

CORRUPTION IMMUNITY BASED ON POSITIVE ORGANIZATIONAL SCHOLARSHIP TOWARDS THEORETICAL FRAMEWORK

Introduction

This paper reveals a link between corruption and identity based on positive organizational scholarship (POS). Firstly, it explores the concept of corruption, after which the concept of positive organizational scholarship and identity shall be presented. Finally, the author concludes by building a frame of the organization's immunity to corruption based on corporate and organizational identity.

Corruption is a widespread phenomenon that has existed from the earliest times and is prevalent everywhere, both in poor as well as in rich countries. It was Confucius who said that authority seduces human beings and that it ruins them (Łętowska, 1997). In the 1500-year-old Talmud, over 100 of the 613 commandments intended to regulate the daily conduct concern business and economic affairs (Ashforth, Gioia, Robinson & Treviño, 2008). Over two thousand years ago, Kautilya, the minister of a Hindu king, described this phenomenon in *Arthashastra* (cf. Lewicka-Strzalecka, 2001). In ancient Babylon and Egypt, corruption was prevalent within the judicial milieu. Furthermore, in the Greece of Solon and Pericles, the high level of public morality was a form of protection against the development of corruption (efficient systems of control of public persons were applied). In Rome, corruption affected province governors, owners of manufactories, leaseholders of mines as well as tax collectors. Bribers appeared in the deepest parts of hell described by Dante and

* **Agata Stachowicz-Stanusch**, Associate Professor Silesian University of Technology Faculty of Organization and Management Department of Management and Marketing.

Shakespeare also indicated venality as the aspect of human nature. The temptation of bribery that the organizing committee was faced with also influenced the localization decision of the Winter Olympic Games in 2002 to be held in Salt Lake City. It is also present among members of the European Commission. In the 1990s, corruption was also the cause of collapse of the governments of Italy, Brazil, Pakistan and Congo Democratic Republic. It was also the reason for the dismissal of President Suharto from Indonesia. The list of such international examples is endless and many can be found also in the Polish¹ field. However, despite corruption being a timeless temptation and everywhere prevalent, its level and scope are very diverse. The omnipresence of corruption – its apparent or true-totalitarianism – is linked to its wide variety of forms. Corruption can be compared to a virus or bacterium, which is immune to various remedies, occurs in untypical places and takes various forms. However, the medical metaphor which compares corruption to cancer seems more pertinent. This metaphor is derived from the fact that like cancer, it takes on many different forms and often leads to the destruction of the entire organism in which it develops; however, there are instances where it can be overcome and prevented.

The notion of corruption is hard to define as it can be analyzed on different levels and its variants have been studied across a number of disciplines, including psychology, sociology, economics, law and political science with the use of a variety of theoretical perspectives. These perspectives include principal agent models, social networks, ethical decision-making frameworks, models of corporate crime and normalization of corruption (see: Pinto, Leana & Pil, 2008). While these various approaches have provided a rich body of literature on corruption, such diversity has also made it difficult to generate testable hypotheses regarding the nature, antecedents, and consequences of corruption (Simpson, 1986). According to Ashforth *et al.* (2008) corruption is associated with unethical behavior, antisocial behavior, dysfunctional deviance, organizational misbehavior and counterproductive work behavior. Following them, “corruption implies a willful perversion of order, ideals, and perhaps most importantly, trust” (Ashforth *et al.*, 2008: 671; see also: Mallinger, Rossy & Singel, 2005; Stewart, 2007; The Hungarian Gallup Institute, 1999). Corruption in literature is considered in relation to existing models of negative organizational behaviors or focuses on static individual traits and behaviors along with various factors (individual, interpersonal and group-level) that influence them. Moreover, corruption is characterized dually – as a state (due to it being attributed to individual predispositions) and as a process (because corrupt behavior can spread to other individuals, aggregate into collective conduct, transform into a characteristic feature of particular organizations, become systemic and “infect” entire industries or even nations).

¹ An analysis of corruption in Poland will be presented in the further parts of the paper.

