can't tell you how important this [hitting the targets] is," adding that Mariah was putting constant pressure on him. The only way out was for them to hit their targets, because if targets are hit "we won't be managed so intensely."

In this respect, David and Simon focused on reaching the targets jointly as a team, never focusing on whether each individual Desk Salesperson reached his or her targets by him or herself. Simon, for instance, after a lukewarm start to his second quarter as the head of his team wrote a couple of "Focus Areas" on the team's whiteboard. The focus areas were all framed in terms of the collective goals that the team as a whole should obtain – which they of course could only do by committing deviance:

> 1. NIBR IN ICT CLOSED FROM DESK 312K currently
> too low!! Let's go GREEN together.
> [...]
> 4. HITTING INVOLVED TARGET ($210K NIBR up to 21/4 *we* need to improve
> RUN RATE to hit target) AT LEAST DOUBLE
> *(emphasis in the original)*

David, when his team reached the targets set for the first quarter of the financial year in 2003-2004, also congratulated the whole team in his morning call, saying that "last night Mariah came up to me to congratulate us on our recovery from almost nothing to a lot." David never singled out a specific well performing or

underperforming member like the other managers so habitually did, but instead attributed the success to all team members equally.

In terms of routine performance management, measurement and tracking these Desk Sales Managers were much more laid back than the other Desk Sales Managers. This was not just because they did not scrutinize everyone's individual performance in daily calls or emails but also because the measuring of performance that did happen was much less personal and undermining or appraising. Simon for instance did not even measure the individual performance of his Desk Salespeople's and only recorded team-level figures on his team's whiteboard. David and Mark did the same, although they also reported individual sales results. However, David used colors rather than names on his whiteboard to report on people's performance, and it was only known to the people themselves – and David – who was which color. Mark on the other hand did use people's names on his whiteboard but used a black marker rather than a red one to indicate who was lagging behind their targets. In Mark's opinion using a black rather than a red marker would make under-performance less clearly visible or obvious to the rest of the unit and the occasional upper manager who would visit the unit. He therefore thought it a less painful or in our terminology a less undermining way to motivate lagging Desk Salespeople to work harder at reaching their targets. However, he did engage in a practice that simultaneously increased the salience of the collective self and undermined the individual contribution to protecting that collective self. Each week he would namely write "letting the team down" behind the name of the worst performing Desk Salesperson.

Opposite their normal laidbackness stood the occasional panic email to their Desk Sales Teams. Unlike their peers, David, Simon and Mark rarely communicated with their people via email. When they did communicate via email this would usually

only be in response to a continuous pounding of Mariah on her Desk Sales Managers to get their teams to reach their targets. These Team Managers justified their sudden and urgent appeals to their Desk Sales People by highlighting either that the team was in management's gaze and needed to get out of there (Simon and Mark) or by referring to the respect that the team would earn for performing well (David). What makes these practices different than those discussed in the previous sections of the chapter is that unlike the other Desk Sales Managers, these three managers only and constantly stressed the collective self. They motivated their Desk Salespeople to work harder not by targeting them individually but by targeting the team as a whole and stressing the importance of each team member's individual efforts in making that happen. Of all the undermining and collective-self creating practices these managers engaged in, this practice of sending panic emails was the practice that most undermined – and up to a certain extent reprogrammed – each individual Desk Salesperson's self. Compared to the other practices, these emails most pressured the individual Desk Salespeople to commit the deviance necessary to protect the team as a whole. On September 9th, Simon sent his team the following email entitled "call to arms":

> Team
> We are behind target […] and we need to make a difference to it by the end of the week. […]. this has been picked up by Mariah, so as a team we need to be seen to be making a difference. [...]
> As individuals and as a team you need to start taking more ownership of achieving our numbers and getting closer to what is going on within your accounts (even down to siebel management!!)
> I really need you all to take this seriously, as it is - but i am 150% confident as a team that we can achieve it, what i dont want to hear is excuses on why you can achieve your numbers […]
> [here follows a list of tasks with the announcement that the completion of these tasks will be checked]
> These options are compulsory and [I] will be checking each day. Sorry be heavy handed but this needs to happen if we are going to be ahead of the game. I am getting a number of ear bashings from above.
> I am no longer able to defend the team as I have used all my excuses.

Mark in addition to highlighting the need to escape surveillance also engaged in additional normalizing practices, suggesting to his Desk Salespeople how they could reach their targets. In his message of March 21st, he wrote:

> Team
> Once again a big well done for last week,
> Here come s the down side... I really need for us to hit this weeks target to get some of the attention away from [us] […], please drag in what you can by hook or by crook, remember the 75k rule so do a query and start asking [the Field Salespeople] to take these over […]

David's style was more one of simultaneously self-undermining and self-changing. Although he, too, was keen on getting the team out from under Mariah's attention, in his emails he would more highlight the "respect" that the team would earn by reaching their targets while at the same time also underscoring that those who would fail to reach their targets would be individually responsible for "letting the team down." A message he sent on July 29th clearly shows how he wove these practices into one:

> Guys,
> I'm away today, but I cannot stress how important it is that you keep proactive on your accounts and try to close anything that is about.
> [here follows a to do list, numbers 1 – 4]
> 5.        Most of all... If you don't look busy 1). Your probably not, 2). Your not giving your all, 3). Your letting the rest of your team Down!! […]
> By not doing everything you can, you are letting the team down, we are recognised as a Team... If the Team is not performing then the general rule is that neither are the people in it... […]
> If we really start making an impact on the numbers now, we can all be enjoying a nice bonus at the end of the year, the team will be well respected, you will be well respected throughout the unit.
> Take at least one action today that will help in one of the following areas:
> *        Hitting Your Target
> *        Helping the Team hit its Target
> *        Helping the someone on the team you don't sit next to.
> *        Helping the Unit

In summary these last three Desk Sales Managers coerced their Desk Salespeople into committing deviance only when they felt it was really necessary because of Mariah's continuous hounding of the Desk Sales Managers regarding the performance of their team against their targets. So in essence these Team Managers acted as a buffer between Mariah and the Desk Salespeople to ward off Mariah's

undermining practices. The practices that the managers engaged in when they felt it absolutely necessary and unavoidable to have their Desk Salespeople commit deviance was by ways of highlighting the collective and stressing each individual's responsibility toward this collective. Sentiments of group loyalty were used to coerce people into committing deviance.

### 3.4.5 Coercing through changing the individual self

The remaining two Desk Sales Managers, Colin and John, coaxed their Desk Salespeople into committing deviance primarily by ways of trying to get them to adopt a new sense self, changing them and turning them almost into different people, who care about things (reaching targets and being admired for that) that they did not care about before. Whereas the majority of the Desk Salespeople did not care about earning bonuses and receiving recognition for excellent sales performances, these two managers very literally tried to talk their Desk Salespeople into caring and being passionate about those things. We suggests that the practices that took place at DeskSales were more subtle and did not so much undermine the current sense of self as the practices discussed above, but rather made a different sense of self seem much more attractive and rewarding than the current one. In this respect the self changing practices of these managers represented more or less a positive reinforcement type of behavioral change manipulation rather than anything else. The new self into which Desk Sales Managers tried to reprogram their Salespeople was one of caring about sales targets, feeling happy when recognized for good sales performance. This type of management practices therefore also revolved around rituals of recognition for and celebration of good performance of individual Desk Salespeople.

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One practice that both of the self-changing managers adopted was to recount how in meetings with senior E-Tel managers such as Mariah's boss, the performance of their teams and individual members of their teams was discussed and complimented on. In one of the first team meetings after the result of DeskSales' first quarter were known, Colin started his morning meeting by:

> holding a printout of a slide with a bar graph. It is a graph of the ten best opportunities on Siebel. He says that 7 of the top ten opportunities on Siebel are owned by his team. He says that "Edwin recognizes that it is from you guys that the next crop of team leaders and sales managers is going to come." He says that "Edwin is asking about everybody individually and that he's not doing that for the other teams." He adds "you're always in the spotlight and that's good." He continues: "he also talks about you to the top team," "so well done."

John equally shared with his team the recognition he received from his own senior managers. In his team morning meeting after returning from a sales event gathering managers from field and desk sales teams for the Technology and Media sector, John announced

> "[My sector's GM] loves us." He said that "[The GM] has completely bought into this model [of using Desk Salespeople]" and that [the GM] is very pleased with the work they are doing. He pulled out a bottle of champagne and said that "I was dragged on stage and [the GM] gave me this bottle of champagne and there was a lot of applause." He added, "you're the ones doing the hard work, so I want to give this bottle of champagne to you." He said that he realized that he couldn't share the bottle of champagne with everyone, so he was going to give it to the person with whom the sector's senior management was most impressed, Dan. [...] The team applauded. John then said that the three top leads talked about in the meeting were all Scott's and that everyone was very impressed with it."

Both managers used the visibility of their teams on several counts. On a rare occasion they would for instance refer to their visibility to top management as a warning to keep their performance up. In an email sent on May 8th, Colin, for instance warned that everyone should keep their Siebel stats up because "It's our shop window – we must get this done correctly."

Their visibility within the unit was also used to celebrate recognition and to stimulate the Desk Salespeople to care (more) about reaching their targets. They made special efforts to make their teams aware of the fact that their achievements were visible to Mariah and were, hence, paying off in terms of deserved recognition and

praise. John for example praised his team's dedication to their jobs by writing that it had been noticed by Mariah that they "always seem to be the first in and the last to leave which she was very impressed by, so well done team got some brownie points without even trying there !!"

Both managers furthermore also complimented their Desk Salespeople's on their achievements and success ad hoc whenever they could be celebrated. They also used these achievements and past successes to call upon their Desk Salespeople to renew their efforts toward achieving their targets yet again. In an email sent to his team on July 3$^{rd}$, John wrote:

> Team,
> I have collated the end of year figures for [our team] and you can see on the attached spreadsheet how you have all done.
> Well done to everyone, I know you've all been working hard over the last 4-5 months but I think we can say that we have turned this into a very successful team, I shall let you know how we have compared to the rest of the floor when the figures are released.
> For the next year we just need to work a little smarter and ensure anything we're working on we can claim against a Siebel reference preferably one of the four ICT chapters as well as created and owned from the desk.
> I am confident we shall have a very good year and with the momentum we have built up now should be able to spring into the new year with some great sales. Well done to Scott for keeping his number one spot and also to Anthony for screaming into second place from out of nowhere.

As would be expected in competitive sales environments such as the one at DeskSales, Colin and John also used performance statistics to motivate their Desk Salespeople to work harder to reach their targets, though in a very different manner than the undermining managers did. Colin, for instance, ran a "Rugby league," and pitted his team members against each other, essentially also turning reaching targets into a game. Every week he would match each Salesperson on his team to another Salesperson. The Salesperson with the highest reported sales in each pair was awarded two points, the other zero. Every month, Colin reviewed the result is in his first audio call of the month awarding the top Salesperson of his team with the "Golden Salesman" award. This was a plastic Oscar figurine that the winning Salesperson

proudly displayed on top of their file drawer for all the unit to see. The playfulness and effectiveness of the "rugby league" is nicely illustrated in the first audio call in February 2003, where Colin announced:

> "the girls are on top this week," he said that the team's Rugby cup was "dominated by the girls." Carl wondered, "have you been updating them? Am I not in the top anymore?" Colin said: "haven't you looked at them lately?" He gets up and goes through the first six rows in his league table and tells Carl "you're in sixth," "you won three and lost one." Will was in second: "I am the one who has to put things right then," he said, referring to the abundance of women on the top positions.

John did not display his team members' performance that publicly as he believed these practices to be "too call-centry." What he did instead was email everyone in his team an excel sheet with an overview of everyone's performance. This sheet was never publicly displayed in the unit.

Although Mariah engaged in quite some change practices herself, these seemed to have been rendered ineffective by the extent to which she also engaged in undermining practices. She at one point during a meeting about career perspectives for Desk Salespeople within E-Tel even used parts of a speech made by Nelson Mandela, quoting him as saying "We are all meant to shine, as children do." and that therefore "we want to give you all the opportunity to shine, should that be the path that you choose to go down." Tom's skeptical reaction to this speech mimicked that of most desk salespeople. He stated that:

> I think it [was] stand up comedy [...they we]re leaving behind a façade, a face [...] to show to somebody. When I have a [manager] sit in front of me and start to tell me 'this is where we're going, this is what we need to do', without knowing the background of that [manager], it doesn't interest me. Because who is he, or who is she? What have they done? What was she? A junior consultant for [some consulting company]? [...]So when I sat there [...], it was wonderful, great, it was wonderful to sit there and get coffee but I don't know who our [manager] is. Don't know what background she brings, don't know what magic she brings, I don't know what inspiration she brings, I don't really know a lot about her. And I think that's incorrect. She should motivate me, she should drive me. [...] I don't think my [manager] manages us.

Also any of her emails with praising words about the performance of Desk Salespeople were considered insincere.

In all, the changing the self type of management practice to get people to adopt deviant behaviors in order to reach their targets worked in a much more positive way. Reward and recognition were made very important to Desk Salespeople's selves and were consistently referred to by the Desk Sales Managers. They tried to get their Desk Salespeople to be intrinsically motivated to reach their targets – even if by deviant means – by positive reinforcement. Desk Sales Managers John and Colin tapped into this mechanism by inducing a care for these rewards and a desire for recognition in their Desk Salespeople. Desk Salespeople, in turn, indeed adopted the deviance necessary to win these rewards.

### 3.4.6   Infringes on the self and deviance: A second order analysis

The self-undermining and self-changing practices that DeskSales' Management engaged in relate to what Pratt (2000) calls sensebreaking. In his paper about managing identification, Pratt (2000) proposes that organizations may engage in processes of sensebreaking (first) and sensegiving (second), and when these processes succeed this creates a positive identification of a person with the organization he or she works for. Though using a different vocabulary, Goffman (1961) also discussed a sensebreaking practice in the form of mortification, through which people are "shaped and coded into an object that can be fed into the administrative machinery of the establishment" (1961:16). Whereas Pratt's sensebreaking is benign and positive, Goffman's is rather malicious and intrusive, though both in essence are used for the same purpose of the "management of men" (Goffman, 1961: 4). Pratt (2000) suggests that sensebreaking creates a meaning void in people that must be filled. He suggests that organizations can fill this void by engaging in sensegiving whereby individuals

are essentially reprogrammed to care about things that their organizations wishes them to care about, e.g. (in our case) reaching performance targets.

Though Pratt (2000) proposes that sensebreaking and sensegiving are two conceptually distinct processes, we propose that practices may also be a compound form of simultaneous sensebreaking and sensegiving. We suggest that the Desk Sales Manager's practices that we labeled as undermining strongly signaled both that people were failing (sensebreaking) and that reaching targets was important (sensegiving). It gave the Desk Salespeople a very clear message about what they should do in order to escape the sensebreaking part of those practices (being labeled as a failure by their managers). These practices come close to what Lofland and Stark (1965) described as the creation of tension, which they deem a necessary ingredient for converting someone to a deviant perspective. These compounded forms of sensebreaking and sensegiving may, hence, be similar to practices employed during religious conversion.

Sensegiving is traditionally much more related to publicly announcing a certain new interpretation of reality and trying to get people to adopt those not just by announcing one's opinion but also by organizing focus groups, etc. (cf. Gioia & Chittipeddi, 1991). However the practices that we labeled self-changing also depended to a great extent on positive reinforcement, suggesting that rewards may also play a large role in these benign ways to get people to adopt a different sense of self.

Neither the literature on sensegiving nor that on sensebreaking refers to the collective self as a locus of identity or self that can also be used to change opinions or behaviors. What we found, however, is that managers did indeed refer to these collective selves and that individuals responded to that by adopting certain behavior. Social identity theorists (e.g. Hogg, 2003) also suggest that parallels may be drawn

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between intergroup behavior and interpersonal behavior. This suggests that mechanisms that infringe on the individual self may very well work in similar manners when they are applied in a context of a collective self. The practices – and the effectiveness – of the three managers who appealed to the collective self indeed corroborate this.

Thus far the discussion has addressed the practices managers engaged in that made deviance (somewhat more) permissible behavior and the management practices used to coerce Desk Salespeople into also performing those – and other necessary – behaviors. However keeping this system of collective deviance up and going was highly contingent on a number of boundary conditions. These issues are addressed in the following paragraph.

## 3.5   Sustaining deviance: Boundary conditions

Organizational crimes are oftentimes complex and require effort to not keep them up and going (Coleman, 2006). The deviance at DeskSales was no exception. In this paragraph we discuss conditions which were crucial to the perpetuation of DeskSales' deviance. We illustrate the importance of each of these conditions by discussing near misses, incidents during which the deviance nearly came to light.

### 3.5.1   Field Salespeople's willingness to share

The first condition crucial to keeping the system of deviance at DeskSales running was Field Salespeople's willingness to share (parts of) their sales with Desk Salespeople. Desk Salespeople regularly struck deals with Field Salespeople where they offered to do (menial) administrative work in exchange for being allowed in on a sale made by a Field Salesperson. This usually amounted to doing the Siebel

administration related to that sale, which was work that placed a heavy burden on Field Salespeople and which they oftentimes considered a (be it perhaps necessary) evil. This system was furthermore interesting for Field Salespeople as their personal performance and related bonuses did not suffer much as a consequence of these deals. Field Salespeople's targets were around 30 million dollars. If they agreed to trade 1% of those sales for Desk Salespeople's help with Siebel, that would be enough to make Desk Salespeople yearly targets. Not surprisingly, many Field Salespeople entered into such agreements with Desk Salespeople. Damien described his relationship with Field Salespeople as follows:

> the account team feeds me the opportunities, and especially the data specialist that we have working on the account gives me the opportunities and I just load them on Siebel. It's just useful and convenient for them to have a… effectively, I'm a Siebel administrator. essentially my position consists of doing administrative support work, i.e. checking records for circuit numbers and updating and monitoring Siebel, which isn't an effective use of me.

