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Determinants of Public Service Employee Corruption: A Conceptual Model from the Psychological Contract Perspective

Russel P. J. Kingshott

Curtin University of Technology, Australia

Oguzhan C. Dincer

Illinois State University, USA

Abstract: A conceptual model is presented that explores the potential role of psychological contracts (PCs) upon corrupt acts within the public sector. The propositions we offer are based upon theoretical and empirical studies within the economics and management literatures. These have significant managerial implications because we postulate that even functional work environments can help foster corruption. Corruption may result when managerial decision makers overlook the range of expectations, embedded within the PC. On the one hand, contracts stimulate functional behaviours but when violations to these employee contracts occur, it is postulated that the resultant behaviour could lead to corruption because of the need for employees to recoup what they perceived are owed to them. Such propositions need to be empirically tested because, if confirmed will widen current thinking in relation to the antecedent factors causing corruption within the public service.

Keywords: *corruption; psychological contracts; public sector employees*

Contact addresses: Russel P. J. Kingshott, School of Marketing, Curtin University of Technology, GPO Box U1987, Perth 6845, Western Australia. [email: R.Kingshott@curtin.edu.au]

Introduction

Public sector employee corruption has attracted a great deal of attention in both academic and non-academic circles as reflected through an increased number of studies devoted to the topic (e.g. Eigen, 2002; Jain, 2001; Stapenhurst and Langseth, 1997; Theobald, 2002; Treisman, 2000). Institutions such as the World Bank, the OECD, and various UN agencies have started addressing corruption as an important policy concern. The motivation behind such attention is that good governance is a necessary condition for economic growth and development.

Such interest has also been emulated in Australia through the range of commissions of enquiry and associated publications during the last decade (e.g. Gorta, 1994; Grabosky and Larmour, 2000; Independent Commission Against Corruption [ICAC], 1998; Lamour, 2001; Zipparo, 1999). These works provide the impetus for our article. By understanding the variety of antecedent conditions leading to corrupt acts our managers and policy makers can take necessary remedial action.

To date, factors contributing to corruption have been viewed largely through the economics literature, and principally from a cost-benefit analysis perspective. Costs to the corrupt individual include lost income due to being detected, prosecuted, and punished, in relation to 'income' derived through acting corruptly. An assumption is made herein that an employee is going to engage in corrupt acts if the benefits outweigh the costs. Hence, a common theme has emerged in the literature that models the effect of wage levels upon the propensity for corruption (e.g. Goel and Nelson, 1998; Mookherjee and Png, 1995; Van Rijckeghem and Weder, 1997).

Such a nexus was recognized as early as the Ch'ing dynasty in imperial China where district magistrates were paid an extra allowance called *yang-lien yin* (money to nourish honesty) as a tool against corruption. A similar strategy has been adopted more recently by the Singaporean and Hong Kong governments through their incentive wage policy for public officials (Bardhan, 1997). Our general observation here is that these jurisdictions seemingly recognize that the main rationale for acting corruptly is the financial benefits that individuals are able to extract because of their public service roles.

While this indicates that higher wages for public employees would induce lower levels of corruption we also need to be mindful of empirical studies from other social science disciplines showing factors other than financial incentives help motivate employee actions. Of particular interest in this article is the potential role of psychological contracts (PCs) in explaining the antecedent conditions leading to corruption given this construct can have both positive and negative behaviours of employees (e.g. De-Meuse et al., 2000; Guzzo and Noonan, 1994; Herriot et al., 1997). Factors contributing to the development of the PC have also been modelled into our thinking and reflected through the conceptual model we present in Figure 1.

We concur with the commonly held view that PCs are promissory in nature (Rousseau, 1995) and represent an employee's belief that the employer owes them a range of tangible and intangible benefits due to their past and current contributions. While this belief structure has been shown to guide behaviour, and helps model our understanding of the employment relationship, the PC can act as a double-edged sword.