Management scholars have examined corruption on individual and organization levels (see: Pinto et al., 2008). The individual analysis level associates corruption with individuals or small groups and the factors influencing them are the following predispositions: lack of integrity (Frost & Rafilson, 1989), moral identity (Aquino & Reed, 2002), self-control (Marcus & Schuler, 2004), empathy (Eisenberg, 2000), low levels of cognitive moral development (Treviño, 1986) or even a diagnosable psychopathology (Babiak & Hare, 2006; Bakan, 2004; Levine, 2005). Nevertheless, these factors can also be understood in a wider sense as the limits of human cognitive capability and information processing capacity (that results, e.g., in the failure to recognize the moral nature of situations or the human tendencies to disengage moral standards (Ashforth et al., 2008). Moreover, the above factors not only influence individual behavior but also that of the entire group and organization (or on a higher level, even that of the whole system) and have an impact on the behavior of particular person (resulting from the processes of social learning and information processing as well as of unethical organizational climates and cultures) (Ashforth et al., 2008). The most characteristic for the individual level are not only the objectives of those who are involved in corrupt acts (as particular agents may act individually on behalf of an organization and engage in corrupt practices even if they do not directly benefit from them), but the limitation of analysis with the lack of linkages between individual corrupt behaviors and corrupt networks, systems and environments. The internal locus of attribution suggests that corruption can be eliminated only if organizations can uproot and remove corrupt individuals (Ashforth et al., 2008).

Taking into consideration a wider insight into corruption, it is obvious that it is influenced not only by actions of the members of an organization but also by organizations as a whole – their culture (norms and values), systems and structures, as well as stakeholders or networks within which the organization operates. According to assumption that better systems will produce better behavior, organizations have begun to develop formal systems designed to prevent unethical and illegal behavior – systems including senior executive oversight, codes of conduct, communication and training programs, anonymous reporting systems and clear disciplinary measures for misconduct. Although such formal systems can help prevent unethical behavior, research suggests that they can also be easily decoupled from the organization's daily life (Ashforth et al., 2008). Organizations can adopt a “check-off” approach. Therefore, a formal ethics infrastructure does not guarantee a corruption-free organization. Thus, what is required? How can we build an organization's immunity to corruption?

The organizational approach explicitly attends to how corrupt practices and activities become institutionalized within organizations – becoming “part and parcel of everyday organizational life” (Brief, Buttram, & Dukerich, 2001: 473). The organizational behavior perspective indicates that corrupt behavior within organizations

is strongly influenced by situational factors. Depersonalized roles in particular have become the reality of organizational life, hence, corrupt actions can become institutionalized in situationally defined role identities. Identities strongly influence and motivate behavior, including ethically significant behavior, thus, people who are normally well-meaning, can end up engaging in corruption while fulfilling their organizational roles (Misangyi, Weaver, & Elms, 2008).

Organizational behavior research suggests that corrupt or unethical behavior in an organization can be reduced or eliminated by cultural change within organizations that involves both formal and informal elements. On the other hand, the difficulty of stopping corrupt activities that have become embedded within daily routines have lead some scholars to suggest that corruption “is best handled through prevention” (Ashworth & Anand, 2003: 39) and identity is perceived as an important factor in preventing corruption.

Positive organizational scholarship (POS) – the treatment for pandemic corruption in an organization

Having analyzed the presented material from the research on corruption on the individual and organization level, it is possible to conclude that focus has been restricted to discovering intra-organizational and human factors that generate unethical and corrupt behaviors for too long within the management sciences, especially within organizational behaviors. Too much energy has been spent on researching the possibilities of controlling, preventing and combating corruption. Nevertheless, it cannot be denied that the results of such studies have made an undeniable and invaluable contribution to understanding corruption, discovering its mechanisms, types and dimensions, etc.

However, looking at the practice of management and the numerous corruption scandals in this field as well as research results, it cannot be definitely stated that it is known how to prevent corruption, especially better and more efficient prevention. Some scholars have even suggested that current managerial theories actually contribute to unethical practices (Ghoshal, 2005). Positive organizational scholarship can suggest ways of addressing such problems and perhaps preventing them; organizations grounded in virtuous and ethical actions fostered by individuals and collectives may be less vulnerable to corruption (Dutton & Glynn, 2008).

Hence, the very process (phenomenon) of corruption cannot be changed but the perspective from which it can be observed and studied can be altered and greater effort can be made to understand and strengthen an organization's immunity to the global pandemic of corruption.