This scheme did not always work, though. Many a times Desk Salespeople had to exert great effort and persuasion to get Field Salespeople to agree on letting them ride on their sales. That was Roy's experience when he attempted to persuade a field sales person in one of his accounts to help him find revenue in return for his help with Siebel:

> Roy had a long conversation on the phone with a field salesman in one of his accounts. His face showed some signs of distress. When he hung up, he told another desk salesman that he had just spoken with his field salesperson who wanted him to do telesales instead of Siebel. Roy had told him that he did not want to take on a telesales role. He also said that his field salesperson told him to prepare a presentation on what a desk salesperson was and send it to him because he was not convinced that there was a role on the sales team for a desk salesperson. Rose, Wade and Adam, three desk salespeople on Roy's team supported him on his decision of refusing to perform a telesales function. That is not what a desk salesperson was supposed to do. Two hours later Roy was on a new call with this field salesman after having emailed him the DeskSales official presentation on the desk salesperson's role. When he hung up, Wade asked him how did the call go and Roy said that his field salesperson did not really see a role for him.

A prime reason for why Field Salespeople may have been resistant to cooperating with this may have simply been related to a Field Salespeople feeling that

it was morally wrong to allow Desk Salespeople to do this. Desk Salespeople themselves also regularly felt upset trying to make these deals with Field Salespeople.

### 3.5.2 Siebel and its aura of truth

The second condition underlying the deviance at E-Tel was that managers interpreted Siebel and the management information compiled through it as neutral and objective and that it told the truth. In Mariah's words: "if you don't have a shared system, people will just think that you're making up the numbers with a shared system [Siebel being such a shared system] it's totally transparent." The fact that management relied *exclusively* on Siebel reports to manage their people, meaning that it only used input from Siebel to monitor behavior, made it such that reporting became what mattered and not actual selling or calling behavior. Jackall (1988) observed the same in his seminal work. For managers, numbers are what really matter, not what actually happens. This made committing deviance easy, as, for example, reporting a fictitious call was merely a matter of filling in a field in a computerized system and the only check that was done on the sales was whether the total amount paid by a client fitted the total amount claimed to be sold in Siebel by all of E-Tel's units together.

The main thing Desk Salespeople had to do in order to obscure the deviance, and by so doing sustaining the system, was to avoid claiming a sale that someone else, usually a Field Salesperson, had also claimed in Siebel. The deviance nearly came to light one day in a case of double reporting, where both the Field Salesperson and the Desk Salesperson had reported making the same sale on Siebel, something which came out in the Siebel checks that were run by E-Tel's management. The amount that

had to be paid by the client according Siebel had been twice the amount paid, triggering an inquiry.

### 3.5.3  Absence of detailed inspection

Something that almost follows naturally from Siebel being perceived as telling the truth is the fact that E-Tel's top management standard practices, including those of Mariah's direct bosses, did not include the inspection of specific individual sales – but for those that were flagged by Siebel, such as in the example above. The absence of detailed inspection of sales by managers of a more senior level than Mariah made it much easier to commit deviance and keep it hidden.

The fact that there was little inspection might be related to the effects of basking in the reflective glory (Cialdini, Borden, Thorne, Walker, Freeman & Sloan, 1976). This effect entails that people derive self-esteem from their association with a successful group or successful others, without having any direct personal involvement in obtaining that success. When a unit performs well this does not only rub off on the unit's manager, Mariah in our case, but also on the bosses of the unit's manager. This benefits their own perceived status and esteem (e.g. Hirt, Zillmann, Erickson & Kennedy, 1992; Tajfel & Turner, 1979), which in turn is related to (an acceptance of) deviance (e.g. Lofland, 2002; Misangy et al., 2008).

But where one basks in glory others are left behind in the shade of mediocrity. The deviance at DeskSales nearly came to light when another General Manager of one of the other units at E-Tel – one of Mariah's peers – visited the unit and expressed a strong disbelief in DeskSales' success. The Desk Salesperson that had met with this other General Manager relayed afterwards that the General Manager kept insisting "I want to know the truth, I need to know the truth." When during that encounter the

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Desk Salesperson started to cave Mariah intervened, took over the encounter and quickly set up a more formal meeting with that General Manager in which they could discuss how DeskSales went about its business in order to explain its success. In the eyes of the Desk Salesperson Mariah told many untruths in an attempt to ward off this General Manager. His subsequent visit to the unit passed uneventfully.

## 3.6    Absence of whistle blowing

Why if people were aware of the deviance and did not want to commit it did no one blow a whistle? Cohen (2001) categorizes this state as implicatory denial, where people know what is going on but lack the motivation to do something with this knowledge in order to intervene in the situation. We have identified four reasons for Desk Salespeople's denial through which they tried to deal with the anxiety aroused by what was going on at DeskSales and which resulted in an absence of whistle blowing. Firstly, there was a strong sense among the people at DeskSales – minus Mariah – that upper management would soon find out, that "heads would roll" and a "day of reckoning" would come. This is consistent with factors like diffusion of responsibility and a lack of bystander intervention (e.g. Lathané & Darley, 1968). The result is that people do not intervene in situations even though intervention may clearly be necessary. Authors have also connected this literature to (a lack of) whistle blowing (e.g. Bowes-Sperry & O'Leary-Kelly, 2005). The frequent discussion of this anticipated day of reckoning may have also served as a stress release through the sharing of emotions while at the same time collectively rationalizing the fact that they did nothing to stop the deviance.

A second reason that may have underlain the absence of whistle blowing is that Desk Salespeople were hardly, if at all, committed to the organization. According

to Near and Miceli (1997), the motivation for people to blow the whistle is to stop perceived wrongdoing. This implies, and Miceli and Near's (1988) research supports this, that a personal involvement in and attachment to the organization are important antecedents of whistle blowing. These were clearly absent at DeskSales; people's level of effort was low and those who left the unit were usually congratulated with their regaining of their freedom. As discussed in previous sections of the chapter, people stayed because of the money. Despite the fact that money motivated few Desk Salespeople to commit deviance, it apparently did create a barrier for them to leave the company.

We relate the third reason for why there was no whistle blowing to the absence of formal ethics programs. Formal channels for whistle blowing are generally seen as important parts of ethics programs (Treviño & Weaver, 2003). Organizations implement such programs to prevent unethical practices from taking place and to help those that do occur to come to light sooner. E-Tel at the time had no (formal) ethics program in place. No ethical code to guide employee conduct, no hotlines or explicated procedures about who to contact to discuss ethical dilemmas or signal perceived wrongdoing, etc. Naturally, the presence of even very sophisticated ethics programs still will not guarantee that deviance will not take place, as Enron clearly showed. Evidence does suggest, however, that the programs do help to get employees to safeguard the ethics of their organization by intervening in perceived or potential wrongdoing, for example by blowing the whistle (Treviño et al., 2006).

The fourth and perhaps most important reason why people did not blow the whistle is that this would entail implicating themselves. Blowing the whistle entailed for Desk Salespeople that they voluntarily sought out the risk of retributions for something that they were coerced into doing to an organization that they did not care

about. Evidence suggests that those whistle blowers who do blow the whistle under these conditions tend to be disgruntled at their former employers, for example because of being laid off (e.g., Coleman, 2006). Desk Salespeople were generally happy and felt liberated at their leaving of DeskSales. Though some expressed animosity toward Mariah, Desk Salespeople who left DeskSales for the most part just wanted to leave their lives at DeskSales behind them and move on. Whistle blowing at that point could only deter their liberation and happiness for escaping the unit.

## 3.7 Conclusions

In this chapter we have presented a model of coerced collective deviance. The model advances two sets of practices that managers have been found to engage in, in order to get a large group of employees to commit deviance collectively, and to sustain it over a prolonged period of time. To date no such theory exists, and our work hence opens up many avenues of research. One of the most important avenues of research is the role that management's reinterpretations of reality may play in the coming into being of all kinds of corporate scandals. Linked to the phenomenon of sensegiving and sensemaking, managers – indeed everyone – engage in the creation of an understanding about what is going on and what the organization should do about what is going on in order to survive on a daily basis. But when do such interpretations turn what is bad into something good? And what can be done in order to safeguard the moral boundaries between right and wrong?

Another important avenue of research is examining how the managerial practices that infringe upon the selves of subordinates can be attenuated that much that they at least do not turn into practices that coerce people into committing deviance against their will. A certain amount of self-undermining and self-changing is

healthy for a company. It motivates employees to work harder and aligns their goals with those of the organization. But how can it be made certain that such practices do not cross the line, and how assertive should employees be about these practices and make sure that they do not become the victim of those practices?

With this new light on collective deviance it becomes ever clearer that corporate scandals do not have to be the result of intentional actions by individuals who commit deviance purposefully with the intent to get rich quick. They may just was well result from the hands of a bunch of workers who are merely looking for a way to make a reasonable living for themselves.

## Introduction to Chapter 4

The discussion in the previous chapters revolved around management practices that coerced people into committing deviance (Chapter 3), and around how people might also be intrinsically motivated to commit deviance (Chapter 2). As also argued in Chapter 2, what organizations usually do to deter deviance is not focus on changing their overall design, but rather to implement organizational controls, procedures and rules. Organizations are not alone in doing that. In some fields, external bodies such as accounting associations, bar associations, etc., impose their own rules and procedures on top of those that organizations implement themselves. All these rules are designed in the name of making sure that their employees or professionals do not misbehave. The focus of this chapter is on these rules and professional norms, which shall here be referred to as the institutional environment. The chapter examines what actions are taken in order to assure that professionals abide by the rules, and what actions occur that hamper or impede rule abidance.

The chapter is based on qualitative interview data (N=65). The actions that it finds are what Stinchcombe (1997) calls the "guts of institutions." The study conceptualizes these "guts" as coupling activities, decoupling activities, institutional maintenance and institutional disruption. So next to engaging in many actions to assure that professionals abide by the rules, at the same time actions happen that undermine this rule abiding. After giving thick descriptions of these actions, some regression analyses are reported on. These show that decoupling and disruption jointly explain much of the deviance that takes place in professional service firms. So the current institutional environment creates rather than deters workplace deviance. The chapter ends by discussing alternative governance mechanisms on both the field and

firm level are discusses that should better guard the integrity of professional service firms. The use of institutional theory makes it such that the discussion moves away from concepts of self, status and identity toward the norms and rules that govern people's behavior. However, institutional theory is very much a theory about how normative elements embedded in the social context influence people's behavior. This falls perfectly well within the scope of this dissertation.

The types of deviance that this chapter finds that professionals engage in are focused around the rules or norms that they break. Three types of deviance are found: deviance centered around external norms and rules, deviance centered around organizational rules and norms, and deviance centered around the client. In each case there is a different principal but the agent stays the same. The agent is the professional, the lawyer, auditor, or consultant. In the first case the principals are the external governing bodies such as the professional associations and sometimes even the Dutch government. By not abiding by their rules, professionals breach their trust – and should ultimately run the risk of losing their professional accreditation. In the second case (deviance centered around organizational rules), the principal is the organization, and breaching their trust should put professionals at risk of losing their membership, meaning, they could ultimately be running the risk of being fired. In the third case (client centered deviance) professionals are breaching the trust of their clients, which could ultimately lead to a discontinuation of the relationship with the client.

# 4. White collars, dirty hands: A grounded neo-institutional theory of deviance in professional service firms[‡]

*A grounded neo-institutional theory is developed explaining the occurrence of deviance in professional service firms. The theory harbors two novel insights. First, parallel governance structures, meaning the structures imposed by external constituencies such as professional associations and the government and the structures imposed by the own organization, which is presently the norm in many professional fields, aggravate rather than dampen deviance. Second, decoupling and institutional disruption are both required and sufficient deviance to emerge. The empirical evidence supporting our theory derives from in-depth interviews with 65 professionals working for Dutch auditing, law, and consultancy firms and corroboratory data sources.*

## 4.1 Introduction

Professional service firms (PSFs) – organizations "whose primary assets are a highly educated (professional) workforce and whose outputs are intangible services encoded with complex knowledge" (Greenwood et al., 2005: 661) – are amongst the most elaborately governed actors in contemporary economies (Briscoe, 2007; Greenwood & Empson, 2003; Von Nordenflycht, 2007). At the organizational field

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level, PSFs are subjected to "normatively and coercively sanctioned expectations" (Greenwood et al., 2002: 62). These include expectations of professional independence, client confidentiality, and operating with integrity. Professional associations secure their members' adherence to these expectations by making membership conditional on compliance and through disciplinary rulings (Greenwood et al., 2002; Lawrence, 1999). The nation-state and its agencies similarly seek endorsement of professional expectations, because to them the professions are an important instrument for securing the legality, transparency, and controllability of work activities performed in their jurisdictions (Weber, 1978).

PSFs have likewise invested in organizational controls to secure compliant behavior (Cardinal et al., 2004; Eisenhardt, 1985). Some of these operate through bonding and incentives. In all PSFs, partners are expected to make dedicated investments like training juniors, finding new clients, and developing the firm's knowledge infrastructure (Maister, 2003). In privately-held PSFs, partners are also residual claimants and personally liable for the firm's losses. These arrangements ensure partners' compliance by binding them to the firm and by making their private wealth dependent on its continued ability to live up to institutionalized expectations (Greenwood & Empson, 2003; Greenwood et al., 1990; Malos & Campion, 1995). Economic incentives tend to be complemented by 'soft controls' like codes of conduct, compliance officers, and ethics training programs (Treviño et al., 2006; Weaver et al., 1999), which serve to create awareness amongst PSF members of the expectations that weigh on them.

Nevertheless, during the past decade PSFs have increasingly found themselves at the center of corporate scandals. Three PSF fields in particular – accountancy, law and consultancy – were regularly implicated. Auditing firms have broken expectations

of professional independence by becoming complicit in fraud and perjury (Moore et al.,, 2006). Law firms have abused expectations of client confidentiality by refusing to blow the whistle on blatant deviance (Empson,, 2007). Consultancy firms have violated expectations of operating with integrity by raking up the pressure on their partners to 'meet the numbers' and refusing to ask questions as long as targets were met (Alvesson, 2004). Example of such firms are abundant as many of them have been implicated in the corporate scandals that happened at their clients; Arthur Andersen both consulted and audited for Enron and went bankrupt because of it, all big four – Deloitte, KPMG, Ernst & Young and PwC – have audited firms that later became implicated in scandals, Nauta Dutilh's lawyers advised Parmalat regarding their bonds, etc. The prevalence of expectation-breaking behaviors in PSFs raises a salient question: Why are these firms vulnerable to deviance?

We address this question by reporting a study of Dutch auditing, law, and consultancy firms. The study comprises two phases, which we report consecutively. During the first phase, we use grounded theory methods (Glaser & Strauss, 1967; Strauss & Corbin, 1990; Suddaby, 2006) to uncover a model explaining the development of deviance in PSFs. During the second phase, we use content-analytical and MRQAP-regression methods to corroborate our model and lend it some inferential power.

Our study makes three contributions to the often-linked literatures on PSFs and institutional theory (cf. Greenwood et al., 2002; Greenwood & Suddaby, 2006; Lawrence, 1999; Suddaby & Greenwood, 2001, 2005). First, we offer an explanation for the proneness to deviance of PSFs. Previous institutional theory-based studies have concentrated on PSF behaviors like commodifying knowledge (Suddaby & Greenwood, 2001), theorizing change (Greenwood et al., 2002), managing reputation

(Greenwood et al., 2005), and shaping rhetorical accounts (Covaleski et al., 2003; Suddaby & Greenwood, 2005). To date, however, no explanation of deviance in PSFs exists that duly acknowledges the role of institutional factors. Second, our work offers a rich account of the institutional work behaviors (Lawrence & Suddaby, 2006) through which PSF members cope with field- and organization-level pressures. In the grounded theory we develop, constructs are not treated as abstract categories, but grounded deeply in the lived experiences of practicing professionals. Our account, in other words, has "the guts of institutions in it" (Stinchcombe, 1997: 17). Third, we contribute to institutional theory by demonstrating the superior explanatory power of 'neo' institutional models (cf. Greenwood & Hinings, 1996; Hirsch & Lounsbury, 1997; Lawrence, 1999) over 'old' and 'new' institutional accounts. Concretely, we show that when field-level expectations (cf. the 'new institutionalism'; DiMaggio & Powell, 1983, 1991; Meyer & Rowan, 1977) coalesce with organization-level norms and interests (cf. the 'old institutionalism'; Gouldner, 1954; Merton, 1940; Selznick, 1949, 1996), perverse effects may result that cause institutions to become "their own gravediggers" (Schneiberg, 2005: 127).

## 4.2    Phase 1: Developing a theory of deviance in PSFs

Our aim is to explain the occurrence of deviance in PSFs. A scan of the literature left us without a readily available and empirically tested model of PSF deviance, which was why we decided to proceed with a grounded theory approach to develop one ourselves (Corbin & Strauss, 1990; Glaser & Strauss, 1967). To avoid the fallacy of 'blank sheet' grounded theorizing (cf. Suddaby, 2006: 634-635), we entered the field with the intuition that institutional theory would likely provide a number of observational "categories" (Glaser & Strauss, 1967: 79) that could usefully be

integrated in our own theorizing, given the highly institutionalized nature of professional fields. Yet, we began our research without formalizing any expectations of what causes PSFs to engage in deviance, in order to force ourselves to observe directly what is going on in professional fields.

### 4.2.1   Sample selection and data collection

Our research took place in the Netherlands. To identify relevant PSFs, we searched the membership directories of the Royal Dutch Institute of Registered Accountants (www.nivra.nl), the Netherlands Bar Association (www.advocatenorde.nl), and the Dutch Council of Management Consultants (www.ooa.nl). We employed a "clustered" and "stratified sampling design," striving for numerically balanced sampling across clusters and for adequate representation of size strata (small- and medium-sized versus large firms) within clusters. All respondents were randomly selected and approached by telephone. Our aim was to conduct at least 20 interviews in each field in order to have reasonably representative sample of that field, and we continued contacting PSFs until this number was reached. We used a standardized protocol for all our initial telephone contacts, and kept track of all calls made in a spreadsheet. Participating professionals were subsequently sent a background document via e-mail to inform them of the purpose of our research.

Beginning in March 2006, we conducted face-to-face interviews, mostly at work sites and during regular office hours. We partially structured the interviews, in order to increase their comparability and relevance, with the help of an interview protocol. To ensure the protocol's usefulness, we developed and tested it in a series of nine pilot interviews conducted on a different sample of the Dutch PSF population. The protocol went through two main revisions, after which we felt confident that it

would offer our respondents sufficient structure to provide us with useful data, but not so much that it would interfere with our aim of inductive data gathering The finalized protocol covered four main categories: (1) professional expectations (sample question: "which professional norms have the strongest influence on your daily work routines?"); (2) field-level pressures ("to what extent does the Netherlands Bar Association [example for lawyers] influence the way work activities are performed in your organization?"), (3) organization-level pressures ("how does your organization ensure compliance with its own code of conduct?"), and (4) deviance ("can you give me two examples of undesirable or inappropriate conduct occurring in your organization?"). We completed our data collection efforts in June 2006. All interviews lasted around 60 minutes, were recorded in MP3 format, and fully transcribed.