On the one hand it helps strengthen ties between parties but on the other offers the potential to engender dispute and disagreement within the employment relationship (Rousseau and Mclean-Parks, 1993). We believe that the presence of this construct could act as one of the antecedent factors leading to corruption. Our belief is based upon the premise that potential conflict arises when certain terms of the PC are violated. However, we are not advocating that corruption is an automatic consequence of PC violations simply because they are also known to engender both constructive and destructive behaviours within the employment relationship (e.g. Farrell, 1983; Rusbult et al., 1988; Turnley and Feldman, 1999). Given we believe PCs are also inherent within the public sector employment context they need to be clearly understood as their presence will have managerial and policy maker implications.

Hence, the main purpose of this conceptual article is to explore this line of thought in more detail, and hopefully provide the foundation and impetus to examine our line of reasoning in more detail. In doing so, we attempt to highlight some of the potential implications PCs could have for the nature and intensity of corrupt acts within the public sector. Accordingly, theoretical and managerial implications are discussed and these form the basis for a suggested, but not exhaustive, range of future research trajectories.

Current Perspectives in the Literature

There is a growing body of theoretical and empirical studies within the economics literature examining the factors contributing to corruption and corruptibility within the public service (e.g. Bardhan, 1997; Becker and Stigler, 1974; Besley and McLaren, 1993; Goel and Rich, 1989; Van Rijckeghem and Weder, 2001). We concur with the commonly accepted view used herein to define the construct, namely that corruption is: 'acts in which the power of public office is used for personal gain' (Jain, 2001: 73).

From this conceptual definition, one of the core assumptions we make is that corruptible public servants are able to gain economic advantage from their relative position of power and/or authority vested. This definition and underlying assumption about corruption in the economics literature is reflected through two competing hypotheses used to explain such behaviour. These are the efficiency wage hypothesis (Becker and Stigler, 1974; Besley and McLaren, 1993; Shapiro and Stiglitz, 1984) and the fair wage (Akerlof and Yellen, 1990) hypothesis, and are both based upon the behavioural patterns of the public officials. These are now discussed in more detail.

Efficiency Wage Hypothesis

By assuming that public officials are able to act corruptly in an attempt to maximize their expected future income, the efficiency wage hypothesis explains how it is possible to manipulate the propensity of the public officials to engage in corrupt acts through wage levels and other financial incentives. For example, Becker and Stigler (1974) model the behaviour of the law enforcement officers by assuming that, corrupt acts, when detected, are penalized by termination of employment. These authors argue that public service officials will perform honestly simply by paying them what they are likely get in other jobs requiring comparative skills and risk, therefore rewarding them appropriately for their contributions.

However, since the probability of detection is almost always less than unity it is necessary to increase wages above what they are likely get elsewhere, given the employees level of competency. In operational terms the amount needed to assuage corruption needs to be inversely related to the probability of detection, and directly related to the size of bribes and/or benefits derived. Therein lies one of the major criticisms of the model, namely that when bribe levels are high and/or the probability of detection is low, the wage levels necessary to eliminate corruption need to be extremely high.

In another theoretical study, Besley and McLaren (1993) propose a different wage strategy called capitulation wages. These authors make the point that capitulation wages is nothing but a strategy of paying wages below what public officials are likely to get elsewhere. By modelling wages lower than the next best job available they hypothesize that all those corruptible public officials will engage in corrupt acts to supplement their income. In essence, this study concludes that under this 'relative lower wage' scenario policy makers that can implement a strong monitoring mechanism are thus able to prevent corruption. Since robust monitoring is also a necessary condition for the efficiency wage strategy to be effective, Besley and McLaren (1993) point out that capitulation wages may actually be a preferred strategy due to its cost effectiveness – as evident by its use in Ghana, Kenya, and Nigeria.

However, the precise level of public sector wages and corruption can sometimes be quite complex (Bardhan, 1997: 1339) because 'the objective is not merely reduced corruption in a public agency but, at the same time, not to harm the objective the agency was deployed for in the first place'. To illustrate this point, Mookherjee and Png (1995) focus upon the trade-off between corruption, pollution, and enforcement efforts needed to monitor pollution within a factory context. Their study is based upon the pretext that policy makers are unable to directly control either those inspectors' monitoring/eliminate pollution or factory managers wishing to bribe the inspectors responsible for ensuring compliance.