It can be asserted that a better and more accurate perspective of research on corruption prevention precisely constitutes positive organizational scholarship. Like the “old” institutional theory, which focused on the value-based aspects of leading and organizing (Selznick, 1957), positive organizational scholarship takes a normative stance and returns to core questions about how organizations can be sites of human and collective flourishing. Positive organizational scholarship is a broad framework that seeks to explain behaviors in and of organizations. It focuses explicitly on the positive states and processes that arise from, and result in life-giving, optimal functioning or enhanced capabilities or strengths. The core aspects of the positive organizational scholarship perspective are: 1) concern with flourishing; 2) a focus on the development of strengths or capabilities, and 3) an emphasis on the generative, life-giving dynamics of organizing (Dutton & Glynn, 2008).

The emergence of the positive organizational scholarship perspective in the early 21st century can be explained by a number of factors, including an observed shift of applied social sciences away from deficit-based to more strengths-based approaches, a return to organizational fundamentals and optimism in the wake of highly visible and significant organizational scandals, notably that of Enron, and focus on healing, compassion, re-engagement, resilience and hope in the face of tragic events like 9/11 (Dutton & Glynn, 2008).

This new approach to organizational science has been inspired by many intellectual disciplines including appreciative inquiry (Cooperrider & Srivastva, 1987) and community psychology (Jahoda, 1958). Positive organizational scholarship also reinvigorates ideas from humanistic psychology (Maslow, 1968) that laid the foundations for the field of organizational studies as well as classic organizational theory (Weick, 1979) with its emphasis on the inherently social, contextually-embedded and dynamic processes and structures associated with states and activities of and in organizations.

However, the most widespread influence comes from positive psychology. Both positive organizational scholarship and positive psychology urge scholars to focus not only on improvements from “negative” states (such as illness or corrosive relationships) to normal states (such as mental health and helpful relationships), but also from normal states to extraordinary ones (such as thriving and life-giving relationships). This shift in explanatory focus from negative→normal towards normal→positive reflects a common concern that current theories are limited by a focus on explaining how individuals, groups and organizations move from below normal to normal states, which may be very different from explaining how individuals, groups and organizations move from normal to above normal, or positively deviant states (positive deviance as above normal, extraordinary states that are good, honorable, or virtuous). In broad terms, positive organizing refers to generative dynamics in and of organizations that enable individuals, groups and organizations on the

whole to flourish. Focusing on the positive does not mean excluding the negative (Walsh, Weber, & Margolis, 2003). It is clear that negative forces are not excluded in the study of positive organizational scholarship.

On the organizational level, flourishing may be indicated by creativity, innovation, growth, resilience, thriving virtuousness or other markers indicating that a collective is healthy and is performing on an “above normal” or positively deviant range. Positive organizational scholarship also focuses on the development of individual, group and collective strengths that represent forms of individual and collective excellence. A positive organizational scholarship directs attention to generative (e.g. life-building, capability-enhancing, capacity creating) dynamics in organizations.

Therefore, the dynamics of POSITIVE MEANINGS assist in explaining how individuals, groups and whole organizations construct and institutionalize meanings that facilitate the functioning of individuals (in their work as a vocation, changing their relationships with work colleagues, emphasis on positive distinctiveness of social group membership) (Roberts, 2005) and collectives (as shared positive meaning, built, e.g., around collective valuing of the whole person and the valuing of expressing one’s humanity help explain the activation and mobilization of compassion). Cultivating positive meaning about the self in organizations can direct people toward more optimal states of functioning and can be a collectively shared construction among unit members that foster flourishing. It can also alter the connection between people, provoke positive emotions and foster interactions that elevate functioning and capability (Dutton & Sonenshein, 2007). Moreover, research on individual and organizational identities lends further evidence on the impact of positive meaning on flourishing and strength-building. Through positive identity, people are able to construe possible selves in ways that foster the accomplishment of tasks, motivate and enable desirable career progression. Composing a positive identity is argued to foster well-being by better equipping people to socially construct jobs and situations to better fit their strengths (Dutton & Glynn, 2008).

On the other hand, interest is apparent in organizational identity literature on how the attractiveness of an organization’s identity impacts outcomes such as levels of employee commitment and cooperation (Dutton, Dukerich, & Harquail, 1994). The positive meaning that organizational members impute to their collective can foster certain forms of flourishing by heightening levels of cooperation. Organizations also impute positive meaning through a statement of “corporate purpose” that integrates business and social needs so that it places the organization in its own environment, among its stakeholders. A statement of corporate purpose is a powerful message for employees and customers – this is who we are and what we stand for.