The final sample consisted of 65 interviews with auditors ($N = 22$), lawyers ($N = 21$), and consultants ($N = 22$). The size of the firms in the sample ranged from one (self-employed professionals) to 4500, with a mean of 717 employees. The age of the firms ranged from three months to 156 years, with a mean of 53 years. The sample consisted of 56 men and nine women, six of whom were consultants and three lawyers. The ages of our respondents ranged from 26 to 58 years, and the mean age was 42 years. Our respondents' tenure with their employing organizations averaged on 11 years, ranging from three months to 29 years.

### 4.2.2   Data analysis

Data analysis commenced with a first reading of the interview reports. Two researchers read the transcripts independently, using open coding techniques (Corbin & Strauss, 1990; Glazer & Strauss, 1967) to identify, name, and categorize salient phenomena in the text. Initially, the categories that emerged to capture these

phenomena were very concrete 'first-order concepts' (Van Maanen, 1979) that followed the data closely. Examples of such concepts include: (1) 'rule contextualization': the use of different standards in different situations, such that compliance with a formally applicable rule is determined by the contingencies of the case; and (2) 'rule ignoring': the categorical discarding of an active rule which is known to be applicable to the case at hand. After independent coding, the researchers used discussion and consensus to reach a final listing of 24 first-order concepts. On the basis of this list we compiled a detailed coding scheme. All 65 interview reports were subsequently coded by one of the researchers, using the NVivo 2.0 qualitative data analysis software package. To determine the quality of the coding process, a second coder coded 10 randomly selected interviews using the same coding scheme. We computed an interrater reliability score in the form of Cohen's Kappa (Cohen, 1960). The degree of concordance between both coders amounted to .79, which is seen by conventional standards as a "substantial" overlap, bordering on "almost perfect" agreement (Landis & Koch, 1977). The differences in opinions were discussed until the coders reached a consensus regarding the interpretation of the codes or the quotes.

Data analysis continued with the identification of more abstract 'second-order concepts,' a set of "notions used by the fieldworker to explain the patterning of the first-order data" (Van Maanen, 1979: 541). Second-order concepts were identified by making 'constant comparisons' (Glaser & Strauss, 1967) between cases in an attempt "to group answers…to common questions [and] analyze different perspectives on central issues" (Patton, 1990: 376). Concretely, second-order concepts were formed by grouping first-order concepts such that the variance between them was minimized within groups and maximized across groups. Formation of second-order constructs

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was then finalized by relating the initial groupings to received insights from the literature, refining the groups, and selecting an appropriate theoretical label for them. By way of illustration, the first-order concepts of rule contextualization and rule ignoring were grouped together, as they referenced closely matching social processes. We denoted the associated second-order concept as 'decoupling activities,' as each first-order concept denoted an activity through which an organization's formal adherence to an institutionalized expectation (manifested as a rule) became dissociated from actual work behaviors (cf. Meyer & Rowan, 1977). In all, we identified six second-order concepts: (1) institutional controls, (2) coupling activities, (3) decoupling activities, (4) institutional maintenance, (5) institutional disruption, and (6) deviance. These second-order concepts as well as their respective first order constructs will be discussed in the following section.

A final analytical step involved axial coding (Corbin & Strauss, 1990; Glaser & Strauss, 1967), a process in which potential relationships between second-order constructs are explored by relating the finalized second-order concepts to one another and to extant theoretical insights. During axial coding, we mixed theory elaboration and theory generation efforts (Lee et al., 1999). Theoretical elaboration of the institutional theory literature enabled us to recognize the various institutional work categories (Lawrence & Suddaby, 2006) that were brought into play by PSFs with at least the nominal intention of preventing deviance. Theory generation, in contrast, enabled us to explain how these attempts to establish order and control were derailed when they coalesced with interest and agency in PSFs, such that they in fact led to increases in the violation of professional expectations. The next section presents our grounded theory of deviance in PSFs.

### 4.2.3 Second-order concepts and propositions

For reasons of efficiency, we present the grounded theory of deviance in PSFs that emerged from our data in an orderly fashion, beginning with the 'dependent variable' and continuing with the 'independent variables.' This is of course a stylization, as a chronological presentation of our research would amount to "a jumble of literature consultation, data collection, and analysis conducted in ongoing iterations that produce many relatively fuzzy categories that, over time, reduce to fewer, clearer conceptual structures" (Suddaby, 2006: 637). It is important to note, however, that the actual concepts and propositions we introduce here, as well as their ordering, were not stipulated prior to entering the field, but rather developed while we were in constant touch with our data.

**Deviance**. All human organizations of more than modest complexity carry the seeds of deviance in them, as any system of organized action inevitably generates unintended consequences that go against its objectives (Merton, 1940). Everyday social processes can cause institutionalized expectations to become violated, and deviance to become "part and parcel of everyday organizational life" (Brief et al., 2001: 473). They often commence when leaders craft reward structures that promote deviance, proceed when these leaders condone deviance as it occurs, and result in such practices being 'taken for granted' by all organizational participants (Ashford & Anand, 2003). Our research shows that these processes occur regularly in PSFs. We distinguish between three types of deviance on the basis of the type of norms that are being transgressed: (1) field-centered deviance, (2) organization-centered deviance, and (3) client-centered deviance. Six percent of all the interview data that we actually coded was attributed to one of these three first-order concepts.

Field-centered deviance occurs when PSF-members acting in their organizational roles transgress a field-level norm issued by a professional association or the state on behalf of organizational goals (cf. Vaughan, 1999). For example, a field-level norm that is often treaded upon by auditors is the requirement to leave an adequate paper trail of the auditing process, allowing it to be reconstructed by third parties. Discarding this norm is a form of deviance, as it allows auditors to unduly lower organizational costs and increase output by cutting essential control steps out of the auditing process. In all, 45 percent of the data that was coded as 'deviance' was attributed to this concept. Illustrative quotes and examples for the present and all subsequent first-order concepts can be found in Table 4-1.

Organization-centered deviance occurs when PSF-members acting in their organizational roles transgress an organizational norm issued by upper management or the managing partners on behalf of organizational goals (cf. Vaughan, 1999). Although this definition seems contradictory from a rational policy perspective, it is perfectly interpretable from an 'old' institutional theory perspective in which it is taken for granted that organizational goals can conflict and contradict one another (Gouldner, 1954; Merton, 1940; Selznick, 1949). Some 40 percent of the data that we rubricated under the header 'deviance' belonged to this concept. A recurring example of organization-centered deviance is choosing not to use the client acceptance system. Many PSFs operate such systems, which circulate the names of new clients amongst all partners of the firm, to check whether the new assignment is likely to cause conflicts of interest with existing accounts. These systems are often ignored precisely when conflicts of interest are expected to occur, however, on account of not having to refuse new business or because undue administrative hassle is expected. In such

**Table 4-1: Illustrations of second- and first-order concepts**

| Deviance | Control Devices | Coupling Activities | Decoupling Activities | Institutional Maintenance | Institutional Disruption |
|---|---|---|---|---|---|
| **(1) Field-centered Deviance:** "[L]ook, when you finish an audit it is important that it is well-founded. This foundation is also based on the completeness of the checklists that are completed during the auditing process. What often happens is that, when a partner gets around to signing off on the auditor's work, they have a whole stack of forms for him to sign, and the partner and the responsible auditor then sign all those checklists at that moment. This is principally wrong. When you are evaluating whether you can do an audit for this client again this year (…), you should do that before you start the audit and not after. (…) You also wonder whether everyone takes all the forms that have to be filled out seriously." **(2) Organization-centered Deviance:** In one consulting firm, the expected revenues reported | **(1) Field-level controls:** "You have to comply with regulations, and they exist for a purpose. People have thought long and hard before compiling them. And they are updated when needed. They serve to maintain the profession, which I represent, and which provides considerable privileges. We have many rights. We do not have to provide information on our clients; client confidentiality is even protected by law. We can even be prosecuted in a court of law if we transgress these rules. (…) These rules exist to protect us; they allow us to be critical." **(2) Organization-level controls:** "Yes we have a code of conduct [grabs a file from the drawer]. We really have stacks of paper commenting on our relationships with clients, with insurance companies, on how we must work and construct paper trails; we | **(1) Socialization:** A consultant teaching juniors cherished "rituals to guard our being a community and hence also our shared norms and values." **(2) Collegial consultation:** "one of our mottos is (…) that the biggest mistake you can make is the one you make on your own." **(3) In-company training:** One lawyer referred to his company's training program as "the brewery," in reference to the mental fermentation processes it kindled. **(4) Role clarification:** "As a professional, you are in bed with the client (…). [I]t is important to come to understand the rules of the game of that relationship (…). As a firm, you make a planning and you say: this is how we treat each other. That mental picture should hang like a painting on everyone's wall, as a reference point. You can | **(1) Rule questioning:** "By now I have gotten somewhat used to [the new accounting standards] and I have to confess that, honestly, some of those rules are nothing more than just some checklist items of which I say 'yes, okay, I have to do this.' I simply check the box and do it. But I do not believe that it has really changed the way I do my job. And the way in which you handle things. (…) It is going a bit too far now." **(2) Rule ignoring:** "Look, it is very well possible that we do not abide by the rules for the full 100 percent but for 90 percent, but that is still well over half of all the rules. And all the essential things, we try to do those well." **(3) Rule bending:** "It is quite easy to present a case in an unfair manner; to twist words or to give a wrong impression of something. What you do is | **(1) Monitoring:** "Let me put it to you this way. As an auditor you can no longer just do anything you would like to do, because there are all kinds of internal reviews (…). In all honesty, I have to confess, I think that this [upholding of accounting standards] is mainly prompted by the checks that we have to go through and by the supervision of our work (…). Because of this you are indeed more inclined to act in accordance with the professional standards." **(2) Screening:** "To maintain your integrity and independence, you have to be selective. I do not accept just any client. In fact, I recently refused a client. (…) He was involved in things of which we said: 'we do not want to have anything to do with such things.'" **(3) Purging:** One lawyer described how she was once asked to write up | **(1) Conflicts of interests:** "If a client wants us not to take this or that piece of information into consideration, while it is very relevant for the audit, tax specialists or lawyers can say: 'well, I will not mention things that go against my client's best interests,' but we are in a different situation when we do assignments. I find you have to, as they call it, go straight, whatever happens. Even if you lose the client over it. And yes, that is difficult." **(2) Dissipation:** "Some people can afford to do certain things because they have been working there [at a major client] for a great number of years, and because they have a domineering personality. (…) And then people become afraid to correct that person, because he brings in a lot of our business, and what if such a person would leave the firm? So you start |

by the partners upon signing new contracts were typically some 40 percent higher than the revenues ultimately realized by the firm. The firm had rules in place to stimulate truthful reporting, but also rewarded consultants for acquiring lucrative contracts. As our respondent put it: "so everyone lies a little bit."

**(3) Client-centered Deviance**: One financial consultant specializing in pension plans: "I can recommend a collective agreement, or offer tailor-made solutions. I can implement a simple collective agreement in twenty hours, but for tailor-made solutions I have to sit down with everyone. Even in small companies, this easily comes down to eighty hours or more. It is usually hard for management to understand the pros and cons of each alternative, so I tend to push for tailor-made solutions, simply because they benefit me."

have to deal with an awful lot of prescriptions. We all had to sign a statement at some point in time, stating that we subscribed to these rules. All of our 1,500 employees had to pledge that they would take these rules into account in the conduct of their work. (…) The company reminds us almost on a daily basis that 'this is the way we do business around here'"

**(5) Threat of sanctions**: "It is more the threat of what could happen when a complaint is filed against a lawyer and as such I should honor the profession,' as one of the rules in [the code of conduct reads]. That is not what you are worried about. No, you only think 'oh, I hope no one files a complaint against me.'"

**(6) Professional training**: Examples include refresher courses, periodic re-certification trainings, and general skills trainings

point to that [and say], look, regarding independence we do this, and regarding discretion we do that (…). This is how you deal with such matters, by creating a reference point."

**(4) Rule contextualization**: "You get along well with some people, and with others you do not get along. I have clients with whom I do not get along, and then you are just more formal and you make sure that you do your job impeccably."

certain statements that she felt were absolutely improper. She related how she actually got up and left in the middle of a meeting, ending the relationship with the client then and there.

**(4) Sanctioning**: Examples include the use of fines, bonus withdrawals, deferred promotion, and compulsory re-socialization trainings.

condoning his practices."

**(3) Individual appraisals**: Each person is judged in terms of individual performance rather than his or her contribution to the team.

**(4) Isolation**: Individuals become detached from core organizational norms due to their peripheral position or external assignments.

**(5) Limits to expertise**: "The official doctrine is that we do not give clients bad advice and that we preserve the integrity of the best possible council. But during the acquisition process you see all kinds of things going on that make you think: 'we are not sticking to the doctrine at all.' Sometimes you wonder 'why are we doing this?' If we would keep an eye on our core values, we would not be doing this."

instances, the organizational norm to avoid conflicts of interests is discarded on behalf of organizational goals like growth and profitability.

Client-centered deviance occurs when PSF-members acting in their organizational roles transgress a norm constitutive of the contractual agreement with a client on behalf of organizational goals (cf. van Oosterhout et al., 2006: 527-528; Vaughan, 1999). Some fifteen percent of the text coded as 'deviance' fitted this definition. By far the most common form of client-centered deviance entails overcharging, either by overestimating the number of billable hours to be charged to the client or by charging higher hourly rates than warranted. Thirteen respondents reported such behavior, of which seven were consultants, four lawyers, and only two auditors. The relatively low score for the latter reflects a long-standing practice in the auditing profession. Contrary to lawyers and consultants, auditors do not stand to gain from charging extra hours as they tend to operate under so-called 'fixed fee' contracts.

**Control devices**. Due to the legalized nature of work in PSFs (cf. Sitkin & Bies, 1993), field-level and organization-level professional norms do not remain uncodified. Instead, they are formalized in the form of control devices: organizational design instruments, which are used to ensure members' compliance with collectively-held goals, and which normally operate by shaping work processes or measuring work outcomes (Cardinal et al., 2004; Eisenhardt, 1985; Ouchi, 1979). Our results show that control devices are a dominant feature of PSF life: 25 percent of all the data was captured under this header; the highest number for any second-order construct.

Our respondents generally distinguished between two types of control devices: (1) field-level controls deriving from professional associations and the state, devised to maintain the effectiveness and legitimacy of the profession, and (2) organization-

level controls developed by the PSF itself, with the purpose of ensuring members' compliance with organizational goals. Of the text coded as 'control devices,' 70 percent was devoted to discussions of field-level controls, whereas 30 percent dealt with organization-level controls. The main field-level controls mentioned were the rules, regulations, and sanctioning systems issued by professional associations (including codes of conduct, ethics, and other professional prescriptions) and, in the case of lawyers and auditors, governmental legislation. The most commonly mentioned organization-level controls were firm handbooks, mission statements, job descriptions, quality control certifications, and organizational codes of ethics.

In principle, control devices should have a dampening effect on the development of deviance in PSFs, as their nominal purpose is to ensure a proper, efficient, and impersonal application of procedure. Fields with tighter controls (auditing and law) ought to evidence less deviance than fields where control is looser (the consultancy profession), and PSFs with more elaborate internal control systems ought to experience less member deviance than more sparsely controlled firms. But our study shows that control devices are often 'dead letters,' to which respondents only pay lip service. The image that emerges is that many control devices have become part of a 'mock bureaucracy' system (Gouldner, 1954), a work pattern "in which bureaucratic rules are in place but are largely ignored or inoperative" (Hallett & Ventresca, 2006: 918). When control devices are indeed categorically ignored by most PSF-members, no material relationship may be expected to exist between the attention paid to control devices and the level of deviance in a given PSF. See Proposition 1:

*Proposition 1: The level of attention paid to control devices by PSFs will be unrelated to their levels of deviance.*

**Coupling activities**. The notion of coupling refers to the degree of connectivity between organizational elements (Basu et al., 1999; Hallet & Ventresca, 2006; Weick, 1976). Coupling is 'tight' when organizational elements affect each other continuously, constantly, significantly, directly, and immediately (cf. Weick, 1982: 380). In contrast, coupling is 'loose' when organizational elements are responsive towards one another, but retain evidence of separateness and identity (cf. Weick, 1976: 3). Although there "is no shortage of potential coupling elements" (Weick, 1976: 4) in modern complex organizations, researchers have placed considerable emphasis on the coupling relationship between an organization's symbolic characteristics and its technical characteristics (Basu et al., 1999; Meyer & Rowan, 1977). Although it is tempting to see the degree of coupling as a fixed property of PSFs, Orton and Weick (1990) remind us of the importance of studying coupling as a process, "as something that organizations do, rather than merely as something they have" (1990: 218). Hence, we focus on concrete activities that PSFs undertake to manage the degree of coupling between their technical and symbolic characteristics.

Of all coded data, a total of 19 percent was attributed to the second-order concept 'coupling activities.' This category contains six first-order concepts, each constituting a concrete coupling activity. The most prevalent first-order construct was 'socialization' (covering 36 percent of the data coded as 'coupling activities'), the process by which individuals acquire the social knowledge and skills necessary to assume an organizational role (Van Maanen & Schein, 1978). Socialization is a coupling mechanism, as it teaches PSF apprentices 'the ropes' of complying with symbolically-laden professional norms.

The second first-order construct to emerge from our data was collegial consultation (26 percent of the data coded as 'coupling activities'), a type of advice-

seeking behavior through which professionals "transformed the mental process of making decisions into a social process" (Blau, 1963: 123). Consultations are conducive to the coupling of the substantive and the symbolic because they increase: (a) the uniformity of control device application through the establishment of group cohesion; (b) the quality of application by improving decision-making processes; and (c) professionals interest in and knowledge about control devices (Blau, 1963: 135-136). Collegial consultation is not always a voluntary process. Accounting firms increasingly adopt mandatory consultation procedures for high-risk decisions. Unique to law firms is a formal mentoring system for apprentices.