Despite a managerial lack of direct control they show how it is possible to penalize inspectors and factories if corruption is discovered, as well as motivate inspectors through payment of commissions. Such commissions are based

upon the magnitude of pollution related fines. Given such policy tools, both factories and inspectors simultaneously choose the level of pollution and monitoring intensity respectively. Essentially, if the inspector is corrupt then small increases in the rate of reward or penalty directed towards this employee raises the cost borne by the inspector for underreporting corruption.

Unfortunately this simply leads to higher bribe levels, which according to Mookherjee and Png (1995) requires a sufficiently large and discrete increase in the reward, or penalty, to eradicate bribery. With predestined budgetary constraints facing government, the models mentioned earlier suggest that eradication of corruption by way of higher wages, and/or higher fines is likely to be a costly exercise. Given such constraints, the fair wage perspective is suggested as alternative policy instrument in the battle against corruption.

Fair Wage Hypothesis

In contrast to the predictive capability of the efficiency wages perspective those based upon the framework of the fair wage hypothesis tend to conclude that public sector wages alone are an effective tool to eliminate corruption. The motivation for proposing the fair wage hypothesis is a simple observation concerning human behaviour, namely that when people do not get what they deserve, they try to get even. According to Akerlof and Yellen (1990: 257) ‘workers who do not receive a fair wage for input of a certain amount of effort may change their actual effort. Similarly, they may change their perceived level of remuneration by redefining the non-pecuniary terms of the job’. Thus public servants may not be motivated by greed, but willingly forgo opportunities for corruption, provided that wages meet fair subsistence levels. This suggests that eliminating corruption using a fair wage policy is likely to be a more effective strategy (Van Rijckeghem and Weder, 2001).

Empirical studies investigating the nexus between wages and corruption tend to support this viewpoint that there is a negative relationship between wages and corruption. For example, in a US study, Goel and Rich (1989) explore the link between the number of public officials convicted and salary levels. Controlling for the factors such as the level of monitoring, they find a negative relationship between the public sector wages and corruption.

In another study, Kahn et al. (2001) use data from 10 Brazilian tax regions to show the effects of a newly introduced financial incentive scheme designed to improve the enforcement of these new tax laws. The scheme involved the provision of income supplementing commissions to tax inspectors if they are able to identify tax evaders. In the model, Kahn et al. (2001) presume that an increase in fine collections per inspection equates to a decrease in corruption. They found that fine collections increased by over 75 percent in relation to having no programme at all – providing clear empirical evidence of the wages–corruption nexus.

Finally, Van Rijckeghem and Weder (2001), attempt to test the efficiency wage against the fair wage hypothesis for a small cohort of developing countries.

They use the corruption index prepared by Political Risk Services (PRS) – a private international investment service, as their measure of corruption. The index ‘attempts to capture the extent to which high government officials are likely to demand special payments and illegal payments are generally expected throughout lower levels of government in the forms of bribes connected with import and export licences, exchange controls, tax assessment, police protection, or loans’ (Van Rijckeghem and Weder, 2001: 312).

By controlling for the level of monitoring, these authors find a negative relationship between the public sector wages and corruption. However, they also show that the wage levels necessary to crowd out corruption are found to be higher than predicted by the fair wage hypothesis and lower than predicted by the efficiency wage hypothesis. This finding tends to indicate that neither the efficiency nor the fair wage hypotheses hold robustly in pure form suggesting that additional variables need to be included to help explain corruption.

Overall these economic models do provide an important insight into the problems managerial and policy decision-maker’s face when attempting to eliminate corruption. While these studies principally indicate the nexus between corruption and the level of wages, we sense this may not be reflective of the full employment picture. Reducing the corruption discussion to a simple analysis of the effects of wages is unidimensional in scope. Hence, we believe that such an approach cannot be universally applied to a sophisticated public sector employment context, as would exist within Australia therefore a wider perspective is needed.