Furthermore, the dynamics of POSITIVE EMOTIONS are keys to understanding human flourishing in and of organizations as they refer to shorter-term states of felt

activation of individuals or collectives that are associated with “a pleasantly subjective feel” (Fredrickson, 1998). Hence, studies directly and indirectly support the idea of the effects of positive emotions on creativity (Amabile et al., 2005), patterns of group interacting in problem solving tasks (Rhee, 2006) and levels of cooperation in negotiation (Carnevale & Isen, 1986).

Positive organizational scholarship also involves POSITIVE RELATIONSHIPS between people that are marked by mutual, positive regard, trust and vitality, it focuses on such relationships and their functions (e.g. task accomplishment, career development, sensemaking, provision of meaning and personal support) and has unearthed possibilities for explaining different forms of flourishing in and of organizations (Dutton & Sonenshein, 2007).

Looking at the organizational immune system from the positive organizational scholarship perspective it can be suggested that this is the proper way to prevent corruption in an organization. The hope is held that organizations, which manage their positive identity, and have been grounded in virtuous and ethical action by individuals and collectives can be less vulnerable to corruption (Cameron, 2003; Sonenshein 2005).

An increasing interest in values has been observed over the last decades among researchers examining organizations as well as among the employees of organizations. The existence of “core values” or “common values” that can be identified is a characteristic of an organization which has achieved success (Peters & Waterman, 1982; Collins & Porras, 1994; Geus, 2002; Jacobs & MacFarlane, 1990; Kotter & Heskelt, 1992). Such were the key elements of organization management (Anderson, 1997; Blanchard & O'Connor, 1997; Stachowicz-Stanusch, 2007; Nohria & Ghoshal, 1994) as well as the source of a high level of organizational involvement and individuals' morality (Kristof, 1996; Posner, Kouzes, & Schmidt., 1985; Turnipseed, 1996).

Nowadays, virtues have become topics of serious thought and examination among organizational researchers and progressive companies that are exploring their role in creating new, more holistic, healthy and humane work environments (Manz, Cameron, Manz, Marx, 2008). The concept of virtue has been defined in a variety of ways in literature on the subject but mainly as a link to meaningful life purpose (Becker, 1992) or as a principle that ennobles human beings (Eisenberg, 1990). For example, in early Greek culture virtue was associated with personal health and flourishing (Nussbaum, 1994) and everything, which leads to health, happiness, transcendent meaning and resilience in suffering (Ryff & Singer, 1998). Virtue has also been defined as an attribute of personal character and possesses cognitive, affective, volitional and behavioral characteristics (Peterson, 2003). Virtuousness can be understood as internationalization of moral rules that produces social harmony (Baumeitser & Exline, 1999) and can be examined as a study of capacity, attributes

and reserve in organizations that facilitate the expressions of positive deviance among organization members (Cameron, 2003). Virtuous organizations “move individuals toward better citizenship, responsibility, nurturance, altruism, civility, moderation, tolerance, and work ethic” (Seligman & Csikszentmihalyi, 2000: 5). Many researchers have reported (see: Cameron, Dutton, Quinn, 2003; Manz et al., 2001, 2003, 2004, 2006) that virtuous organization leads to the development of human strength and healing, cultivates extraordinary individual and organizational performance; leads to flourishing outcomes and the best of the human condition; and fosters and enables virtuous behaviors and emotions such as compassion, forgiveness, dignity, respectful encounters, optimism, integrity as well as faith, courage, justice and wisdom.

Managing Positive Corporate and Organizational Identity

The ways of considering the question of identity in relation to organizations are various and research on it may be conducted on different levels: particular entity (being a member of an organization), social groups (which constitute organizations) or the whole organization (Brown, 2001). Nevertheless, numerous authors have drawn analogies from some of the concepts used to describe humans to endow organizations also with identity by drawing generally from psychology in the application of metaphor analysis. Such analysis is used in order to describe complex ideas and abstractions in a more comprehensible terminology, as well as for conjectural reasons (Vella & Melewar, 2008). However, disadvantages of the metaphorical approach have also been found as using human and social psychology for explaining organizational science may create distortions in views and limit understanding.

Hence, J.P. Cornelissen (2006) suggested classifying various approaches to the metaphor of “organizational identity” and distinguished six basic research traditions: organizational communication, organizational behavior, cognitive framing, institutional theory, discursive psychology, and social identity. For this arrangement, three dimensions were used, such as language (extent to which organizational identity is determined by the language used by organization members), behavior (extent to which shared values, used practices or existing artifacts constitute coherent organizational identity) and cognition (extent to which the way of perceiving an organization by its members influences the organizational identity).