A third coupling activity we identified was in-company training (15 percent of the data coded in this second-order concept), a first-order construct capturing the provision of formal job training programs designed to enhance employees' skills (Knoke & Kalleberg, 1994). Such training programs play a coupling role in that they help PSFs adjust to the broader social, cultural, and legal conditions to which they are exposed (Aldrich, 1979). In-company training programs were used for three reasons: (1) to acquaint new employees with prevailing control devices, (2) to inform existing employees about newly-emerging or changing professional prescriptions, and (3) as a corrective measure to reeducate employees that had previously engaged in deviance.

The fourth coupling activity is role clarification (11 percent of the data that was coded as a coupling activity), a first-order construct capturing the ongoing processes by which PSFs strive to establish an unambiguous assignment of role-congruent tasks and responsibilities to their members (Rizzo et al., 1970). PSFs have long been involved with internal complexity-increasing policies, such as 'colonizing' adjacent professional jurisdictions (Suddaby & Greenwood, 2001) and 'embedding' new practice areas in their organizational architectures (Anand et al., 2007).

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Inevitably, such policies create role conflict and ambiguity. Role clarification is an important coupling mechanism, because it helps professionals calibrate their work behaviors with externally-held expectations. The significance of this mechanism is highlighted by the fact that no less than half of all respondents mentioned the role clarification processes.

The fifth first-order concept is the threat of sanctions by professional associations (eight percent of the data coded in this second-order concept). Professional associations use sanctions as a coupling device to ensure compliance with field-level norms (Greenwood et al., 2002). In its crudest form, professional associations can revoke the license of a PSF member. The net effect of this threat is much larger for lawyers and auditors, who, unlike consultants, would be forced to leave the profession if they would lose their license.

The sixth first-order concept is trainings provided by professional associations (four percent of the data coded in this concept). Professional training is commonly divided into pre-experience university training and on the job learning (Hitt et al., 2001). Yet professional associations also provide post-experience trainings, often on a mandatory basis. Whereas these trainings serve the formal purpose of educating professionals on changes in best practices and external regulations, they also serve as a coupling device through which professional norms become taken-for-granted and reproduced over time (Greenwood et al., 2002).

Coupling activities by professional associations and PSFs are intended to increase the connectivity between work behaviors and symbolically-laden control devices. We assume that these activities have a dampening effect on deviance, as they continuously: (a) inform individuals about the responsibilities associated with their membership of a profession, (b) provide them with the training necessary to live up to

these responsibilities, and (c) put clear sanctions on behaviors that go against professional norms. See Proposition 2:

*Proposition 2: The level of attention paid to coupling activities by PSFs will be negatively related to their levels of deviance.*

**Decoupling activities**. Decoupling occurs when the work an organization performs backstage and the image of institutional compliance it presents to outsiders become so weakly connected that changes along one of these dimensions no longer have to lead to adjustments in the other (Basu et al., 1999; Weick, 1976). Whether decoupling is a breeding ground for deviance is critically dependent on whether organizational members are willing to abide by what Meyer and Rowan (1977) call 'the logic of confidence and good faith,' such that "participants not only commit themselves to supporting an organization's ceremonial façade but also commit themselves to making things work out backstage" (p. 358). Our results show that the concrete institutional work behaviors (Lawrence & Suddaby, 2006) PSF members use to decouple the technical from the symbolic are not so benign.

Of all the coded interview data, 18 percent was coded as being 'decoupling activities.' This second-order concept consisted of four first-order constructs, of which the most prevalent was rule questioning (44 percent of the data coded as 'decoupling activities'): expressing uncertainty about the rationale or legitimacy of a given field-level expectation. Rule questioning is a decoupling mechanism because it rationalizes and legitimizes subsequent deviations from an institutionally endorsed prescription. It is most pervasive amongst auditors. Of the 22 auditors in our sample, no less than 20 questioned (some) professional rules.

The second first-order concept, rule ignoring (25 percent of the data coded as decoupling activities), is a decoupling activity in which PSF members know about the rules that apply to them, but choose to ignore them. Rule ignoring is likely to occur "when internal objectives diverge or conflict very dramatically with institutional values or requirements" or when PSFs suffer from "deficient organizational comprehension of the rationale behind the institutional pressures and the consequences of noncompliance" (Oliver, 1991: 156).

We named the third first-order concept rule bending (19 percent of the data coded in this second-order concept), in reference to all attempts by PSF members to search for loopholes and ways around professional standards and rules or stretch the boundaries of the regulations. Rule benders thus adhere to field-level expectations symbolically, but deviate from them materially. Respondents indicated that boundaries that are very clear and obvious to them will be respected, but that others may be handled more flexibly.

The fourth first-order concept is rule contextualization (12 percent of the data coded in this second-order concept). Rule contextualization entails that respondents use different standards in different situations, such that they let their compliance with a formally applicable rule be determined by the contingencies of the case. Rule contextualization is an especially dangerous decoupling mechanism, as it threatens precisely those characteristics of rules that make them attractive decision instruments, notably: their impartiality and generalizability (Sunstein & Ullmann-Margalit, 1999).

The decoupling activities we identified are clearly not merely a form of "informal coordination that, although often formally inappropriate, keeps technical activities running smoothly and avoids public embarrassments" (Meyer & Rowan, 1977: 358). Our findings indicate that a more self-serving attitude often underlies PSF

members' decoupling activities, which are aimed at taking unwarranted shortcuts or at increasing gains. We therefore expect decoupling to create deviance-promoting conditions. See Proposition 3:

*Proposition 3: The level of attention paid to decoupling activities by PSFs will be positively related to their levels of deviance.*

**Institutional maintenance**. It is one of the core tenets of the 'old' institutionalism in organizational analysis that organizational norms have a tendency of becoming institutions in their own right (Gouldner, 1954; Selznick, 1949, 1957; Stinchcombe, 1997). Merton (1940) provides a compelling description of this process: "through sentiment-formation, emotional dependence upon bureaucratic symbols and status, and affective involvement in spheres of competence and authority, there develop prerogatives involving attitudes of moral legitimacy which are established as values in their own right, and are no longer viewed as merely technical means for expediting administration. One may note a tendency for certain bureaucratic norms, originally introduced for technical reasons, to become rigidified and sacred" (p. 565). As a consequence, PSF members are not merely exposed to external pressures for compliance, but to internal compliance pressures as well (Zucker, 1987). They are routinely confronted with an array of valorized, mythologized, and deeply embedded organizational norms, which they are encouraged and even sanctioned to honor and obey (Lawrence & Suddaby, 2006). In spite of their 'rigidified and sacred' character, such norms are not self-perpetuating. They require continued institutional maintenance, a concept which involves all institutional work activities aimed at

"supporting, repairing or recreating the social mechanisms that ensure compliance" (Lawrence & Suddaby, 2006: 230).

Of all the coded data, 18 percent was coded as 'institutional maintenance.' This second-order concept consisted of four first-order concepts, the first of which was monitoring (46 percent of the data coded as 'institutional maintenance'), the direct observance of PSF member behavior in order to establish its degree of congruence with organizational norms (cf. Beatty & Zajac, 1994). Some consultancy firms, for example, assigned a "shadow consultant" to members on delicate or difficult assignments, which served to continuously monitor progress and quality. Lawyers mainly monitored through the invoice system: the widespread use of meticulously specified invoices allows senior members to monitor the time juniors spend on an assignment and clients to manage the cost of their litigations.

We called the second first-order construct screening (27 percent of the data coded in this second-order concept), the application of selection criteria to avoid relationships that pose a high risk of kindling deviance (cf. Pettit, 1996). Screening involves the ex ante examination of parties seeking a contractual relationship with the firm, such as future employees or prospective clients (van Oosterhout et al., 2006). It is a common institutional maintenance strategy in PSFs.

The third first-order concept to emerge from the data was purging (16 percent of the data coded as institutional maintenance), defined as cleansing the firm from those elements that induce deviance, usually employees or clients. Auditing firms were found to engage in purging considerably more often than law or consulting firms. Auditors also indicated that they sometimes base client purges purely on gut feelings. Ties with clients are then severed for no other reason than that "things did not feel right."

The fourth first-order concept we identified was sanctioning (11 percent of the data coded in this second-order construct), the act of meeting organizational norm-breaking behaviors with punitive repercussions (Tenbrunsel & Messick, 1999). Although this definition appears to cover only one side of the coin, we actually never found that firms explicitly rewarded compliant behavior. Although our four first-order constructs are analytically distinct, sanctions usually preceded purging, especially when sanctions alone turned out to be insufficient to reestablish compliant behavior.

We expect institutional maintenance activities to have a dampening effect on deviance in PSFs. Although this expectation may be intuitively appealing, it is not true by definition. Important work has recently been conducted on the normalization of deviance in organizations (Ashforth & Anand, 2003; Brief et al., 2001). It is tempting to entertain the thought that core organizational norms in PSFs have a more or less even chance of being deviance-promoting or deviance-dampening, such that institutional maintenance activities could just as easily be preserving a system that is prone towards deviance. But organizational norms in any PSF are *not* selected by chance. Professionals' vocational training, the constraining role of the professions, and societal expectations all coalesce to make the normative 'baseline' in PSFs a set of deviance-dampening norms, and make it less likely that deviance-promoting norms gain the upper hand all too easily. All effective PSFs have deviance-dampening norms at their core. As Stinchcombe has put it: "The basic postulate here is that organizations that work well do so by paying people to serve values, to try to be competent, to conduct their business with integrity" (1997: 16). See Proposition 4:

*Proposition 4: The level of attention paid by PSFs to institutional maintenance activities will be negatively related to their levels of deviance.*

Coupling and maintenance activities are easily distinguishable surveillance structures: coupling ensures compliance with field-level norms, maintenance with organization-level norms. Virtually all PSFs use both forms of surveillance in combination, which raises the question of how they interact. Prior research suggests that parallel surveillance systems send a signal of mistrust to organizational members, which lowers their motivation to comply with the prescribed norms (Cialdini, 1996). Also crucial for PSFs is that systems that aim to control PSF member behavior rather than promote their autonomy can produce feelings of tension and pressure, decrease creativity and cognitive flexibility, and lower positive emotions (Messick & Tenbrunsel, 1999). Frey and Osterloh (2005) therefore suggest to take away some of the power of sanctions and incentives in professional contexts, in order to decrease selfish extrinsic motivation and increase "intrinsically motivated corporate virtue" (p. 96). We similarly expect that a choice for high levels of coupling and maintenance will increase rather than dampen deviance. See Proposition 5:

> *Proposition 5: The level of attention paid by PSFs to coupling activities will be negatively related to their levels of deviance when the level of attention they pay to institutional maintenance activities is low, and positively related to deviance when the level of attention they pay to institutional maintenance is high.*

**Institutional disruption**. Organizational practices may be held as valuable and sacred by some organizational members, but complex organizations are seldomly monolithic structures. In many PSFs, fault lines run between differentially constituted and motivated groups: professionals versus paraprofessionals, professionals versus

managers, partners versus partner-trackers, and any practice of the multi-practice PSF versus all others. When one of these groups manages to establish a large degree of congruence between its values and beliefs and those of the organization as a whole, the needs and wants of the other groups will not optimally be served by the existing arrangements. Their underrepresented position hands them the motive, though not necessarily the means, to sabotage, circumvent, or more generally disrupt the institutionalized status quo (DiMaggio, 1991). Recent studies confirm that side-lined organizational members can successfully challenge the institutionalized core of a regime through the organization of counter-strategies (Holm, 1995; Wijen & Ansari, 2007; Zilber, 2007). This type of institutional work may be described as institutional disruption, and defined as any action aimed at "attacking or undermining the mechanisms that lead members to comply with institutions" (Lawrence & Suddaby, 2006: 235).

Of all the coded interview data, 14 percent was labeled as 'institutional disruption.' This second-order concept consisted of five first-order concepts, the first of which was conflicts of interests (with 66 percent of the data coded as 'institutional disruption' coded as this first-order concept). Conflicts of interests emerge in PSFs when self-interested professionals do not properly perform their duties for their clients or firms, or when intraorganizational groups deliver services to two or more parties with irreconcilable goals (Greenwood & Hinings, 1996; Hayward & Boeker, 1998).

A second first-order concept was labeled dissipation (10 percent of all data coded as 'institutional disruption'), "a gradual deterioration in the acceptance and use of a particular institutionalized practice" (Oliver, 1992: 566). Dissipation occurred when professionals stopped confronting other members when they trespassed

organizational norms that were once broadly endorsed (cf. Ashforth & Anand, 2003; Brief et al., 2001).

The remaining three first-order concepts were labeled individual appraisals (10 percent of the data coded as 'institutional disruption'), isolation (9 percent), and limits of expertise (5 percent). Individual appraisals act as a catalyst for incompliant behavior, as they invoke selfish behavior in PSF members and 'crowd out' their good intentions (cf. Frey, 1998; Frey & Osterloh, 2005). Isolation can similarly lead to organizational norm-breaking behavior. Professionals can become isolated from core organizational norms due to long-term external assignments or mergers. Isolation is a key factor in the de-identification process (Empson, 2004), through which members dissociate themselves from once-treasured organizational norms. Also, it is more difficult to subject isolated members to institutional maintenance activities. Finally, limits of expertise can erode organizational norms when members are compelled to take on new assignments irrespective of whether they possess the required knowledge. The limits to their expertise then interfere with the identification and application of appropriate norms.

Accounts of norm-breaking behavior in the institutional theory literature have a tendency to depict and celebrate ideals of progress and innovation. The associated issues of dominance and deviance have a tendency to be screened from awareness by the 'velvet curtain' of selective academic and societal attention (Khan et al., 2007). Our identification of various institutional disruption processes inside PSFs partially lifts this curtain, as it draws attention to the antecedents of the deinstitutionalization of organizationally-based profession norms (cf. Oliver, 1992). Higher scores on these anteceding factors are likely to be associated with a greater occurrence of deviance in PSFs. See Proposition 6:

*Proposition 6: The level of attention PSFs pay to institutional disruption activities will be positively related to their levels of deviance.*

Decoupling and disruption activities denote two readily distinguishable institutional work categories: decoupling lowers (material) compliance with field-level norms, disruption with organization-level norms. As both types of activities can simultaneously be practiced by PSF members, the question is how they will interact. As previously hinted at, decoupling need not lead to deviance as long as PSFs maintain a strong core of professional values. As Meyer and Rowan put it: "Professionalization is not merely a way of avoiding inspection—it binds both supervisors and subordinates to act in good faith" (1977: 358). But when decoupling occurs in an organization that has lost its commitment to such professional values, the last check on deviance has disappeared. Ritualistic compliance with field-level norms then becomes a mere legitimizing tool in the hands of Weberian "specialists without spirit, sensualists without heart" (Weber, 1958: 182). The de-professionalized professional worker, operating in an environment in which professional associations are kept at arm's length and in which the normative core has become effectively vacuous, no longer faces any realistic constraint on his or her propensity to deviance. See Proposition 7:

*Proposition 7: The positive relationship between the level of attention that PSFs pay to decoupling activities and their levels of deviance will be stronger when the level of attention paid to institutional disruption activities is higher.*

## 4.3    Phase 2: Corroborating a theory of deviance in PSFs

We used a network-analytical approach to further corroborate and add inferential power to our grounded theory of deviance in PSFs. Network models are an appropriate choice since independence between our observations cannot be assumed (Dekker et al., 2005; Krackhardt, 1988), due to the socially embedded nature of the Dutch PSF landscape. Numerous social ties exist between our respondents because they: (1) obtained their degrees from the same schools; (2) meet each other at trainings organized by professional associations; (3) share a similar client pool; and (4) often have similar employment histories due to employee turnover at PSFs (e.g., see Lee & Pennings, 2002). These interdependencies are likely to cause autocorrelation and collinearity problems, which can satisfactorily be handled with the help of network models.

### 4.3.1    Data description

To corroborate our model, we statistically analyzed the content-analytic data that we generated by analyzing our 65 interview transcripts with the help of our coding scheme. All first-order concepts were quantified by computing the number of characters (letters and symbols, etc.) attributed to each concept by each individual respondent, as is the norm in NVivo-based analyses (Richards, 1999). To prepare our data for dyadic network analysis, we computed the difference in standardized character counts of all second-order constructs – to which we shall from hereon forward refer to a variables – between all the respondents. We subsequently organized that in square (65 respondents, 65 x 65 matrices) symmetrical relatedness matrices. Each matrix thus consisted of 4160 (65 x 64) observations. In total, 10 character count-based matrices were obtained, as we analyzed deviance at the first-order level

(three matrices), but all (summed) independent variables (five matrices) and (multiplicative) interaction variables (two matrices) at the second-order level. Ten non-character count-based relatedness matrices were computed for control variables, as well as an asymmetric network variable capturing social referent status (cf. Labianca et al., 2001), providing us with a total of 21 matrices.

### 4.3.2 Measures

For our dependent variables *field-centered deviance*, *organization-centered deviance*, and *client-centered deviance* relatedness matrices were computed as described above. Similar matrices were construed for our independent variables *control devices*, *coupling activities*, *decoupling activities*, *institutional maintenance*, and *institutional disruption*.

We also included several control variables in our analyses, for which we computed nine additional relatedness matrices. The first variable we included was PSF *size*, because size is an important contingency variable that tends to be positively associated with task formalization (Donaldson, 1995) and the adoption of soft controls (Weaver et al., 1999). Next, we controlled for PSF *age*, because institutionalization is generally seen as an ongoing historical process, such that organizations and organizational fields tend to become more deeply institutionalized over time (Barley & Tolbert, 1997; Zucker, 1977). We also controlled for the three PSF fields represented in our sample – *auditing field*, *law field*, and *consultancy field* – because the degree of institutionalization differs across fields, and is likely to be higher in fields with strong professional associations (i.e., auditing and law; cf. Greenwood et al., 2002). A relatedness matrix was then compiled for each field, in which a pair of firms was coded as '1' when they derived from the same field and as '0' otherwise.