Alternative Psychological Contract Perspective

We know that the employment relationship is complex and multidimensional in nature (Argyris, 1960; Farrell, 1983; Herriot et al., 1997; Rousseau, 1995), and, such innate dimensions are likely to moderate the level of organizational citizenship (e.g. Farrell, 1983; Hirschman, 1970; Rusbult et al., 1988) – which we regard as a key determinant in the level of corruptibility. By this we mean that the employee propensity for both functional and dysfunctional behaviours will also stem from sources other than their levels of wages, and this will have implications upon their propensity to act corruptly.

We make this point in direct reference to those career minded professionals that are known to behave in manners congruent with the ability to recoup the range of future expectations they perceive they are entitled to receive within the employment relationship (Guzzo and Noonan, 1994; Kickul, 2001). When these expectations are not fulfilled these employees are shown to act in a number of manners that potentially have serious managerial consequences (e.g. Morrison and Robinson, 1997; Robinson, 1996; Turnley and Feldman, 1999). Similarly, we anticipate that public sector employees also have multifaceted expectations within their roles and these are likely to influence their behaviour.

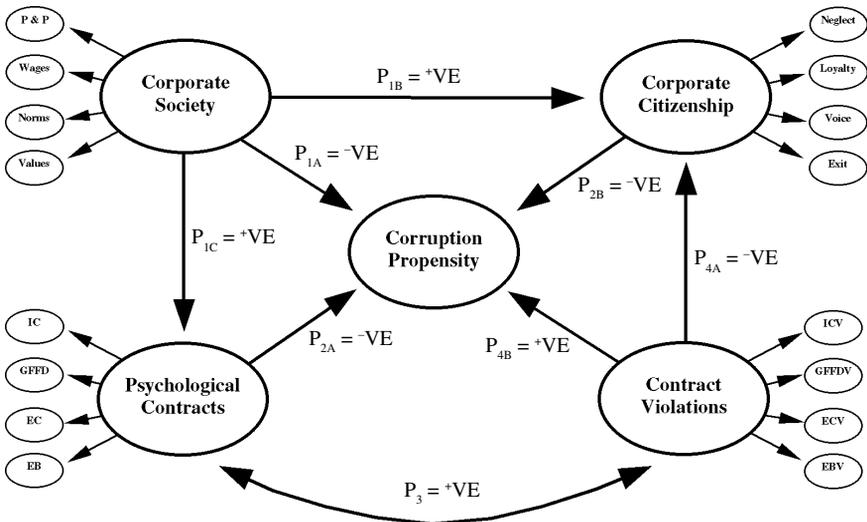
Our particular interest is those expectations within the employment relationship likely to engender dysfunctional role behaviour when not realized by the employee as we believe that potentially results in corruption. These are now discussed and a conceptual model depicting their effects upon propensity for corruptive practices is developed.

Proposed Conceptual Model

We have a congruous view to previous economics studies depicting corruption as taking many forms and concur that it results in varying degrees of damaging consequences (e.g. Bardhan, 1997; Jain, 2001). However, we believe that as the employment relationship is likely to be multidimensional in nature there is merit in extending current thinking into a new domain in order to help explain the antecedent conditions leading to corruption. By melding economics thinking with human resource management (HRM) literature devoted to the PC we develop a conceptual model that shows how a wider range of factors within the employment relationship could lead to corruption.

While we do agree with the economics literature that corruption is motivated by tangible financial benefits identified therein, we also believe that such pernicious acts stem largely from the belief system of immanent individuals. This belief system is entrenched within the PC and is formed through learned behaviour embedded within contextual and situational factors intrinsic to the employment relationship. These represent the basis of our propositions and conceptual model, depicted in Figure 1.

Figure 1 *Factors leading to public service employee corruption*



In the first instance, we posit that corruption stems from a mindset that is primarily cultivated through an unhealthy and dysfunctional corporate society ($\cdot P_{1A}$) within the public service. Although we do acknowledge that opportunism may exist in which public employees are capable of taking financial advantage of their position held, such disposition is largely contingent upon exposure to various dysfunctional environments embedded within the employment context. Hence, the nature and character of this employment context, reflected through the corporate society, influences the extent of functional corporate citizenship ($\cdot P_{1B}$) held by the employee, as well as contributing to the development of the PC ($\cdot P_{1C}$).