These research traditions do not necessarily appear in their basic shape as practice researchers often tend to combine different approaches.

Moreover, the metaphorical analysis of the identity of an organization gives rise to a certain confusion among researchers. It is therefore necessary to make a distinction between notions like organizational identity, corporate identity as well as corporate identification.

Sustainable, competitive advantage, as the Holy Grail in strategic management and practice may be built by managing how an organization is perceived as well as its corporate identity as a holistic construct enveloping most salient aspects of organizations is an important avenue to achieve this (Vella & Melewar, 2008). Corporate identity is a distinctive and defining characteristic of an organization. It is an expression of the organization's sameness, distinctiveness and centrality that is rooted and most evident in the behavior and verbal reports of organizational members (Rafaeli, 2000; Gioia, Schultz, & Corley, 2004; Hatch & Schultz, 2004; Elsbach & Kramer, 2004). Albert and Whetten (1985) argued that the distinctive features of an organization are characterized by those organizational attributes that are central (central character), distinctive (key differences) and enduring (the unchanging nature of an entity) (Balmer, 2008; Stachowicz & Stachowicz-Stanusch, 2008).

Later, empirical studies (Stachowicz-Stanusch, 2004) found that organizations that have survived for long and outperformed their competitors have a homogeneous and intense identity, which at the same time is complex and abstract enough to survive over time. Corporate identity has to be simultaneously loose and tight coupled for it to survive long and can be a source of competitive advantage (Jeyavelu, 2006).

Discovering and defining corporate identity management makes general statements about the central characteristics (core values) of an organization. These characteristics constitute the set of meaning that management wants employees to use in viewing, describing and relating to an organization. The key differentiation between organizations lies not in the general core values statement (many companies have very similar or nearly the same core values) but in the effectiveness of transmitting the chosen corporate identity to employees and other stakeholders. The *instrumentarium* for corporate identity and management of transmission to employees and other stakeholders is Management by Values (MbV).

Management by Values is a process of managing corporate identity and transferring the organization's core values from one management generation to another by taking over responsibilities resulting from core values and their protection in the name of and for the benefit of the organization and its members through their institutionalization in a morally positive manner (Stachowicz-Stanusch, 2007). The development of particular phases (stages) of Management by Values has been presented in Table 1.

Table 1. The characteristics of Management by Values process phases

Management by Values phase	Phase component	Characteristics
1	2	3
Discovering core values		Values should be discovered by the owners, senior management, managers of organizational units and employees. The discovered values should be: authentic, constant, few, guaranteeing the development of individuals and the organization
Development of core values	Description of core values	<ul style="list-style-type: none"> • the organization level • the organizational unit level • the employee level
	The definitions of behavior	The definitions of desirable behaviors should concern the organization level, the organizational unit level, and the employee level.
	Formulating the declaration of core values	The declaration of core values refers to customers, shareholders, local communities as well as partners. It should be clear, fascinating, triggering pride among the employees, arousing interest
	Communicating core values	The recipients of messages concerning core values are: employees, customers, shareholders, local community, as well as partners. The communication tools include: declaration of core values, involvement of top management, language, internal publications (posters, newsletters, brochures), myths, stories, tales, culture patterns and models, symbolism (architecture, physical, status symbols)
Institutionalization of core values	Implementing core values	Involves: <ul style="list-style-type: none"> • Creating organizational structure with clear division of responsibility and power for the implementation of a given core value • Creating standards for the purpose of measuring the degree of core value implementation in each activity of the organization • Creating systems for the purpose of achieving a high level of core value implementation in order to regularly monitor the degree of core value implementation. Comprises: <ul style="list-style-type: none"> • Recruitment (cultural adequacy of a prospective employee) • education (brochures, letters, recording company history) • training (teaching competency skills indispensable for the implementation of particular core values)
	Protecting core values	<ul style="list-style-type: none"> • explaining core values (declaration of core values, formal and informal talks, training and informative programs, audio-visual materials) • motivating (formal rewards – promotion, bonuses, informal rewards – praise, letters of recognition, certificates, diplomas)
	Controlling core values	Regular monitoring of core value implementation level through checking compliance between employee behaviors and the behavior patterns assigned to core values
Redefining core values		Supplementing core value sets or changing their definitions that result from e.g. a merger, alliance, changes in the organization environment, development, organization expansion, the atmosphere of distrust and hostility, cynicism and pessimism inside the company

Source: A. Stachowicz-Stanusch: *Potęga wartości: jak zbudować nieśmiertelną firmę*, Helion, Gliwice 2007, pp. 39–41.