Furthermore, we compiled relatedness matrices for *partner* and *non-partner* respondents in our sample, to control for the greater sensitivity of personal wealth to corporate outcomes of partner-level respondents (Greenwood & Empson, 2003; Greenwood et al., 1990; Malos & Campion, 1995). Two matrices were similarly compiled for *multinational PSFs* and *non-multinational PSFs*. The rationale behind these variables is that multinationals, as their operations take place in several different regulatory environments simultaneously, tend to be more sensitive to institutional influences than purely domestic firms. We also controlled for PSF *performance*, as performance pressures might have a catalytic effect on deviance. Since corporate performance tends to be difficult to measure in PSFs (Greenwood et al., 2005; Richter & Schröder, 2007), we used a self-report measure to assess a PSF's performance in relation to its competitors (cf. Murray & Kotabe, 1999), which was administered during the interviews. It consisted of three five-point Likert items: "Compared to our competitors…," (1) "our economic performance is much lower/much higher," (2) "the prestige of our client portfolio is much lower/much higher," and (3) "our ability to attract competent new staff is much lower/much higher." We furthermore controlled for *social referents*, as we expected PSFs to emulate the (control) strategies and structures of self-selected other firms (cf. Labianca et al., 2001). To this end, we compiled an asymmetric relatedness matrix. Specifically, we recorded for each firm the number of spontaneous references it made during the interview to any of the other firms in our sample, not counting self-references. Finally, in each model we included the alternate two dependent variables as control variables, in order to control for the simultaneous occurrence of various types of deviance.

**Table 4-2: Correlation table**

| Constructs | Mean | s.d. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Institution-centered deviance | 393 | 1080 | | | | | | | | | | | | | | | | | | |
| 2. Organization-centered deviance | 449 | 1015 | .36* | | | | | | | | | | | | | | | | | |
| 3. Client-centered deviance | 146 | 384 | .14 | .11 | | | | | | | | | | | | | | | | |
| 4. Control devices | 4151 | 2824 | .08 | .01 | -.06 | | | | | | | | | | | | | | | |
| 5. Institutional maintenance | 2950 | 2629 | .09 | .04 | -.07 | .19* | | | | | | | | | | | | | | |
| 6. Institutional disruption | 2266 | 2095 | .30* | .31* | .50*** | -.03 | -.10* | | | | | | | | | | | | | |
| 7. Coupling Activities | 3229 | 2056 | .09 | -.05 | -.08 | .19* | .00 | -.06 | | | | | | | | | | | | |
| 8. Decoupling activities | 3033 | 2477 | .23* | .20* | .02 | .09† | .06 | .12† | .07 | | | | | | | | | | | |
| 9. Accounting Field | .34 | .48 | .09 | .07 | -.12† | .02 | .10† | .02 | .03 | .03 | | | | | | | | | | |
| 10. Law field | .32 | .47 | .04 | -.11 | -.04 | .04 | -.07 | -.15* | .03 | -.14** | -.12*** | | | | | | | | | |
| 11. Consultant field | .34 | .48 | -.13† | .04 | .14* | -.16** | -.17** | .10† | -.03 | -.13* | -.13*** | -.12** | | | | | | | | |
| 12. Partner | .52 | .50 | .15† | .08 | -.11 | -.07 | .01 | -.16* | .00 | .09† | .05 | -.10† | .05 | | | | | | | |
| 13. Non-partner | .48 | .50 | .15† | -.07 | .11 | .07 | -.01 | .13† | .01 | -.09† | -.06 | .12† | -.06 | .33*** | | | | | | |
| 14. Multinational | .37 | .49 | -.04 | .06 | .01 | -.03 | .07 | .01 | .05 | -.01 | .07 | -.06 | -.01 | -.12† | .15† | | | | | |
| 15. Non-multinational | .63 | .49 | .06 | -.06 | -.01 | .02 | -.09 | .01 | -.04 | .02 | -.08 | .07 | -.00 | .18† | -.15† | -.32*** | | | | |
| 16. Social referentship | 5.72 | 13.21 | -.02 | .07† | -.02 | -.02 | .06† | .03 | .03 | .02 | .28*** | -.03 | -.02 | -.04 | .08* | .16*** | -.11*** | | | |
| 17. Firm performance | 10.93 | 1.97 | .12† | -.04 | .01 | .05 | -.03 | .04 | .07 | .12* | -.05 | .05 | -.04 | -.04 | .06 | .08 | -.18* | -.00 | | |
| 18. Age (log) | 3.51 | 1.19 | -.00 | -.08† | -.07 | .03 | .03 | -.01 | -.03 | .01 | -.06 | .16** | -.16** | .00 | .00 | -.08 | -.05 | -.01 | .02 | |
| 19. Size (log) | 4.62 | 2.26 | -.05 | .03 | -.02 | .06 | .23** | .01 | -.02 | .01 | -.09* | -.12* | -.07 | .03 | -.03 | -.14** | -.20** | -.05* | -.04 | .24*** |

† p <.10
* p < .05
** p < .01
*** p< .001

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### 4.3.3 Analyses

To model the occurrence of deviance in PSFs, we used the multiple regression quadratic assignment procedure (MRQAP), a regression analysis technique specifically designed for dealing with autocorrelation and collinearity in dyadic data (Krackhardt, 1988). MRQAP computes multiple regression coefficients on the basis of permutation tests on square relatedness matrices (see Krackhardt, 1988 for a detailed explanation of this technique). As permutation tests differ in terms of their robustness against collinearity in the data, selecting an appropriate test procedure is central to MRQAP performance. We used the Double Dekker Semi-Partialing procedure (DDSP), an asymptotically exact test with favorable accuracy and power properties (see Dekker et al., 2005 for a performance comparison of DDSP with four alternate permutation methods). All analyses were performed with UCINET 6 software.

### 4.3.4 Results

Table 4-2 displays descriptive statistics and QAP correlations for all variables included in the analyses. The correlational analysis shows that field- and organization-centered deviance are positively correlated, suggesting that the breaking of field-level norms goes hand-in-hand with the violation of organizational norms. In contrast, client-centered deviance is not significantly correlated with other types of deviance.

Tables 4-3, 4-4, and 4-5 present results from MRQAP analyses, for field-, organization-, and client-centered deviance respectively. Each table presents five regression models. Model 1 is a baseline model, in which only our control variables were included. Models 2 and 3 are 'old' and 'new' institutional models respectively. Model 2 assesses the unique contribution to the baseline model of actions aimed at

maintaining and disrupting the own organization-as-institution. Model 3 does the same for actions coupling the technical core of the organization to or decoupling it from internalized rationalized myths emanating from its institutional environment. For all three dependent variables, the model fit statistics favor the 'old' over the 'new' institutional models ($R^2$ = .16 versus .09 (fields); .12 versus .07 (organizations); and .28 versus .04 (clients)). These results suggest that an exclusive focus on 'new' institutional factors indeed leads to an "impoverished view" (Stinchcombe, 1997: 4) on institutional processes, and they support pleas for renewed attention to 'old' institutional factors (DiMaggio, 1988; Kraatz & Zajac, 1996; Selznick, 1996). Model 4 analyses 'old' and 'new' factors in combination. In general, the incremental explanatory power of these combined models over 'old' institutional models is very modest. Model 5 presents a 'neo' institutional model, in which 'old' and 'new' factors are allowed to interact (cf. Greenwood & Hinings, 1996; Lawrence, 1999). Model 5 is also the full model, in which all our propositions are evaluated concurrently. For two out of three dependent variables, the model fit statistics strongly favor the 'neo' institutional model over the combined 'old-new' model ($R^2$ = .19 versus .49 (fields); .15 versus .26 (organizations); and .29 versus .29 (clients)). These results offer further encouragement to the ongoing search for an "integrated institutional theory" (Hirsch & Lounsbury, 1997: 416) in which the analysis of values and interests within organizations is combined with an assessment of the impact of field-level social structures on organizations.

**Control devices**. Tables 4-3, 4-4 and 4-5 all show non-significant relationships between the amounts of attention paid to control devices and the occurrence of

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**Table 4-3: MRQAP results for field-centered deviance**

| Variables | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---|---|---|---|---|---|
| *Independent variables* | | | | | |
| Control devices | | .06 | .05 | .03 | -.02 |
| Institutional maintenance | | .11† | | .11† | .03*** |
| Institutional disruption | | .28** | | .27** | -.07 |
| Coupling activities | | | .10 | .11† | -.03† |
| Decoupling activities | | | .11* | .09† | -.09† |
| Maintenance X Coupling | | | | | .31** |
| Disruption X Decoupling | | | | | .66*** |
| | | | | | |
| *Control Variables* | | | | | |
| Organization-centered deviance | .16† | .04 | .17† | .05 | .02 |
| Client-centered deviance | .35* | .27* | .33* | .26* | .10† |
| Accounting field | .08 | .05 | .08† | .06 | -.02 |
| Law field | .07 | .11* | .09† | .13** | .10** |
| Consultant field | -.15** | -.14** | -.13† | -.13** | -.03 |
| Partner | .11* | .15** | .10† | .14** | .06* |
| Non-partner | -.11* | -.14* | -.12† | -.12* | -.09* |
| Multinational | -.03 | -.04 | -.03 | -.04 | -.01 |
| Non-multinational | .04 | .02 | .04 | .02 | -.02 |
| Social referenship | -.05* | -.05* | -.05* | -.06** | -.04* |
| Firm performance | .15* | .13* | .12* | .11* | .06† |
| Age (log) | .01 | -.00 | .02 | -.00 | .04 |
| Size (log) | -.05 | -.08† | -.05 | -.08 | -.10 |
| | | | | | |
| Adj. $R^2$ | .23** | .29** | .26** | .31** | .51*** |

† p <.10
* p < .05
** p < .01
*** p< .001

**Table 4-4: MRQAP results for organization-centered deviance**

| Constructs | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---|---|---|---|---|---|
| *Independent variables* | | | | | |
| Control devices | | .01 | .01 | .01 | .02 |
| Institutional maintenance | | .01 | | .00 | .09 |
| Institutional disruption | | .26** | | .25** | .03 |
| Coupling activities | | | -.09† | -.08 | -.00 |
| Decoupling activities | | | .14* | .12* | -.04 |
| Maintenance X Coupling | | | | | -.09 |
| Disruption X Decoupling | | | | | .47** |
| | | | | | |
| *Control variables* | | | | | |
| Field-centered deviance | .38* | .31* | .37* | .29* | .15 |
| Client-centered deviance | .04 | -.07 | .03 | -.07 | -.08 |
| Accounting field | .01 | -.00 | .01 | -.01 | -.05 |
| Law field | -.07 | -.03 | -.05 | -.02 | .00 |
| Consultant field | .07 | .08 | .11 | .04 | .07 |
| Partner | .02 | .06 | .02 | .06 | .04 |
| Non-partner | -.01 | -.04 | -.00 | -.03 | -.04 |
| Multinational | .05 | .06 | .05 | .07† | .05* |
| Non-multinational | -.07 | -.08 | -.08 | -.09 | -.11† |
| Social referenship | .07** | .06** | .07** | .06** | .06* |
| Firm performance | -.09† | -.09† | -.10† | -.10* | -.11** |
| Age (log) | -.06 | -.06 | -.07 | -.08 | -.05 |
| Size (log) | .06 | .05 | .05 | .04 | .02 |
| | | | | | |
| Adj. $R^2$ | .17** | .22** | .20** | .23** | .31** |

† p <.10
* p < .05
** p < .01
*** p< .001

**Table 4-5: MRQAP Results for client-centered deviance**

| Constructs | Model 1 | Model 2 | Model 3 | Model 4 | Model 5 |
|---|---|---|---|---|---|
| *Independent variables* | | | | | |
| Control devices | | -.04 | -.06 | -.03 | -.03 |
| Institutional maintenance | | .02 | | .02 | .45 |
| Institutional disruption | | .51*** | | .50*** | .49 |
| Coupling activities | | | -.08 | -.05 | .15 |
| Decoupling activities | | | .02 | -.00 | -.08* |
| Maintenance X Coupling | | | | | -.34 |
| Disruption X Decoupling | | | | | .03 |
| | | | | | |
| *Control variables* | | | | | |
| Field-centered deviance | .19† | .04 | .20† | .05 | .07 |
| Organization-centered deviance | .05 | -.07 | .04 | -.07 | -.11 |
| Accounting field | -.12† | -.12* | -.11* | -.12* | -.16** |
| Law field | -.05 | .04 | -.05 | .04 | .07 |
| Consultant field | .15* | .07 | .14* | .08 | .07* |
| Partner | -.11† | -.01 | -.12† | -.01 | .01 |
| Non-partner | .11* | .03 | .12* | .03 | .00 |
| Multinational | -.01 | .01 | -.01 | .01 | -.02 |
| Non-multinational | .01 | -.02 | .01 | -.03 | -.04 |
| Social referenship | .00 | -.01 | .00 | -.01 | -.01 |
| Firm performance | -.01 | -.03 | -.01 | -.02 | -.03 |
| Age (log) | -.04 | -.08† | -.05 | -.07† | -.09 |
| Size (log) | .00 | -.00 | .01 | -.00 | -.06 |
| | | | | | |
| Adj. $R^2$ | .09** | .29*** | .10** | .29*** | .28*** |

† p <.10
* p < .05
** p < .01
*** p< .001

deviance in PSFs. Both field- and organizational-level codes of conduct and ethics are apparently treated as little more than "bureaucratic paraphernalia" (Gouldner, 1954: 187) by PSF members. Thus, Proposition 1 is corroborated.

**Coupling and decoupling activities**. Coupling activities are only negatively related to field-centered deviance, and only in the 'neo' institutional model. This suggests that coupling helps to ensure compliance with field-level norms, but not with organization-level or client-centered norms. The technical core of PSFs seems hardly breached by internalized rationalized myths (cf. Basu et al., 1999), so Proposition 2 goes largely uncorroborated. Decoupling activities are positively related to field- and organization-centered deviance, in both the 'new' and the combined 'old-new' models. Decoupling thus appears to facilitate certain forms of deviance. Yet, the interactive effect of decoupling and institutional disruption neutralizes the deviance-facilitating effect of decoupling in all three full models, thus furtherstressing the need for neo-institutional analyses. Proposition 3 therefore also goes largely uncorroborated.

**Institutional maintenance and disruption**. When assessed in isolation (in the 'old' and combined 'old-new' models), institutional maintenance activities are positively related to field-level deviance. Further analyses reveal, however, that these relationships are artifacts of the unobserved interaction effect between maintenance and coupling. When this term is entered into the analysis (i.e., when estimating the 'neo' institutional model), maintenance activities are found to be negatively related to field-level deviance. Since maintenance activities are not related to organization- or client-centered deviance, support for Proposition 4 is mixed. In contrast, institutional

disruption activities are positively related to field-, organization-, and client-centered deviance in all 'old' and 'old-new' models. Although the field- and organization-centered deviance-amplifying potential of disruption activities lessens when unobserved interaction effects with decoupling activities are taken into account, the effect on client-centered deviance remains very strong. Proposition 6 is thus conditionally corroborated.

**Interaction effects**. The interaction effect of maintenance and coupling is strongly positively related to field-centered deviance. Apparently, the motivation to comply with field-level norms is 'crowded out' (Frey, 1998) when governance structures are overly restrictive and leave little room for human agency. As this effect was not found for organization- and client-centered deviance, support for Proposition 5 is mixed. The interaction effect of disruption and decoupling was strongly positively related to both field- and organization-centered deviance, thereby largely corroborating Proposition 7. In other words, the risk of deviance multiplies when deinstitutionalized (Oliver, 1992) organizations seek to decouple (Meyer & Rowan, 1977; Weick, 1976) field-level norms from their technical cores. In combination, these findings lend support to recent calls for more 'neo' institutional theorizing (Greenwood & Hinings, 1996; Lawrence, 1999).

**Control variables**. Size is negatively related to field-centered deviance in the 'neo' institutional model, suggesting that larger PSFs have more effective field-centered compliance programs in place (Weaver et al., 1999). Age is negatively related to organization- and client-centered deviance in various models. In other words, the prevalence of deviance lessens when historical value-infusion processes in

organizations set in (Merton, 1940; Selznick, 1957). Segmentation by sector yields some interesting results. Field-level norms are most likely broken by lawyers, and least likely by consultants. Though these results are far from conclusive, they seem to suggest that PSFs are more likely to comply with a confined set of self-selected norms (consultants) than with a more elaborate set of coercively sanctioned norms (lawyers). Strong evidence suggests that auditors are much less likely than other professionals to engage in client-centered deviance like overbilling. The widespread use of 'fixed fee' contracts in this sector should therefore be considered as a 'best practice' example for other sectors. Furthermore, partnered respondents are more prone than non-partnered respondents to break field-level norms. Apparently, at the partner level the primary unit of identification has shifted from the field- to the firm-level, possibly because partners are dependent on the firm for a greater proportion of their future income stream or because for them more time has elapsed since they received their socializing training in the field. The results also show that multinational firms are somewhat more likely to break organizational norms than domestic firms. Apparently, organizational norms are a more elusive concept in firms operating a number of independent subsidiaries than in firms using a unitary control structure. The relationship between performance and deviance is not very strong. In some models a positive relationship can be noted with field-centered deviance, implying that pressures to sustain high performance levels make PSFs prone to deviance (Vaughan, 1999). A negative relationship appears to exist with organization-centered deviance, suggesting that good performance legitimizes internal rules and compels compliance (Hinings & Greenwood, 1988; Suchman, 1995). Social referent status, finally, lowers field-centered deviance. This finding suggests that horizontal peer-to-peer relationships between PSFs are important arenas within which professional norms are socially

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constructed and upheld (in addition to vertical association-to-PSF relationships; cf. Greenwood et al., 2002).

## 4.4    Discussion

So when will PSFs engage in deviance? The results presented here suggest that answering this question requires a further specification by type of deviance. Field-centered deviance is driven by two factors captured in our grounded-theoretical model, the first of which is the interactive effect of institutional disruption and decoupling activities. Decoupling raises the conditional odds of field-centered deviance, because it disconnects the day-to-day work routines of PSFs from environmental norms. But decoupling alone does not make field-centered deviance inevitable. In what Mintzberg (1983) calls the 'professional bureaucracy,' work behaviors are coordinated 'from within' through the standardization of skills and the internalization of professional norms, thus establishing 'pseudo-compliant' behavior on behalf of members. But the odds of field-centered deviance are raised unconditionally when professional bureaucracies deinstitutionalize (cf. Oliver, 1992). When PSF members become detached from their professional field, incentive systems reward performance against strictly financial criteria rather than professional standards, and organizational values begin to dissipate, the last obstacle to breaking field-level norms is removed. A second driver is the interactive effect of institutional maintenance and coupling activities. In professional bureaucracies (Mintzberg, 1983), behavioral controls are internalized and upheld primarily through intrinsic motivation. When such intrinsically motivated professionals are confronted with overly elaborate governance mechanisms, chances are that their compliance with field-level norms

lessens rather than increases, due to the 'crowding out' of their intrinsic reasons for compliance (Frey, 1998; Frey & Osterloh, 2005).