Both of these constructs are multifaceted in nature and will likely dampen the level of corruption ($\cdot P_{2B}$ and $\cdot P_{2A}$) respectively. However, we feel that this is largely contingent upon the precise temperament of any PC violations in relation to the strength of the individual employee's PC ($\cdot P_3$). In this respect, if violations do occur we expect them to have a negative impact upon corporate citizenship ($\cdot P_{4A}$), leading to an increase in level of corruption ($\cdot P_{4B}$) exhibited by the public service employee. We now elaborate on the dimensionality of each of the outlined constructs in our model, and link them to the propositions we make.

Construct Dimensionality, Theory Development and Propositions

We define an employee's working context as their corporate society in recognition that this is a highly complex and multifaceted environment, comprising both tangible and intangible dimensions. This definition is congruous with literature devoted to the topic (e.g. Blau and Scott, 1962) but has the benefit of seemingly avoiding confusion in distinguishing corporate culture from climate (e.g. Barker, 1994; Field and Ableson, 1982; Moran and Volkwein, 1992).

We thus conceptualize the tangible elements of this corporate society to embody formal policies and procedures [P & P] as well as salary structures/wages for each of the respective roles within the public service. Whilst these comprise relatively rigid rules we make the point that employees' actions are also likely to be guided by their own perceptions about the boundaries of these tangible dimensions. Thus perhaps a more substantive influence upon employee actions is the intangible facets of their corporate society, which like any organization comprise the range of underlying cultural elements (e.g. Hofstede, 1989; Hofstede et al., 1990; Pettigrew, 1979; Wallace et al., 1999). We model the intangible elements of the construct to comprise norms and values and posit that while these are largely informal they strongly impact upon both an individual's belief system and subsequent role related behaviours.

It is thus our belief that the interactive effect of these four corporate society dimensions represents the platform in which employees learn the most appropriate manners to behave in their role. We define corporate citizenship as all

potential 'legal' employee behaviours, and base this definition upon the original work of Hirschman (1970) and extension studies (e.g. Rusbult et al., 1982; Turnley and Feldman, 1998) devoted to the topic. Hence, our feeling is that the corporate society within the public service should help guide good corporate citizenship, as well as the propensity and magnitude of corruptibility.

While the economics literature indicates that acting corruptly is largely driven by those financial benefits public service employees derive from such acts, we need to recognize that such action cannot simply materialize but is contingent upon the moral character and value system held by those corruptible individuals. The inference we make herein is that this will stem from their corporate society and corporate citizenship (P_{1A} & P_{2B}). Therefore we posit that while such facets are inherent to the individual, gained through a compilation of previous experiences, the act of corruption within the public sector is also learned behaviour stemming from their exposure to various facets within this work environment outlined earlier.

Our supposition here is based upon much evidence showing the effects of learning through socialization of individuals within a group context (e.g. Axelrod, 1984, 1986; Scanzoni, 1979; Sherif, 1936), and, more specific to this context, the impact that socialization within organizations is shown to have upon employee behaviour (Anderson and Schalk, 1998; Rousseau, 1996; Thomas and Anderson, 1998).

Having a robust, healthy and functional corporate society to operate within implies that employees have confidence in the system and therefore rely upon it to furnish their career related ambitions. Under such conditions it is unlikely that they are going to resort to corruption because of the ability of such a society to cater to both their financial and non-monetary career outcomes. There is much empirical evidence linking the nature of such interaction to the career aspirations of employees, modelled from the perspective of PCs (e.g. Mclean-Parks and Kidder, 1994; Rousseau, 1990). The precise terms of these contracts stem from individuals' belief that promises have been made to them by the other party, and, these are known to govern current and future employee behaviour (e.g. Guzzo and Noonan, 1994; Kickul, 2001; Turnley and Feldman, 1999).