The objective of positive corporate identity management (through Management by Values) is to acquire a favorable corporate image and consequently a positive organizational identity among employees so that, in the long run, this can result in the acquisition of a favorable corporate reputation, which leads to employees displaying positive behavior toward the organization (Vella & Melewar, 2008) as organizational identity can influence individual behavior but also individual behavior can influence the organizational identity (Huemer, Becerra, & Lunnan, 2004).

Mark Twain once said, "It is curious that physical courage should be so common in the world and moral courage so rare" (Lennick & Kiel, 2005: 214).

The development of corporate identity as well as its effective Management by Values, does not guarantee an organization to be free from corruption and unethical behaviors. Numerous cases of vulgarization of this process (sects, mobs) are known from managerial practice. Undoubtedly, core values may be cultivated in a morally negative, neutral as well as positive way.

Dutton *et al.* (2008: 242) say that employees who identify strongly with the organization have a close psychological attachment that results from "adopt[ing] the defining characteristics of the organization as defining characteristics for themselves." Because an individual's self-definition is closely tied to his or her perception of the organization's definition, the avoidance of action that is deleterious to the organization, such as corrupt behavior, is a matter of self-identity preservation. I should note, however, that if a member perceives the interest of the organization to diverge from those of outside stakeholders, strong identification may more effectively control corruption against rather than on behalf of the organization – a consequence included in descriptions of the "dark side" of organizational identification (Lange, 2008).

The formal, ethical infrastructure as well as its external mechanisms, cannot protect a company from corruption. Each regulation, formal system, as well as knowledge itself, has its limitations. Within the process of ethical and moral decision making (behaviors of an individual and organization) and beyond those limitations, there is only and as much as a human being with his/her knowledge experience, character, value system, moral and social intelligence, etc. Hence, it can be supposed that in order to manage the positive identity of an organization, emphasis should be placed on the company's morality development (through moral competences development of managers and employees and a high level of implementation of the Managing by Values process) as well as on responsibility and respect toward the law and external regulations. No institutional reforms or internal infrastructures and systems will guarantee a good, moral and law-abiding state or company. The wrong culture as well as the wrong customs will pervert even the best institutions or systems sooner or later. The problem is that, despite it being relatively easy to change, improve or correct the infrastructural dimension of an organization, it is hard to reduce the risk caused by the human factor as it has its roots in culture. Although the culture of a company is

resistant to changes, it is imperative to try to do this because despite the diagnosis of a contemporary corporation by J. Bakan (2004), good people are able to change bad enterprises but they need to possess the capacity and skills to do so. It appears that corruption and scandals are not caused by lack of intelligence but by lack of wisdom or virtue (Tang, Chen, & Sutarso, 2008: 258).

Honesty, a willingness to do the right thing and rules assimilated at home or at school alone are not sufficient to make proper moral decisions. Predicting which actions shape economic and social order and to what degree not only depends on moral sensibility and intuition but must also be based on sound knowledge (Lewicka-Strzańska, 2008) or on managers' own experiences (Mintzberg & Gosling, 2002).

We cannot assume that a manager will shape his/her capabilities only in relations with family or friends. The role of education on the academic level is also crucial as this is where the future manager, apart from gaining abilities to create business plans and balanced scorecards, should also form his or her moral, social and emotional competences. Hence, for over 10 years the role of various kinds of intelligence used in enterprise management has not been declining but has been strengthening, as can be seen on the example wherein three international conferences (Spain, United Kingdom, Republic of South Africa) were organized in 2007 during which leaders of global corporations (such as American Express or Hewlett Packard) presented their achievements in measuring, developing and managing moral and emotional intelligence (Gardner, 2001). A contemporary manager is not only an expert, but he or she's rather a wise person, who is not only mentally efficient but who is also able to distinguish between good and bad solutions since wisdom is highly connected with the ability to perform an accurate appraisal of what is possible, desirable and what is not appropriate. Hence, it can be concluded that wisdom as an individual characteristic is the capability to accurately recognize correct values and to conduct, in accordance with them, the process of searching for the best solutions (Nęcka, 2003).