Our grounded-theoretical model suggests one clear driver of organization-centered deviance, notably: the interactive effect of institutional disruption and decoupling activities. The causal mechanism at play is slightly different here, however, as the conditional odds of violating organizational norms are increased when disrupting factors like isolation, individual appraisals, and conflicts of interest are enacted in organizational settings. But institutional disruption activities alone do not suffice to fully deinstitutionalize PSFs. Since many of the relevant organizational norms in PSFs are professional norms that are socially constructed and upheld at the field level (Greenwood et al., 2002), compliance with at least the externally shared subset of organizational norms is guaranteed as long as PSF work practices are tied to exogenous institutions. But the odds of organization-centered deviance are again raised unconditionally when these institutions are decoupled from the technical core of the deinstitutionalized PSF.

Our analyses show that client-centered deviance is a special case: where field- and organization-centered deviance are best explained by the 'neo' institutional model, the 'old' institutional model offers the best-fitting, most parsimonious account of client-centered wrongdoing. Decoupling is clearly not a necessary condition for the emergence of our last type of deviance, implying that it can still occur even if field-level norms penetrate deep into the technical core of the organization. These norms are no longer a realistic check on deviance in PSFs once disrupting processes have been set in motion that dissociate individual PSF members from their field- and organization-level professional values. In our study, the outcome of a 'successful' disruption process was almost invariably the supplantion of communally-held

'professional' values with individually administered 'commercial' values (cf. Heugens et al., 2008).

### 4.4.1 Implications for institutional design

So what can be done about deviance in PSFs? Our study suggests three lessons in institutional design (cf. Pettit, 1996) for policy makers, representatives of professional associations, and managing partners in PSFs. First, these key decision makers must be urged to move away from the presently favorite 'mixed control' model in which the detection and sanctioning of deviance by professionals is a shared duty of both professional associations and PSFs. The 'mixed control' model fails to uphold field-level norms because the coercion-based instruments professional associations use to promote compliance work at cross-purposes with the normative instruments PSFs use to promote intrinsic motivation and maintain the 'professional ethos' (Von Nordenflycht, 2008). Instead, they must be compelled to make a crisp choice at the field level for either an 'external control' or an 'internal control' model. In the external control model, PSFs must surrender considerable surveillance and sanctioning rights to professional associations, thereby granting them the means necessary to monitor and discipline their members. In turn, professional associations ought to lay down the forbearance doctrine (Williamson, 1991: 274-276), and make sufficient investments in policing and conflict resolution capacity to adequately fulfill their new maintenance role. In sharp contrast, the internal control model calls upon professional associations to practice considerable restraint, and to let PSFs do their own policing and sanctioning. Associations then become stewardship vehicles, which primarily serve to help their members develop their own administrative capabilities (cf. Greenwood et al., 2002). Due to their specialized form, each of these two models

is likely to outperform the dyssynergetic mixed control model in terms of minimizing PSF deviance.

Second, our evidence suggests two further facilitative roles for professional associations. The identification of social referents by PSFs has a dampening effect on field-level deviance, most likely through vicarious learning processes (Gioia & Manz, 1985) by which PSFs observe and emulate the compliance programs of their peers. Professional associations are thus advised to stimulate social referent identification processes, for example by setting up local chapters of associated organizations or by organizing social functions at which best practices may be shared (Weaver et al., 1999). Furthermore, the data show that larger and older organizations experience less problems with controlling organization- and client-centered deviance. These effects of size and time point in the direction of a scale and learning explanation for deviance control. Professional associations can thus be of considerable value for smaller and younger PSFs by setting up 'pooled' compliance programs in which compliance capacity and experiences may be shared.

Third, the data show that client-centered deviance is considerably less prevalent in auditing firms than in other PSFs. A straightforward explanation for this phenomenon is that auditors usually use 'fixed fee' contracts, in which all agreed upon services are rendered for a set price. This practice contrasts sharply with the more open-ended contracting modalities found in law- and consulting firms, in which fees are at least in part determined by the complexities and contingencies of the case as it unfolds. Given that considerable information asymmetries tend to exist between professionals and clients, open-ended contracting opens the door to the most prevalent form of client-centered deviance: overbilling. PSFs therefore ought to be encouraged to adopt fixed fee contracts whenever possible, both as an internal control mechanism

(Cardinal et al., 2004; Eisenhardt, 1985) and as an external reputational cue (cf. Greenwood et al., 2005) signaling that client interests are taken seriously. Although fixed fee contracts are still uncommon in the law profession, an encouraging sign is that they are increasingly common in consulting (Maister, 2003).

### 4.4.2   Implications for institutional theory

We have concurrently assessed the capacity of 'old,' 'new,' and 'neo' institutional theory models to explain three different types of deviance in PSFs. Our results have three implications for institutional theory. First, they support claims by several authors that 'neo' institutional models have more potential than 'old' and 'new' models for explaining institutional action (cf. Greenwood & Hinings, 1996; Hirsch & Lounsbury, 1997). For field- and organization-centered deviance, the neo-institutional models clearly outperform alternative specifications. For client-centered deviance there is a tie between the 'neo' and 'old' models in terms of their adjusted model fit statistics, but the latter model has to be preferred for reasons of parsimony. In all, the neo-institutional models show impressive explanatory performance. If anything, this should be interpreted as encouragement for scholars developing institutional theories that avoid the extreme positions of "environmental determinism *or* unbounded action" (Lawrence, 1999: 184, emphasis in original), in favor of a more dynamic assessment of the interaction between (de-)institutionalized organizations and fields (Schneiberg, 2005; Schneiberg & Clemens, 2006).

Second, the overwhelming majority of neo-institutional and institutional entrepreneurship studies have been designed and framed to address the conceptual tensions between notions such as 'stasis,' 'social structure,' 'compliance,' and 'environmental determinism' on the one hand, and 'flux,' 'agency,' 'deviance,' and

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'unbounded action' on the other. These tensions exist, they are important, and must be addressed through thoughtful scholarly work. But the community of institutional scholars would sell itself short if it would only or primarily focus on varieties of the action/structure debate (cf. Hirsch & Lounsbury, 1997). Our work shows that neo-institutional models are fit to be applied to study a broader range of organizational processes and outcomes, especially when there is a potential clash between environmental and organizational norms and interests. We expect neo-institutional models to be capable of explaining a range of contested phenomena, including the propagation and implementation of environmental management programs, quality control systems, corporate governance reforms, ethics management modules, and similar organizational innovations.

Third, even though 'new' institutional theory has been the target of strong critique (Donaldson, 1995; Kraatz & Zajac, 1996; Stinchcombe, 1997), our work suggests a new avenue for its application. We found that field- and organization-centered deviance are best explained by interaction terms linking concepts derived from 'new' and 'old' institutional theories. Notions of coupling and decoupling may not represent sufficient conditions for producing institutional action, but it is quite possible that they are nevertheless necessary conditions that precipitate other kinds of institutional work. Future studies may be designed to explore whether the dynamics of coupling and decoupling facilitate and/or hamper institutional work activities (Lawrence & Suddaby, 2006) like theorizing (Greenwood et al., 2002), advocacy (Holm, 1995), embedding (Zilber, 2002) and policing (Fox-Wolfgramm et al., 1998).

## 5. Concluding chapter

The studies that were presented in this dissertation tried to find explanations for why both petty and major forms of workplace deviance originate and perpetuate. I therefore also suggest that the findings presented here bear some relevance to incidences of all kinds of workplace deviance, ranging from cyber slacking on the job to elaborate fraudulent schemes such those organized at Enron or more recently Société Générale. This final chapter is dedicated to general conclusions and implications for the management of organizations. What the conclusions and implications have in common is that they infringe on the social context within organizations, which is among others the result of 'the organization of the organization'. The implications and conclusions do not directly focus on directly infringing on employees' behaviors as such.

When presenting my work to peers, students and practitioners I have noticed that many of them perceive my messages about people's internal drives to become deviant and the coercive or antagonist organizational (institutional) and management forces overly grim. As if I argue that human nature is evil and we all will, inevitably, engage in deviance if we were to find ourselves in the 'right' circumstances, to do 'bad things'. However, my message is quite the opposite. Although I do not deny that there will most likely also be people who purposely, intentionally and voluntarily commit deviance for the mere purpose of generating illegitimate material profits for themselves. But the findings and arguments presented in this dissertation hopefully present a convincing argument that not everyone who eventually engages in deviant practices – perhaps even the large majority of those – are such deliberate evildoers. People may happen upon conflicts with their own intrapersonal, almost evolutionary,

forces, as well as upon managerial practices and conflicting institutional forces, and each of these drivers may knock a person off of their feet and into deviance. What I have tried to find and show in this dissertation are mechanisms that can explain why psychologically normal people would engage in workplace deviance while at the same being loving parents and devote churchgoers, why they would refuse the label deviant and be ashamed by their own (seemingly voluntary) behavior.

## 5.1 General conclusions

The conceptual study presented in Chapter 2 under the title *"The missing link: The relationship between status and workplace deviance"* revolved around (social) status and tried to show how status dynamics underlie many of the reasons why people would engage in deviance. It argues that status is a unifying concept that underlies many of the research findings in the field of workplace deviance. Recognizing it as such could therefore help advance the field by much. The chapter calls for more attention to the status aspects of human nature, and an effort to draw the attention of organizations to their partially misguided attention of their deviance control programs.

The chapter begins by making a case for the inclusion of the concept of status in the study of workplace deviance. The fact of the matter is that status has since long been related to deviance by criminologists. As part of the so-called interactionist movement that shifted the focus of research from the individual to the social context and the way in which context matters in individual behavior (Lily, Cullen & Ball, 1995), two very influential theories were advanced that both pointed to people's desire for (social) status as an important motivator to engage in deviance (Cohen, 1955; Cloward & Ohlin, 1960). Criminologists have indeed also found that crimes of

the kind that I call workplace deviance could be explained by people's desire for social status (cf. Cressey, 1953; Coleman, 1987). Yet, organizational scholars seem to ignore this concept of status, which this chapter argues is a missed opportunity. The chapter further illustrates the relevance of social status for the study of organization by highlighting some of the puzzling findings of research in workplace deviance, such as for instance the fact that also goals of non-monetary nature influence people to engage in deviance (Schweitzer, Ordóñez & Douma, 2004).

After illustrating that status is relevant to the study of workplace deviance, the chapter continues to explore the nature of status and status dynamics that people endure. The chapter shows that status and the desire to have a certain (positive) social status is imprinted in all human beings by evolution. The effects of losses of status and threats to status therefore also have a strong physiological component to them. They cause stress and, for instance, have a negative impact on people's overall health (Marmot, 2005). This, so argues the chapter, induces mechanisms inside human beings of which they are not aware, and hence can with difficulty influence or keep a tab on. This may lead people to commit deviance without clearly being aware of why.

The chapter subsequently discusses differences in status hierarchies, origins of status hierarchies, and the signaling of status. These mechanisms are derived from literature on (economic) anthropology. The mechanisms are subsequently translated to (western) organizational settings. Then research findings on workplace deviance are reinterpreted in this status-light. In so doing, the validity of this status-approach is illustrated. The fact that status is so insidious and important also holds important implications for organizations and their efforts to deter deviance. Much of the control mechanisms and procedures that organizations design for the purpose of deterring deviance are namely designed assuming that people make a rational choice when they

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engage in deviance. And this, so is the argument in the chapter, is very often not the case. To be sure, despite that the chapter says that these programs are ineffective it does not argue that these organizational controls are obsolete and that organizations are wasting resources when investing in such programs. Despite their ineffectiveness to deter status driven deviance, they are likely effective in the deterrence of rationally and deliberately committed deviance. In order to deter status-driven deviance, the chapter argues that organizations should additionally look at adaptations in their organizational design, such as status mechanisms play less of a role in the organization. This would make organizations less prone to workplace deviance.

Chapter 3 *"I have a dream: Fabricated managerial success through coerced collective deviance"* then moves away form this intrapersonal status dynamic perspective and advances management practices that can coerce employees into committing deviance. These management practices infringe on employee's selves and may provoke some of the dynamics discussed in Chapter 2 but as these are not the focal point of this chapter these are left outside consideration. This also has to do with the type of data that Chapter 3 is based on. These were data gathered during an ethnographic study, which did not and typically do not include introspective self-perception type data.

This chapter argues that in management's quest to get their people to reach certain (performance) targets or goals they may turn to practices that undermine and change people's selves in such a way that they either feel they have no choice but to refer to deviance or become intrinsically motivated to commit deviance as this will enable them to reach their performance targets. This is aided by a set of practices that management used to reinterpret deviance as being something useful and usable if people wanted to reach their goals or targets. This way management kept their hands

clean because they did not actually instruct their people to commit deviance while at the same time they did point toward a path that their employees could take, and which would lead to a better performance and would therefore result in less harassment about their performance by management.

The first of the coercive set of management practices undermined people's individual selves in order to get them to reach their targets. Managers did so by strongly focusing on, and making very salient of, people's non-attainment of the (sometimes very detailed and elaborate) performance targets that were imposed. This caused stress and discomfort among people. When management subsequently pointed toward (deviant) means as a way to be relieved from those undermining practices, people were indeed inclined to adopt those practices. Not because they really wanted to be deviant or because they enjoyed reaching the targets that management had set, but because they wished to not be so negatively affected by the manager's practices.

The second management practice discussed in this chapter was, contrary to the other two practices, not aimed at individual salespeople, but aimed at preserving people's collective (team) selves in the presence of a general manager who also engaged in self-undermining toward everyone in the unit. These managers focused on maintaining good relationships in their team and on teamwork and tried to get people to work together, to collectively ward off the unit's general manager's self-undermining practices. Under these managers, deviance would stop the moment the general manager's attention turned to other issues or teams.

The third management practice worked more positively to try to get people to care about reaching their targets, by focusing on the benefits that they would enjoy. These would predominantly be monetary and material bonuses. The managers' rhetoric was strongly focused on highlighting the niceness of receiving such bonuses,

seemingly trying to get people to become more bonus-minded, whereby they would become intrinsically motivated to earn such bonuses. In all, these managers attempted to influence and change people's perceptions of their selves in such a way that they became intrinsically motivated to attain their performance targets because they felt that attaining bonuses and other rewards had a positive effect on their individual perception of self.

What is unique about this research is that it illuminates how a deviant system can be upheld in a situation and by people that actually do not want to commit deviance. The general public's view of the people involved in scandals is usually that all people therein implicated are bad people who had a choice not to engage in deviance. This chapter shows that things might not be quite so simple and that people can indeed be coerced into doing things that they consider clearly wrong and that they do not even want to do, for a long period of time. The chapter also shows the strain this puts on people. Apparently sometimes the social context can be very perverse and demanding.

The last research chapter of the dissertation, Chapter 4 "*White collars, dirty hands: A grounded neo-institutional theory of deviance in professional service firms,*" subsequently moved away from examining managerial practices and intrapersonal dynamics to examine the effects of the institutional context within Professional Service Firms on deviance, and find what PSFs do to uphold and undermine their (professional) institutions. Organizations and professional associations, such as audit or bar associations, impose rules and procedures, institutions, on individual professionals in order to guide and protect the integrity of the organization and the profession as such. The aim thereof is not only to guard organizational or investor's interests, but also to make sure that organizations live up to their societal task. This is

especially true for professional service firms. Institutions have, for instance, been created to guard auditor independence and objectivity. This chapter offers a qualitative analysis of the institutional environment in which professions employed by Professional Service Firms (PSFs) work every day. It looks into what organizations and their professional associations do to ensure the integrity of these institutions. More specifically, it advances four constructs that serve to either safeguard the integrity of the institutions, or that have an undermining effect on the integrity of institutions. In other words, this chapter peels off the skin of institutions to reveal their "guts," to paraphrase Stinchcombe (1997: 17).

The first construct is coupling activities. Coupling activities serve to increase the connectivity of actual behavior to the institutions, thus, ideally, ensuring the integrity of the organizations because all rules are adhered to. Like all other constructs that represent institutional activities in this chapter, this construct consists of a number of sub-constructs that reflect the actual practices taking place in organizations. In the case of coupling activities these are socialization, collegial consultation, in-company training, role clarification, threats of sanctions and professional (external) training. The second construct is decoupling activities, which represents those activities that serve to undermine the institutions by negating their legitimacy or applicability. The sub-constructs of decoupling activities are rule questioning, rule ignoring, rule bending and rule contextualization. The third construct reflects the work behaviors, usually procedures that are put in place that organizations employ to maintain institutions. The sub-constructs of this institutional maintenance construct are monitoring, screening, purging and sanctioning. The final construct is institutional disruption, which are those types of institutional work that have an undermining effect

on peoples' compliance to institutions. Sub-constructs are conflicts of interests, dissipation, individual appraisals, isolation and limits of expertise.

In a second step these institutional activities and an additional construct for the control devices that are in place (organizational and professional rules and procedures) are regressed with the each of the three types of deviance by ways of MRQAP regression analyses, in an effort to gain insight into the effectiveness of (the combination of) all the institutional activities. The most important results from the regression analyses reveal that a combination of all the aforementioned constructs, including the interaction variables coupling activities X institutional maintenance and decoupling activities X institutional disruption, explained two of the three types of deviance best: field-centered deviance (breaking external rules and regulations) and organization-centered deviance (breaking organizational rules). The third type of deviance, client-centered deviance (over charging, over selling etc.) was best explained by the model that only included the "new institutional" elements in the study: institutional maintenance and institutional disruption (where institutional disruption had a very significant, large positive effect on client-centered deviance).

As said, the field-centered deviance and organization-centered deviance were both explained best by the models that represented the neo institutionalism in this study. Strikingly, though, the work or activities that were intended to enhance the workings of institutions as well as the work or activities that undermined them both had a positive relationship with deviance. This suggests that the having of external rules on top of internal rules only works to create more deviance. This chapter hence ends by offering suggestions as to how this can be remedied. The most important of these is to not conflate external and internal regulations, but rather choose either one or the other. To either put the burden of ensuring rule following on the organization,

or on external bodies such as professional associations. But, not to mix the two, as is currently more often than not the case.