Rousseau and Tijoriwali (1998: 679) define PCs as: 'an individual's belief in mutual obligations between that person and another party', and place the following conceptual boundaries around the construct, namely, that: (1) it is an individual perception about obligations, (2) the individual defines both parties' obligations, and (3) it is the perception of mutuality that constitutes this contract. We concur with their view.

Hence, we posit that PCs are inherent within the public service employment relationship, and stem from their corporate society, because, without a promise of future exchange parties have no incentive to contribute (Robinson and Rousseau, 1994). The effects of such a corporate society upon these PCs, the nature of citizenship behaviour and the propensity for corruption are anticipated to be as follows:

Proposition 1a: A strong functional corporate society within the public service reduces the propensity of corruption among its employees.

Proposition 1b: A strong functional corporate society within the public service results in the formation of the employee's psychological contract.

Proposition 1c: A strong functional corporate society within the public service results in functional citizenship behaviour of its employees.

We expect that because the terms of the PC reflect the anticipation of future benefits that employees feel they are entitled to as a consequence of their efforts (e.g. Robinson et al., 1994; Robinson and Rousseau, 1994) this increases optimism within the public service employment relationship. We model the factor structure of this construct to comprise expectations pertaining to the range of employment benefits (EB), employment conditions (EC), good faith and fair dealing (GFFD), and, intrinsic conditions (IC) that a career in the public service will offer. This replicates the dimensionality of the construct first proposed by Rousseau (1990, 1996).

While each factor herein is underpinned by a number of dimensions, these can be described in relation to perceived promises as follows: EB comprises the extent that tangible outcomes (i.e. salary and promotions) exist, and, EC reflects the extent that inputs (i.e. appropriate resources) are given to help the public service employee perform their role. The next two dimensions are more intangible, in which GFFD depicts the level of honesty, professionalism and collegiality that the employee is afforded. Finally, IC reflects the extent the employee feels they are given responsibility for their actions.

Of course the precise significance of each of these dimensions to the construct, as reflected through the factor loadings, may vary between public service employment contexts. For example, police officers 'on the beat' would be more inclined to expect their equipment (EC) to be highly functional than those police administrators because failure to perform has implications for their personal safety. Despite this variance, we believe that the anticipation of future role related expectations, embedded within the dimensionality of this construct, would reduce the propensity of the public servant to act corruptly. From this, we make the following related propositions:

Proposition 2a: Strong psychological contracts held by employees within the public service will reduce their propensity to act corruptly.

Proposition 2b: Strong functional citizenship behaviours within the public service will reduce the propensity of corruption among its employees.

However, it should be noted that there is much empirical literature showing that when PCs do exist, violations are highly likely (e.g. Andersson, 1996; Kickul, 2001; Lucero and Allen, 1994; Robinson, 1996; Robinson and Morrison, 1995; Robinson and Rousseau, 1994; Rousseau, 1990). This will result because contract violations are beliefs by the employee that their employer has not fulfilled their obligations within the relationship, defined by Morrison and Robinson

(1997: 226) as: 'the feelings of anger and betrayal that are often experienced when an employee believes that the organization has failed to fulfil one or more of those obligations'. They result simply because it is highly unlikely that managers are able to comprehend all the terms of such an idiosyncratic and nebulous contract.

From this vantage point, PCs therefore act as double-edged swords within the employment relationship (Rousseau and Mclean-Parks, 1993) due to concurrently strengthening and weakening ties through expectation development and disappointment respectively. As indicated disappointments result from the failure to receive perceived employment related expectations, and, these constitute PC violations. We model these violations to contain the same dimensions as the PC, thus reflected through violations to their expected employment benefits (EBV), employment conditions (ECV), good faith and fair dealings (GFFDV), and, intrinsic conditions (ICV).

We recognize PC formation must be an antecedent condition leading to violations but feel the nexus between these constructs to be positively correlated rather than causal in nature. With this in mind we make the following proposition:

Proposition 3: The presence of psychological contracts within the employment relationship increases the likelihood of perceived contract violations.