The most important skills for our collective sustainable well-being are moral competency skills; skills that allow us to honor the moral principles of integrity, responsibility, compassion and forgiveness.

Capitalism is not fundamentally an immoral and selfish system. It has been and may continue to be a flourishing economic system provided that people abide by the rules. What rules?

Adam Smith's rules are as follows: "Tell the truth. Keep your promises. Be responsible for your actions. Treat other as you would like to be treated – with compassion and forgiveness" (Lennick, Kiel, 2006: 11). And be wise.

Only under such conditions will a manager be able to develop the positive corporate identity and cultivate core values in a morally positive way as well as effectively manage the organization with the aid of Management by Values.

Positive corporate identity is communicated through Management by Values to employees and other stakeholders. The critical point for the future ethical and legal behaviors of employees as well as of the whole organization is the way of interpreting the behaviors and actions of an organization by its employees.

As pointed out before, organization identity largely refers to how members perceive, think, and feel about their organizations and is “assumed to be a collective, commonly shared understanding of the organization’s distinctive values and characteristics” (Hatch & Schultz, 1997). Organization identity is built by employees as a meaningful relationship between them and the organization in order to answer the questions of “who we are” (Vella & Melewar, 2008), while corporate identity is a managerial viewpoint and signifies the role of management in discovering, developing and communicating the vision, core values, mission through a Management by Values process. Thus, “managers must expose and present these elements effectively to all organizational members (corporate identity) while attuning themselves closely to how all members perceive, think, feel and behave towards their organization (organizational identity)” (Vella & Melewar, 2008: 4). Indeed, it can be stated with conviction that the way employees interpret the organization’s behaviors influences their tendency to positive, ethical and legal behaviors through their positive organizational identity and positive identification.

Making sense of what an organization represents or cares about is never an easy task. Organizations are complex organisms with rich histories and diverse activities that challenge the members’ capacity to make meaning out of what the organization does and why it matters. Organizations behave and act in a specific way and members punctuate and interpret its actions to better understand their organization. One way in which members infer what an organization stands for is by parsing and interpreting organizational actions in response to specific events. Interpretations of organizational actions modify how members conceptualize the organization. Members interpret organizational actions based partly on their interpretation of the kind and degree of virtuousness of actions. “Virtuous organizational action” is the perceived exercise of collective behavior that indicates the organization is following core values that lead to some form of moral or ethical betterment (Rhee, Dutton, & Bagozzi, 2006: 3). Organizations vary in the virtuousness of their actions and these organizational qualities make a difference for financial performance.

There is evidence to suggest that positive organizational identity and members’ identification with and attachment to their organization partly result from the perceived virtuousness of organizational actions. In other words, if an organization conducts in accordance with its core values (walking the talk), and its behaviors are perceived by employees as humane, just, courageous (see: Solomon, 1993; Cropanzano, Byrne, Bobocel, & Rupp, 2001; Worline, Wrzesniewski, & Rafaeli, 2002), it influences their positive organizational identity (positive meaning that organizational

members impute to their collectives), which results in an increase of positive behaviors towards the organization's positive word of mouth recommendations, an increase of ethical and legal behaviors of employees and of positive emotions of organization members and in the virtuous self-constructs of members (Rhee et al., 2006; Houghton, Gabel, & Williams, 2008).

An organization's action is "walking the talk", while the positive corporate identity (core values) involves cultivating and managing by the Management by Values process in a morally positive way. Organizational action is humane when it involves helping and caring oriented toward organizational members or a larger society, through which they feel the worth of their existence and takes place when the organization treats its members with a dignity and respect that is based on moral and ethical reasoning. Moreover, courageous organizational action is one voluntarily taken by the organization in pursuit of "what is right" regardless of the risks it faces, which brings social well-being and moral betterment (Rhee et al., 2006).

When an organization is characterized by the attributes described above, it has met all the conditions for it to be able to build an effective immune system to combat corrupt behaviors.

The main purpose of the paper was to attempt to answer the question: How to increase immunity to corruption?

The answer propounded in this study is that connecting organizational identity with positive organizational scholarship constitutes the key to understanding and building the respective system. The presented research draws from research on identity and positive organizational scholarship to argue that an organization can build effective immunity to corruption through developing and consequently managing positive corporate and organizational identity, which creates the moral frame for legal and ethical behavior of the organizational members and of the organization itself.