In the following sections of this final chapter some implications for (performance) management and research will be discussed. Because each of the content chapters presents its own implications for management, the suggestions to management presented here are somewhat generic and perhaps not obviously connected with the research presented in this dissertation. However, they are inspired by and developed on the basis of the research presented here. Moreover, they are relevant to current organizing as the practices addressed do happen in organizations, and from discussions with practitioners it is apparent to me that organizations are, generally speaking, not mindful of their potential disastrous effects. The suggestions I give here are, in my opinion, relevant for organizations who wish to reduce the risk at deviance occurring within their ranks, especially the risk at less conscious or intentional deviance happening. This is why I took the liberty to discuss these suggestions here, despite the fact that the link to the research presented in this dissertation is not always apparent.

## 5.2    General implications for management

### 5.2.1    Thoughtless pursuit of growth for the fear of death

Jackall (1988) called it the moral imperative to get ahead, and it has permeated the corporate world. People seem to feel a basic need to get ahead in the organization and organizations themselves, too, need to grow. It is up or out, and managers seem to believe that a lack of organizational growth is the precursor of organizational death. Along with this moral imperative, or so observes Jackall, comes the dictum that

people's performance should also grow and develop as time passes by. In many organizations, especially in highly commercialized sectors like professional service firms and other sales related companies, the mode of operation is a continuous improvement of performance; do more, sell more, make more and more money for the firm. Having a stable performance has even become a reason to be dismissed, for example in the up-or-out type of professional service firms.

Although this idea of organizational growth and advancement should not be considered the root of all deviance related problems, and is for sure the source of much positive organizational results, one suggestion for management is to rethink this moral imperative. A strong focus on growth and development may in some cases take on such dimensions that it suffocates normal morality. This in turn might introduce a slippery slope of norm change leading to deviance. From the side of deviance-prevention it would be a positive development to see the apparent anomaly of non-growth turn into an acceptable state of being. Growth might not always be possible and the pressures on growth (and the loss of face when growth fails to materialize) may have many negative effects and cause status mechanisms such as those discussed in Chapter 2 to come into play. Deviance does not necessarily have to follow, but at the same time people – especially men – might lose a rational oversight and enough moral distance to understand the situation and the implications of their own behavior.

### 5.2.2 What is so normal about the normal curve?

Another management suggestion that follows from especially the conceptual work presented in this dissertation is that organizations should be careful in using the assumption that the appraisals of their personnel should represent perfect normal distributions. Such assumptions dictate that there always have to be some people who

are poor performers and some that are excellent performers, and the bulk of the employees should be normal performers. The use of such systems is popular nowadays and organizations are apparently oblivious of the distorting effect that such a system can have. For one, generally speaking, the number of appraisals that one manager carries out is small, oftentimes not exceeding ten to twenty appraisals. With such a small amount of observations the assumption that the distribution of performance would resemble a perfect bell shaped normal distribution does not necessarily hold and is risky to make. The chances that someone is put on a place in the normal curve where he or she does not belong is considerable. Also, using such a normal curve influences the behavior of both employees and managers, which can have harmful outcomes as having a well performing pool of employees is no longer the goal. Instead a manager must, somehow, arrive at a normal curve. Morality and oversight can be lost easily in such circumstances, as goal setting research (cf. Locke & Latham, 2002.) has shown that goals have a large effect on our behavior. If a normal curve is the goal that will elicit different behavior than if the goal is to have a well-performing pool of employees.

The assumption of a normal distribution also introduces an extra competitive element in the competition for status of employees. As normal distributions of job appraisals are contingent on everyone's performance, just performing well becomes not enough anymore. Not if one wants to make sure that one performs up to par. What par is becomes fluid, all that matters is outperforming ones colleagues and not just going a good job well.

A last problem that warrants cautionary remarks regarding the use of assumptions regarding normal distribution of performance and the use of detailed performance criteria is related to people's nature to use rationalizations in their daily

lives. Rationalizations as such are nothing unusual, but as Ashforth and Anand (2003) have so adamantly shown, their use can facilitate the committing of deviance as it neutralized the immoral feelings that people might have regarding certain behaviors. As also signaled by Ashforth and Anand, rules and procedures can be used as vehicles for rationalizations and deviant behavior.

Organizations would be wise to reconsider using such normal curve assumptions in their appraisal systems. The assumptions are namely not only statistically false to make but may also cause severe biases and distortions in the appraisal system that can ultimately contribute to the appeal of deviance as a way to guarantee a better performance than everyone else. These normal curves divert attention away from the true performance and it causes behavior that can have serious repercussions for the organizations.


### 5.2.3   Criticism on performance criteria

Detailed performance criteria hold similar risks as those discussed above. Performance criteria are commonly used in normal-curve based performance appraisal systems as well as in many other types of performance and appraisal programs. Gioia's (1992) account of the decisions and debates (or rather the lack thereof), which took place at Ford's recall department at the time of the Pinto scandal illuminates how the presence of certain criteria may distort people's perception of the problems at hand. Gioia at the time, the 1970s, worked in Ford's Recall department and had several discussions with his colleagues regarding whether or not to recall the Pinto. The fact of the matter was, however, that the problems that the Pinto reportedly had fit neither of the two criteria used to decide on recalls. As Gioia puts it, the fact that the criteria were there made it such that he had lost oversight of the moral content of the

situation. He lost sight of the ethical implications of the decisions surrounding the design and recall choices of the Pinto – and had difficulty recognizing them for many years after the case was taken to court. In his own words:

> My own schematized (scripted) knowledge influenced me to perceive recall issues in terms of the prevailing decision environment and to unconsciously overlook key features of the Pinto case, mainly because they did not fit an existing script. Although the outcomes of the case carry retrospectively obvious ethical overtones, the schemas driving my perceptions and actions precluded consideration of the issues in ethical terms because the scripts did not include ethical dimensions. (Gioia, 1992: 385)

Performance criteria can also create such a schema as Gioia describes. They can, thus, contribute to the coming into being of what Daboub, Rasheed, Priem and Gray (1995) call selective perception, which they propose is an antecedent of workplace deviance of the form of corporate illegal activities. Organizations are therefore wise to think carefully about such criteria. They should make sure that they do not and cannot get in the way of moral judgment. Performance criteria should be used sparingly as this leaves more room to look at the bigger picture of the problem at hand, which would also include looking at it from a moral point of view.

Other unintended side-effects may also occur as a result of the specific criteria that an organization chooses to formulate and the standards that it sets. Organizations should be mindful about whether all relevant aspects of the job are covered in the performance targets and criteria, which should include judgments about the acceptability and the desirability of the possible outcomes of the everyday activities that are involved with the job. Research in the field of goal setting namely tells us that specific goals elicit specific behavior (Locke & Latham, 2002). Having certain specific goals can make it more difficult for people to retain their moral oversight, much like what Gioia (1992) described about his Pinto experiences and the criteria set there.

So although organizations are certainly wise to impose certain performance criteria and targets, they should be careful about which ones they formulate. In addition to the moral-blindness that they might cause, organizations are also known to fall in the trap of "the folly of rewarding A while hoping for B" (Kerr, 1975). This folly entails that organizations officially say they wish their employees to behave in a morally sound manner, while they in reality reward deviant behavior. As people have the general tendency to find out what behavior is rewarded and subsequently also exhibit that behavior (Kerr, 1975), rewarding deviant behavior and punishing good behavior can indeed stimulate people to commit deviance (Treviño et al., 2006). What is important here, however, that organizations are aware of the fact that the official appraisal or performance system is not the only source of rewards and punishments. As we have seen in the ethnographic study in Chapter 3, official rewards do not always stimulate everyone to commit deviance. However, the undermining practices that some of the managers at E-Tel engaged in very much worked as a punishment for not committing deviance (or for behaving in a morally sound manner). And it were these unofficial, almost clandestine, punishments that motivated – or rather, coerced – Desk Salespeople to engage in deviance.

As an aside to this discussion of performance targets it should also be mentioned that organizations should exert caution regarding the ease or difficulty with which these goals can be attained, which is a delicate matter. Research has shown that goals that are far out of reach do not work to motivate people (Locke & Latham, 2002). This might have contributed to why E-Tel's Desk Salespeople lacked the desire to reach the goals that Mariah had imposed on them. Research has also shown that goals that are ambitious but only just out of reach are most likely to provoke deviant behaviors in order to reach them (cf. Schweitzer, Ordóñez & Douma, 2004).

This is consistent with research on behavioral decision-making and counterfactuals that finds that there is a greater psychological response (people find it worse, less fair etc.) to goals that are almost met than to goals that are far from being met (cf. Kahneman & Varey, 1990).

Choosing the right goals is a delicate matter. Organizations want to stimulate their people to work hard, but pushing too hard can lead to apathy or deviance. What seems to be most important is whatever job people do, whatever the (performance) goals that they are to reach, that they must actually be able to reach them without having to be overly creative and without having to exert extreme effort. This has a number of implications. One of these is that the organization must make sure that their people have the right skills, by either only hiring staff that already posses the skills, or by giving staff adequate training and education. Also goals need to be reasonable and within reach, attainable under reasonable circumstances. This is again evidenced by the ethnography presented in Chapter 3. There would have likely been far less – if any – deviance at DeskSales had the Desk Salespeople been able to reach their targets in a "morally sound" manner, though we unfortunately have no data to corroborate this. The coupling activities discussed in Chapter 4 also highlight the importance of skills as in-company training and professional training are two Coupling Activities frequently employed by Professional Service Firms and limits of expertise are associated with Institutional Disruption. What is equally important, lastly, is that employees have the "tools" or resources to do the job. With tools I mean not only computers, phones, etc., but also the mandates to actually bare the responsibilities that are bestowed upon them.

This rant about the use of performance criteria and appraisals does not mean that I am against their use as such. The use of performance criteria should not be

abandoned as they motivate people. Research has shown that people who are simply told to do their best work less hard than people who are given concrete goals to work toward (Locke & Latham, 2002). The latter also proved more creative and persistent in trying to reach their goals or targets. Concrete performance criteria and targets may therefore be of great value to organizations and I would therefore not stimulate organizations to not use them. However, they should be used with caution and organizations should understand the fundamental mechanisms that come into play because of them and how these may (unwittingly) stimulate their employees to engage in deviance despite not being naturally inclined to do so out of their own cognition.

### 5.2.4 The making of annoying people: Recruitment practices and organizational identification

This last general suggestion I would like to make to management is to reconsider their recruitment practices and the adagium that employees should always identify strongly with their organizations. The research presented in this dissertation stresses the importance of the social context in the coming into being of deviance within an organization. This social context is not only shaped by and dependent on the level that people identify with the organization, but also on the recruitment practices of organizations. Consequently, if organizations want to reexamine their proneness to developing deviance, they should take a look at their recruitment practices and the underlying assumptions they base those on, as well as at the need and wish to have employees identify strongly with the organization. Both these practices should be geared toward allowing room for independent critical voices within the company. The stronger the need for identification, and the more the recruitment practices are aimed

at finding people that are very similar to those already in the organization, the less there is room for those critical voices, and the less these critical voices seem to be necessary. Annoying people are not welcome and cannot survive in such organizations. This development makes an organization more vulnerable to workplace deviance.

Having employees identify with the organization obviously holds benefits for the organization (cf Pratt, 2000). However, organizations should strive to steer clear of becoming "totalesque" institutions, to paraphrase Goffman (1961), in which identification is much stronger than healthy for both organization and employee. The trait that distinguishes "totalesque" institutions from healthy organizations, is that in the former organizational member are (very) dependent on the institution for their identity. And the more people are dependent on the organization for their definition of self, and also for their evaluation about how they are doing, the more likely that they will engage in deviance if that is what the institution (seemingly) wants of them. Even when the institution does not explicitly ask for it. Identification with the organization has obvious benefits. But it is a dangerous tool, too. It can evaporate independence and criticality happen up to a point that perceived deviance is easily accepted and adopted by all members of the organization.

Finally, when thinking about the implications of my research for management only one word really comes to mind: Moderation. Neither the research presented in this dissertation nor these management implications try to relay the message that fostering competition, commerciality, identification, is bad and that organizations should be careful about trying to motivate employees to care about the organization's goals and ambitions. What I have tried to argue and demonstrate is that organizations should think more carefully about these things, their ambitions and the way that they

want to realize their ambitions. Organizations should much more thoroughly than they commonly do now think about the implications of their practices, the demands, rules and structures that they impose on their people. These, after all, may have unintended effects and may drive even the most well willing and morally upright of employees into the arms of deviance. A bad barrel can definitely spoil all the good apples.

## 5.3    Limitations and directions for future research

As with all scientific research, the current work has its limitations. The first and most obvious limitation is that, all results and conclusions are based on only a small number of empirical studies and are single-shot affairs. Further testing is needed to assure the validity of the findings and before conclusions can be drawn with any real certainty. Another limitation are the limited sample sizes in the empirical studies. These small sample sizes are related to the qualitative research methods that have been used in this dissertation.

The choice for qualitative methods over quantitative ones was warranted because of the complex nature of the type of deviance committers (not to use such charged terminology as violators) that were studied in this dissertation. These were mainly of the kind that get lured into deviance by their social context, or to refer back to Mars' (1982) terminology, the wolfpack or vulture type of deviants. What had to be dealt with here, hence was "[t]he never-ending dilemma of the individual vs. the group, organization or society, whether leaders create organizations and cultures or whether culture and social forces create leaders, how organizations influence their members and, at the same time, how members change the organization, cannot be understood without seeing the interplay between the system and the individual." Schein (2006: 287). This interplay is important for the study of wolfpack and vulture

type deviance and in order to better understand this interplay qualitative methods are most useful. The downside of such methods is that the sample sizes are inherently small. And these make future research essential were we to want to conclude anything about this type of deviance with any certainty. In the remainder of this paragraph some lines of future research are discussed.

One line of such future inquiry of course involves replications of and a deepening out of the studies and findings that I have presented here. Research into the forms of workplace deviance that were under scrutiny in this dissertation is in its early stages and much of it remains to be studied. Chapter 2, for example, makes mention that not everyone responds equally to the status dynamics discussed in that chapter. As a result some people might engage in deviance while others do not, whilst still residing in one and the same social context. More, hence, is needed to explain why individuals engage in deviance than status-dynamics alone. The most logical first step to explore is whether certain person-related factors – e.g. certain personality traits – play a role and make some people more inclined to engage in deviance than others, which essentially creates a person X situation interactionist model. The inclusion of person-related variables in a status-model of deviance follows almost naturally from the fact that despite that status dynamics have their origins in the (social) context – without others we would not be able to measure our own status – they are still intra personal.

Much work has been performed on the relationship person-related variables and deviance. As the literature on these person-related variables is extensive, I will only briefly address some of the more prominent variables as an example of what such a person X situation status model might look like. The person-related variable that has perhaps been studied most extensively is cognitive moral development

(Kohlberg, 1969), for example used by Treviño (1986) in her person X situation interactionist model. Kohlberg distinguished six stages of cognitive moral development, and argued that people in a higher stage are less inclined to engage in deviance.

Both Kohlberg's stages of moral development as well the individual difference variable of Locus of Control have been empirically linked to deviance by Treviño and Youngblood (1990). People who are internally locused have the tendency to attribute their own personal success and failures to themselves (e.g. to effort and persistence). Conversely, externally locused people tend to attribute success and failure to things that are beyond their control (e.g. to luck and other people's actions). It is found that externally locused people are more inclined to deviance than internally locused people. Another individual difference variables linked to (intentions to engage in) deviance is Machiavellianism (e.g. Bass, Barnett & Brown, 1999). People who score high on Machiavellianism value goals more than the means to obtain the goals, and are therefore more inclined to engage in deviance than people who score low on Machiavellianism. In terms of personality variables, for example Negative Affectivity has also been found to influence deviance (Aquino, Lewis & Bradfield, 1999). People who score high on Negative Affectivity (a so-called higher-order personality variable frequently measured with so-called mood-scales) tend to have higher levels of distressing emotions, in the sense that they have them more frequently or more intensely, than people who score low on Negative Affectivity. People who score high on this scale are, then, more inclined to engage in deviance than people with low scores (Aquino, Lewis & Bradfield, 1999).

A status-oriented person X situation model would then argue that in situations where high status dynamics are combined with individuals who are more likely to

engage in deviance, the risks at deviance are (much) higher than they are in situations with either only high status dynamics or only individuals who are relatively likely to engage in deviance. This however would not mean that organizations should select-out the people scoring high on the individual variables in order to attenuate the risk at deviance. Doing so would not only be rather discriminatory (a person scoring high on Machiavellianism is only statistically more likely to engage in deviance, which says absolutely nothing about whether a particular Machiavellianist Mister Y will indeed engage in deviance). It would also be unwise as many of these individual traits also have positive sides. Machiavellianism, for example, has also been related to successful salesmanship (Shultz, 1993). And people who reason at the higher levels of Kohlberg's cognitive moral development are per definition very principled, which may, hence, when trying to organize work with a bunch of such people, result in very inefficient and cumbersome organizing.

This line of research could then look into whether organizations could deter deviance by looking for a balance between the two variables. When an organization, for example, is engaged in sales (and hence is likely to employ many Machiavellianists), it should be careful to not having too much status dynamics going on. When there is no reason to suspect that high levels of the individual variables associated with deviance are present in the organization, the organization needs to be less preoccupied with the status dynamics it breeds. In addition to expanding on the work presented in this dissertation, a second line of research should be dedicated to testing the effectiveness of some of the above made suggestions to management.

Beside this, two new lines of research related to deviance warrant future attention as well. The first of these is an expansion of research methods. The constructivist perspective taken here has its limitations research-wise. It would be of

great help to the study of the development of collective behaviors in general, and of deviance in specific, if a cleaner more laboratory type situation could be designed to systematically test and retest, with larger numbers of subjects and perhaps also in different experimental conditions, the development of norms and behaviors over time. Interesting in this regard are so-called Social Simulation Games in which participants work together over a prolonged period of time on certain tasks in a controlled experimental environment. An example hereof is the so-called "Simulation of a Production Company" (Van der Meer & Schreuder Peters, 1980; Van der Meer, 1983) in which up to 25 people per company have to work together to produce houses from plywood, cardboard and glue. This simulation typically runs two days, in which six years plus one trial year may be played, each year lasting between one hour and an hour and a half. Social interaction and company strategies and tactics to realize those strategies and ambitions can be observed and analyzed in a fixed setting and be repeated as often as necessary. This research design allows the study of whether and how norms may change over time, and how managers get their employees to care about the number of houses that are produced. Increasing the competitive pressures to make it more likely that deviance takes place may be done by having different companies compete against each other at the same time.