The consequence of such contract violations within the employment relationship has been modelled in the HRM literature by extending the exit (E), voice (V) and loyalty (L) typology first proposed by Hirschman (1970) to include neglecting (N) behaviours (e.g. Rusbult et al., 1982; Turnley and Feldman, 1998). By conceptualizing corporate citizenship within the public service, in terms of the EVLN framework in relation to likely employee behaviour, we thus define corporate citizenship as simply comprising role behaviour. In doing so we feel that these inherent construct dimensions help reflect the extent that public service employees behave in manners befitting of their fiduciary responsibilities.

From this we can see that loyalty and voice are intrinsically positive and thus expected to reflect high corporate citizenship whereas neglect and exit can be viewed as exhibiting low citizenship. Hence, exit and loyalty are two polar extremes that reflect the propensity of employees to leave or remain within the public service respectively. Similarly, voice and neglect represent a potential dichotomy of constructive and destructive actions within the relationship, and these dimensions are of particular interest to potential corruptive action.

There is some evidence in the literature to support incidences of the EVLN dimensions within the public service (e.g. Zipparo, 1999) however we anticipate all these dimensions to be inherent within this employment context. We make this point given substantial evidence showing that over 90 percent of Australian public servants surveyed were inclined to report incidences of corruption to their superiors (Zipparo, 1999). Exercising the voice option in this manner perhaps reflects some sense of loyalty to the public service, despite her

finding that it was regarded as ostensibly 'un-Australian' to do so, and provides solace to policy makers. We do acknowledge that while 'whistle-blowing' might not be part of the Australian psyche we suspect that there may be a broader social contract that abhors corruption, and this motivates such 'reporting behaviour' under certain conditions. However, we also feel that at some point organizational specific norms and values will begin to dominate an employee's thinking and subsequent behaviour.

For example, it is quite feasible that when individuals are new to an organization their dominant values are those gained under the auspices of the broader social contract and this may impact upon the propensity to report corruption. However our view is that in order for the new public service employee to 'fit in', they will succumb to the socialization within the organization and over time this will change an individual's behaviour. This could result in lower incidences of reporting corruption and even partake in such activity. While this effectively diminishes the impact of the social contract held by the individual it is also feasible that those individuals with high moral standards may simply choose the exit option due to perceived personal suffering likely to result from reporting corruption to authorities. Both these scenarios are implicit within our model, as reflected through propositions P_{1A} and P_{1C} .

However, we also anticipate that neglect will constitute a large element in governing public service employee behaviour when the psychological contractual expectations have not been met. Neglect will manifest through the public service employee being extremely disruptive in their roles simply by just 'allowing things to fall apart' (Rusbult et al., 1982: 1231). There is empirical support linking violations, the lowering of the citizenship behaviours, suppressing satisfaction with the 'performance' of the relationship and the level of relational commitment towards and within the role (Robinson, 1996).

Hence, we believe perceived PC violations are likely to impact upon both corporate citizenship and the propensity to act corruptly because it allows them to get what they feel they deserve out of the relationship (Akerlof and Yellen, 1990). In a sense this also provides the mechanism to 'get-even' with the employer, reflected through the following two propositions:

Proposition 4a: Violations to the psychological contracts held by employees within the public service will reduce functional corporate citizenship.

Proposition 4b: Violations to the psychological contracts held by employees within the public service will increase their propensity to act corruptly.

Based upon our propositions we can see a clear paradox facing public service managers in relation to cultivating a good working environment and its impact upon corruption. In this regard, nurturing strong functional corporate societies is likely to engender optimism because of employee beliefs about the future benefits that being in such a relationship will engender. This will result in the development of the PC but if violations are inevitable, as observed by Rousseau and McLean-Parks (1994), then these are likely to increase the inci-

dence of public sector corruption because of the perceived employee need to get a return for their efforts.

However, our model also depicts how such a strong PC, positive corporate society and high citizenship behaviour can work together in reducing the likely incidence of corruption within the public service. Conversely, we anticipate that perceived PC violations will lessen citizenship behaviour, and in doing so, both constructs will concurrently increase the incidence of corruption. This has wide-ranging theoretical and managerial implications in the manner that corruption within the public service has been modelled to date. These are briefly discussed in the next two sections.