Figure 1, presented below, reveals the posited the model of an organization's immune system capable of protecting against corruption based on positive corporate and organizational identity.

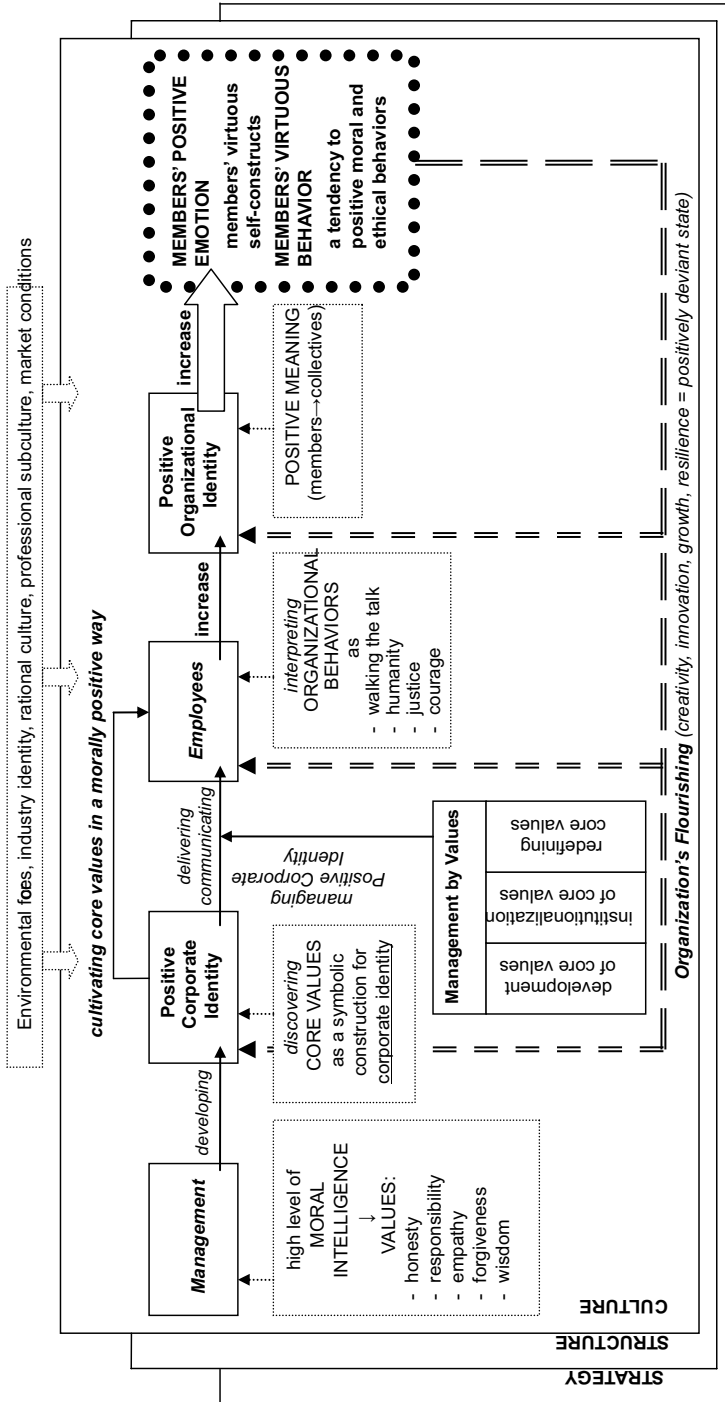


Figure 1. Conceptual framework for organization's immunity to corruption based on positive identity

Source: author's study

Conclusion

As presented in the paper, consequent management of positive corporate and organizational identity through management by wisdom and moral intelligence can create the frame for immunity to corruption (Tang et al., 2008).

Productivity and profit are consistent with virtuous behavior. Therefore, the author strongly believes that the combination of positive corporate and organizational identity (created by interpreting organizational actions as virtuous), with positive leadership can instill values, meaning and purposes in organizational life and help managers know they are not just the “cutting stone” but the “building cathedrals” in a process of organizational immunity to corruption. The road to organizational immunity to corruption is a very important but also a slow process, as in the example of the Cathedral of Notre Dame in Paris, it took 182 years to build this structure (Tang et al., 2008).

Thus, strong core values, goals and action plans are imperative and the combination of “head”, “heart” and “soul” will constitute the groundwork for competitive advantage in business world.

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