The second of these new research lines is inspired by the finding presented in Chapter 4. Though it did not fall within the real research scope of that chapter, one of the things that respondents told us was that they base many of their decisions to for instance reject clients or to confer with colleagues on *feelings.* They stop what they are doing and start to reflect actively about questions only when they *feel* that something is wrong, and not necessarily when evidence of actual wrongdoing is staring them in the face as many "unnoticed" scandals such as the one at Société

Général proved so adamantly again. Hence one's moral conscious apparently might simply, and arguably most effectively, be triggered by gut feelings, something which is completely in par with Haidt's (2001) moral intuitionist model (also see Dane & Pratt, 2007; and Sonenshein, 2007). Gioia's (1992) account of the Ford Pinto recall debacle, mentioned earlier in this chapter, also underlines the importance of gut feelings and intuition. It would be interesting to expand research on "the good side of things" – meaning on how people do obey the rules or intervene in deviance that is taking place or prevent it from happening all together – and examine how deep knowledge must infiltrate people in order to become such an occupational intuition or moral conscious, and how we might get knowledge to infiltrate that deeply. Though the roots of (collective) workplace deviance are painfully simple and part and parcel of everyday organizational life, there must be a way around it. Independent minds and occupational intuition is what our attention should be focused on.

Although there still remains much ground to be covered, this dissertation has hopefully contributed to a better understanding about why good and good willing people sometimes engage in bad behavior – even when they really do not want to. Not all of the evil-doers are evil people. It's just that our efforts to survive in certain social contexts can confront us with the shadow of our selves.

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## Samenvatting (Dutch summary)

Naar aanleiding van de golf van grote bedrijfsschandalen van rond de eeuwwisseling is de aandacht voor deviant gedrag binnen organisaties sterk toegenomen, waarbij deviant gedrag wordt gedefinieerd als gedrag dat de geldende organisatie- en/of maatschappelijke normen overtreedt. Deze aandacht is begrijpelijk gezien het feit dat de kosten die organisaties oplopen doordat hun werknemers zich deviant gedragen enorm zijn. Er wordt zelfs beweerd dat de kosten die gemoeid zijn met alle soorten deviant gedrag binnen organisaties groter zijn dan de kosten van straat criminaliteit.

Naast dat het vanuit financieel oogpunt zinnig is om te onderzoeken waarom mensen zich deviant gedragen binnen organisaties is er ook nog een aantal onverklaarde observaties die het interessant maken om dit onderwerp te onderzoeken. Een daarvan is hoe het kan dat mensen op hun werk soms zeer onethische dingen doen (fraude, stelen, zelfs martelen, etc.) terwijl ze tegelijkertijd buiten hun werk modelburgers zijn. Een andere interessante observatie is dat devianten na hun "ontmaskering" soms sterke emotionele reacties hebben, variërend van depressies tot zelfmoord. Ook in de aanloop naar de ontmaskering heeft de deviant het soms zwaar te verduren, en kan hij of zij zelfs fysiek ziek worden van het idee dat de overtreding binnenkort op straat ligt. Dit zijn allemaal observaties waarvoor tot op heden nog geen bevredigende verklaringen zijn gevonden.

Binnen de organisatiewetenschappen zijn er grofweg twee onderzoeksstromingen die zich richten op het hoe en waarom van deviant gedrag binnen organisaties. De eerste stroming richt zich vooral op de statische en causale antecedenten van deviantie, zoals bijvoorbeeld persoonlijkheidsvariabelen,

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organisatiecultuur, leiderschap, of groepsdruk. Onderzoek dat binnen deze stroming valt probeert te verklaren waarom een zeker individu X zich op moment Y, relatief doelbewust, deviant gedraagt.

Een tweede stroming binnen het onderzoek naar deviantie in organisaties richt zich meer op de dynamische processen die ten grondslag liggen aan het ontstaan en voortbestaan van (collectieve vormen van) deviantie. De idee daarachter is dat binnen organisaties deviantie, zeker de grote schandalen, niet van de een op de andere dag ontstaat, maar dat het een resultaat is van iets dat zich gedurende langere tijd, aan het oog onttrokken, heeft ontwikkeld. Onderzoek binnen deze stroming gaat er minder vanuit dat mensen zich opzettelijk deviant gedragen. Liever neemt men aan dat deviantie het resultaat is van onbewuste processen. Het onderzoek waarover in dit proefschrift wordt gerapporteerd valt binnen deze tweede stroming.

In dit proefschrift wordt er over drie studies gerapporteerd, waarvan de eerste zuiver theoretisch van aard is en de tweede en derde gebaseerd zijn op empirisch onderzoek. Iedere studie bekijkt het probleem van (de dynamische ontwikkeling van collectieve) deviantie vanuit een andere invalshoek. De eerste studie gaat in op persoonsinterne dynamieken, de tweede studie richt zich op management praktijken, en de derde studie richt zich op de sociale context binnen organisaties.

In de eerste, conceptuele, studie wordt het argument gemaakt dat (sociale) status een achterliggend construct is dat, als de waarde en betekenis van het concept worden herkend, het onderzoek naar (de preventie van) deviantie in organisaties aanzienlijk vooruit kan helpen. Al kijken organisatiewetenschappers wel naar een concept als identiteit, dat nauw verbonden is aan status, het concept van status krijgt nauwelijks aandacht. Dit is een gemiste kans omdat status en deviantie wel degelijk met elkaar te maken hebben. Zo hebben criminologisch en sociologisch geschoolde

wetenschappers het ontstaan en bestaan van straatbendes verklaard door middel van statusdrang. Ook deviantie binnen organisaties hebben zij reeds verklaard met behulp van statusdrang.

De reden dat de herkenning van het concept van status het onderzoek naar deviantie in organisaties vooruit zou kunnen helpen is dat het een scala aan onderzoeksresultaten kan herleiden tot één noemer. Dit heeft ermee te maken dat status een evolutionaire oorsprong heeft – een dus zeer diep liggende motivaties aanboort, en het feit dat mensen fysiek ziek worden wanneer hun status afbrokkelt. Vanwege deze fysieke response, zo gaat het argument, beïnvloeden status dynamieken op een onbewust niveau iemands neiging om deviant gedrag te vertonen. Vervolgens wordt in deze studie een aantal zeer diverse onderzoeksresultaten op het gebied van deviantie binnen organisaties in verband gebracht met statusmechanismes en dynamieken die bekend zijn uit de antropologische literatuur. Zo wordt aangetoond dat de resultaten inderdaad verklaard kunnen worden door status mechanismen.

Het feit dat dus, zoals deze studie beargumenteert, onbewuste processen ten grondslag liggen aan iemands keuze om zich deviant te gedragen zorgt ervoor dat veel van de methoden die organisaties hanteren om deviantie tegen te gaan niet volledig effectief zijn. Dit komt doordat deze zijn ontworpen vanuit enerzijds de aanname dat mensen een bewuste keuze maken om zich deviant te gaan gedragen, en anderzijds vanuit de aanname dat mensen zich deviant gedragen om er zelf financieel rijker van te worden. De drang voor status is bewust noch heeft het te maken met zelfverrijking. De deviantie die als een gevolg van deze drang wordt gepleegd wordt dus niet optimaal verholpen door de controlemechanismes die organisaties nu plegen te implementeren. De studie eindigt met een advies over hoe organisaties deviantie beter zouden kunnen bestrijden dan dat ze nu doen.

De tweede studie die wordt gepresenteerd in dit proefschrift is gebaseerd op etnografische data die is verzameld over een periode van vijftien maanden bij een desksales afdeling van een Europees Telecom bedrijf. De medewerkers van DeskSales werden door de managementleden van hun afdeling gedwongen om zich deviant te gedragen terwijl ze dat zelf liever niet wilden. Deze studie draagt een aantal belangrijke inzichten bij aan de studie van deviantie in het algemeen. Een daarvan is dat wordt aangetoond dat, anders dan weleens wordt aangenomen, men zich helemaal niet ofwel opzettelijk deviant gedraagt voor eigen gewin ofwel dat deviantie het resultaat is van onbewuste normveranderingen. De deviantie bij DeskSales was immers het resultaat van dwang. Een tweede bijdrage die deze studie levert is dat er twee management praktijken worden gevonden die, tezamen, een systeem van collectieve deviantie kunnen bewerkstelligen dat gedurende een langere periode kan blijven voortbestaan.

De eerste managementpraktijk die wordt gevonden bestaat eruit dat deviant gedrag werd geherinterpreteerd als ware het slimme manieren om je targets te halen en helemaal niet als deviant. Daarmee werd het gedrag niet alleen genormaliseerd maar ook aantrekkelijk gemaakt voor de medewerkers. In deze praktijk coöpteerden managers bijvoorbeeld regels van de organisatie en kleineerden ze het belang van bepaalde dingen naar waarheid te rapporteren. Deze praktijk alleen was echter niet voldoende om mensen ook daadwerkelijk deviant te laten handelen. Daarom gebruikte managers een tweede praktijk om mensen daartoe te motiveren.

Deze tweede praktijk kent drie verschillende varianten. In de eerste variant motiveerden managers de medewerkers door het zelfbeeld van de mensen systematisch te ondermijnen. Daarbij werd vooral iemands individuele onderprestatie en falen benadrukt. In de tweede variant motiveerden managers de medewerkers ook

door hun zelfbeeld te ondermijnen. Echter in dit geval werd eerst benadrukt hoezeer het team van belang was, waarna vervolgens degene die onderpresteerde werd verweten dat hij of zij het team in de steek liet. De derde variant op deze praktijk was positiever. Daar werden mensen er door hun manager van overtuigd dat het behalen van de prestatiedoelen zeer nastrevenswaardig was. De drie varianten zorgden er ofwel voor dat mensen verlost wilden worden van de ondermijnende activiteiten, ofwel dat ze gemotiveerd raakten om ook daadwerkelijk de prestatiedoelen te behalen omdat ze er inderdaad een gevoel van erkenning door kregen. In alle gevallen was het resultaat dat mensen zich genoodzaakt voelden om zich deviant te gedragen.

De twee praktijken worden in verband gebracht met literatuur over "sensegiving" en "sensebreaking". Wat er in essentie gebeurde was dat het gevoel van het zelf – wie ben ik, hoe voel ik me, wat vind ik belangrijk – werd gemanipuleerd door het management zodanig dat mensen zich vanzelf wel deviant moesten gaan gedragen. Zij deden dat dan ook, zelfs al was het tegen hun wil. Men zag immers geen andere weg om gevoelens van onbehagen te verhelpen of om wensen voor erkenning te vervullen. De studie sluit af met een bespreking van de randvoorwaarden die essentieel waren om het systeem overeind te houden. Deze bestonden er onder andere uit dat het management de informatie uit het IT systeem blindelings vertrouwde en er vanuit ging dat het de waarheid vertelde, en dat er niet werd gecontroleerd of bijvoorbeeld bepaalde verkopen ook daadwerkelijk hadden plaatsgevonden. Daarna wordt nog geanalyseerd waarom niemand over deze situatie is gaan klokkenluiden, zelfs niet nadat men de organisatie had verlaten.

De derde en laatste studie waarover in dit proefschrift wordt gerapporteerd is gebaseerd op interviews met 65 respondenten die allemaal binnen één van deze drie professionele dienstverlenende sector werkzaam zijn: Accountancy, Advocaten en

Consultancy. In de studie wordt de sociale context binnen organisaties bestudeerd. Specifiek wordt er onderzocht hoe organisaties en hun medewerkers omgaan met zowel interne als externe regelgeving, hoe deze wordt geïmplementeerd en hoe deze doorlopend wordt uitgedragen. Daarnaast wordt onderzocht wat organisaties en haar medewerkers doen om de kracht van interne en externe regelgeving te ondermijnen. De studie relateert deze implementatie- en ondermijningsactiviteiten vervolgens aan drie verschillende soorten deviant gedrag, en kijkt naar in hoeverre de gevonden activiteiten bijdragen aan de oplossing dan wel verergering van het deviante gedrag.

De bijdrage van deze studie aan de literatuur over institutionele theorie is aan de ene kant dat hier wordt onderzocht wat organisaties en medewerkers precies doen om instituties uit te dragen of te ondermijnen. Er wordt meestal gesproken over dat instituties allerlei (organisatie) gedrag beïnvloeden, maar er wordt vaak vergeten dat zonder menselijke actie die instituties helemaal niets kunnen doen en zelfs niet kunnen bestaan. Deze acties worden hier onderzocht. Aan de andere kant draagt de studie aan de literatuur bij omdat dat ze de institutionele theorie in verband brengt met deviantie in organisaties. Deze twee stromingen worden niet vaak met elkaar in verband gebracht, ondanks dat institutionele theorie veel te bieden heeft als het gaat om hoe normen en regels gedrag van individuen en organisaties beïnvloeden.

Er zijn twee soorten activiteiten gevonden die werden ontplooid om instituties in de eigen organisatie uit te dragen en te verankeren. Dat zijn aan de ene kant zogenaamde koppelingsactiviteiten. Hieronder wordt een aantal specifieke soorten van activiteiten verstaan, namelijk: socialisatie, consulteren van collega's, interne trainingen, verduidelijking van de rollen van alle betrokkenen, de dreiging van sancties, en externe opleidingen. Hiernaast worden instituties ook wel uitgedragen door middel van zogenaamde instandhoudingactiviteiten. Ook hier zijn er weer

specifieke soorten activiteiten gevonden, namelijk: monitoren, screenen (van nieuwe klanten en medewerkers), relaties beëindigen (met klanten en medewerkers), en sanctioneren (straffen). Er zijn eveneens twee soorten activiteiten gevonden die een ondermijnend effect hebben op instituties. Dat zijn enerzijds ontkoppelingsactiviteiten, waar de volgende activiteiten onder worden verstaan: regels ter discussie stellen, regels negeren, regels buigen, en regelnaleving contextafhankelijk te maken. Anderzijds zijn dat verstoringactiviteiten, waaronder wordt verstaan belangenverstrengeling, gebrek aan ruggengraat, individuele beoordelingen, werken in isolatie, en gebrekkige expertise.

Er zijn hiernaast twee bronnen gevonden van waaruit er controle op de professionals wordt uitgeoefend. Dit is de organisatie zelf en daarnaast ervaren respondenten één algemene externe bron. Hieronder scharen respondenten zowel de beroepsorganisaties als de wet. Ook zijn er drie verschillende soorten deviant gedrag in de data gevonden. De eerste is deviant gedrag dat externe regels overschrijdt, de tweede is deviant gedrag dat organisatieregels overschrijdt, en de derde is deviant gedrag waar de cliënt de dupe van is (bijvoorbeeld teveel uren declareren etc.). Vervolgens zijn de relaties van alle concepten met de drie verschillende soorten deviantie onderzocht door middel van regressie analyses. Daaruit blijkt dat het hebben van externe regelgeving bovenop interne regelgeving het probleem van deviantie eerder verergert dan verbetert. Daarnaast is gevonden dat de ontkoppelings- en verstoringactiviteiten gezamenlijk de condities scheppen die ertoe kunnen leiden dat men zich deviant gaat gedragen. De studie sluit af met een discussie over alternatieve manieren van governance die deviantie beter zouden kunnen tegenhouden dan de huidige governance strategieën.

In het afsluitende hoofdstuk van het proefschrift wordt nog ingegaan op enkele managementimplicaties die niet zozeer direct volgen uit het werk dat is gepresenteerd in het proefschrift, maar wel op dit werk zijn geïnspireerd. In het hoofdstuk wordt bijvoorbeeld geageerd tegen het paradigma dat een organisatie altijd moet blijven groeien, alsmede tegen het populaire idee dat personeelsbeoordelingen (hoe klein de groep ook is die wordt beoordeeld) een normaalverdeling moeten representeren. Tenslotte wordt een aantal richtingen voor toekomstig onderzoek gesuggereerd.

## Biography

Niki was born on March 18, 1975, in Haarlem, the Netherlands. She obtained a Masters of Arts degree in social and organizational psychology at Leiden University in 1998. After working as an internal management consultant in a large insurance company for two years she moved to Brussels, Belgium. There, she was a consultant in business ethics and fraud prevention with KPMG Forensic while at the same time also studying at K.U.Leuven, the catholic university in Leuven. Of that university she obtained a post-initial master degree in applied ethics in 2003. Niki started her doctoral studies at the Rotterdam School of Management later that same year. Next to her doctoral research, Niki taught classes in the full-time and part-time master programs of the Rotterdam School of Management as well as in the school's bachelor program. The topics of the classes she taught include sociological and psychological theories of leadership, management and governance, and behavioral business ethics. Niki has presented her research at several international conferences including the meetings of the Academy of Management, the Society for Business Ethics, the International Association for Business and Society, and the European Business Ethics Network. She also gave a number of invited talks at universities abroad. Niki has published in the Journal of Business Ethics and received the runner up award of the 2007 Annual Duke University, Fuqua School of Business, Center of Leadership and Ethics (COLE) Dissertation Proposal Competition. Niki's research focuses on deviant behavior in organizations, with a specific interest in the question of how otherwise good and normal people would engage in workplace deviance.

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**SEEING THE SHADOW OF THE SELF:**
**STUDIES ON WORKPLACE DEVIANCE**

Why do good people do bad things? The assumption that underlies the research presented in this dissertation is that only some of those who engage in workplace deviance are individuals of dubious morality, and that most of the workplace deviants are good people who are merely trying to make a living. What then drives these people to engage in deviance? The research presented in this dissertation answers this question. Three studies delve into the processes that underlie especially collective forms of deviance that are committed out of other reasons than monetary gain seeking. Each study does so from a different perspective. The first study examines intra-individual drives that unconsciously entice people to commit deviance. The second study advances managerial practices that coerce people into committing deviance, and the third study examines forces in the social context that have that same result. The findings suggest that good people indeed have a shady side capable of doing bad things for the sole reason of doing a good job, earning a living and leading a happy life. This dissertation adds to the growing body of research that focuses on the processes underlying the development of deviance in organizations. It also informs management about how to better prevent workplace deviance.

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