Theoretical Implications, Limitations and Research Directions

We present a conceptual model highlighting a number of antecedent factors likely to impact upon the level of corruption within the public service. In doing so we build upon empirical and theoretical economic thought by integrating this into current HRM literature pertaining to the manner in which the employment relationship can be modelled. Although we have strong empirical and theoretical grounds on which to base our propositions these will need to be tested within a variety of public service contexts before we are able to make any substantive generalizations. However, in addition to wide availability of measures for constructs identified, we do not anticipate any methodological issues to emerge that would invalidate their use in potential cross-sectional studies within the public sector.

The presence of the PC has provided HRM managers with an important tool to help understand the range of behaviours inherent within the employment relationship. Accordingly, this has served as an important stream of scholarly thought because it offers a better understanding of the motives that might contribute to an employee's actions. In a similar manner, our conceptual model has highlighted the need to widen scholarly thought in relation to the motivations leading to corruptive practices within the public service.

We do not challenge existing models depicting the inevitable financial returns corrupt acts are likely to procure but argue that the motives for such action, particularly in sophisticated economies, are likely to stem from dissatisfaction with not being able to procure a range of other dimensions within the employment relationship. These need to be modelled further, so as to establish the precise elements of PCs within the wide variety of public service contexts – then linked to the various forms of potential corruption practices.

We suggest that a good starting point would be to consider the plethora of studies investigating the various operational measures used to tap the structure of the PC (e.g. Guzzo and Noonan, 1994; Herriot et al., 1997; Hui et al., 2004; Rousseau, 1990). Although we have indicated that measures exist for all the constructs we highlight this is likely to be a complex exercise because we know that a PC can be very idiosyncratic in nature (Morrison and Robinson,

1997) and often directed nebulously towards another party (Guest, 1998). Furthermore, as the employment relationship endures the more intangible and relational elements of the contract represent a greater 'life-slice' of the relationship (Guzzo and Noonan, 1997) making them relatively more difficult to comprehend.

To complement any findings such cross-sectional studies are likely to procure, we suggest that there is much benefit to be gained from considering the longitudinal impact of the relationship between the constructs we propose within our model. Notwithstanding that these are likely to be highly temporal in nature, PCs are constantly being 'updated' by employees (Rousseau, 1995) and will need to be factored into the manner that corruption propensity is modelled. This is likely to have a wide-ranging number of managerial implications and some of these are discussed in the remainder of this article.

Managerial Implications and Conclusions

Clearly, policy makers and managers need to recognize the potential career options that their organizations offer professionals from a range of disciplines. However, in doing so they need to understand how the dimensions inherent within the corporate societies in each of the public service contexts are likely to impact upon the behaviour of these employees. This is particularly pertinent considering they are invariably placed in roles that, should they become corruptible, can be leveraged for personal gain.

Our model indicates that policy makers need to widen their thinking about how to deal with corruption because wages are not the sole motive for behaviour within the employment relationship. In this respect, managers should recognize that the wide ranges of benefits employees are seeking from their careers are not necessarily manifesting within the more formal terms of their employment. Of particular interest to them should be the advent of the PC because its presence helps serve the function of 'gap-filling' the details within the relationship (Turnley and Feldman, 1999). The presence of this construct moderates an employee's behaviour. Failure of the employer to deliver upon perceived promises inherent within this idiosyncratic contract (Morrison and Robinson, 1997) is likely to provide employees with some of their motives to act corruptly.

As we have seen, the HRM literature shows the terms of this contract to comprise both tangible and intangible elements. While it is relatively easier for managers to redress any violations to the transactional elements (Robinson et al., 1994) the more relational intangible aspects are more difficult to comprehend. It is highly likely that these terms, and their formation through the corporate society act as the genesis for corruption. This needs to be factored into managerial decision-making when addressing the problem of corruption. From this, we conclude policy makers need to ensure they are not building unrealistic expectations within the public sector employment relationship as this is likely to have wider ranging consequences than anticipated.

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