Maximizing stakeholder trust as a tool for controlling corruption

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Abstract

Corruption, particularly bribery of government officials, inflicts substantial damage on people, society, and the world, and warrants control. Collective efforts to control corruption tend to focus on rules and compliance with those rules. This paper suggests that collective action also consider the creation of strong ethical cultures in business firms. Implementation of such programs is impeded by the difficulty in prescribing a course of action and by the difficulty in measuring the strength of an ethical culture. This paper suggests the measurement and maximization of stakeholder trust as a proxy for measures of ethical culture. The qualities that engender stakeholder trust correspond with ethical behaviors. Stakeholder trust confers benefits on business firms, which will incentivize and justify its measurement. Implementation of a program focused on ethical culture would benefit from collective action both by normalizing behaviors and in the development of sophisticated measurement tools.

key words: bribery, corruption, ethical culture, stakeholder trust

Introduction

Corruption presents one of the most serious challenges in the modern world. The world has responded with a plethora of corruption control programs loosely grouped together in the form of a global anti-corruption regime. Most of these programs focus on creating effective rules and inducing or incentivizing actors – usually business firms – to comply with those rules. The nature of the rules vary; some rules create boundaries with respect to the interactions between representatives of a business firm and government officials, some rules outline a recommended process for making decisions regarding interactions between the same. In essence, the global anti-corruption regime focusses its attention on the bribery of government officials by business persons, and attempts to control that bribery through the articulation of rules and the design of programs to induce compliance with those rules.

This paper proposes a different approach to the control of bribery by business firms. Research on the behavior of business firms demonstrates that the creation of a strong ethical climate within a firm has a powerful effect in controlling malfeasance by members of the firm, including bribery. The greatest practical barriers to widespread advocacy of this approach within the global anti-corruption regime would be the idiosyncratic nature of each firm's ethical culture, and the difficulty in measuring a culture. Firms must also be given a compelling business reason to adopt any program. This paper suggests that these challenges can be overcome through the use of measurable stakeholder trust as a proxy for the ethical culture of a firm. Stakeholders are those parties with meaningful relationships to a business firm. Trust arguably is engendered when those parties interact with the business firm in ways that are considered ethical. If that is true, then the amount of trust given to a business firm would reflect the strength of that firm's ethical culture. By advocating the maximization of stakeholder trust, the global anti-corruption regime would advance the creation of strong ethical cultures within business firms, which in turn would have the effect of reducing bribery.

This paper relies on current research, which strongly suggests that the connections explored in this paper are plausible. This paper explicitly acknowledges that current research only establishes the plausibility of these connections, and that substantial research remains to be done. Much of that research, as well as the standardization and normalization of measurement of stakeholder trust, will require collective action within the global anti-corruption regime. Such an approach is in accord with the growing recognition that responses to this widespread problem require collective action.

Corruption and corruption control

Scholars and practitioners have offered many definitions of corruption (Heidenheimer, Johnston & LeVine 1970; von Alemann, 2004). For the sake of clarity, this paper adopts a fairly common definition within the social sciences: corruption is the abuse or misuse of power or trust for self-benefit rather than the purpose for which that power or trust was granted. This definition is particular enough to exclude general complaints about the use of power or trust. "My government is doing a bad job" does not satisfy this definition. At the same time, the definition is broad enough to include behaviors that may technically be legal but are widely regarded as corrupt. Campaign finance in the United States, for instance, has been held to be within the law but is popularly regarded as corrupt (Persily & Lammie, 2004). It should be noted that this definition is not limited to interactions involving a government; a purchasing agent who accepts bribes from potential suppliers, for example, has acted corruptly according to this definition, because she has abused the power given to her by a business firm for her own benefit rather than using that power as it was intended. Nonetheless, as discussed later in this section, the initial focus of the global anti-corruption regime has been on bribery of government officials by business firms. Such bribery clearly falls within the general definition of corruption as used by this paper.

Corruption presents serious challenges to human fulfillment and to the integrity of the natural world. Corruption profoundly distorts the decision making process of those entrusted with power, it misdirects resources, it severs the relationship between people and their leaders (Ackerman, 1999; Alon, Li & Wu, 2016; Johnston, 2005; Nichols, 2016). A strong relationship exists between corruption and lower levels of health, lower levels of education, environmental degradation, and disengagement from public life (Chang & Hao, 2017; Escaleras & Register, 2016; Nichols, 2015; Sulemana, Iddrusu & Kyoore, 2017).

As befits a serious challenge, corruption has elicited serious responses. Business firms, business organizations, individual governments, intergovernmental organizations, international financial institutions, civil organizations, and transnational organizations have taken up the cause of corruption control (Johnston, 2014; Spahn, 2012). These entities have used a number of approaches, including criminalization and prosecution, education, public shaming, strengthening institutions, audits, certification, and blacklisting. Each of these tools has merit, and each has a place in the overall effort to control corruption.

Business bribery of government officials was early identified as an especially pernicious form of corruption (Coffee, 1998). Bribery of government officials occurs in the shadows, but when endemic its existence is widely known. It therefore very visibly disenfranchises large segments of a population. It very significantly contributes to the harms engendered by overall corruption. It contradicts notions of market fairness. It also implicates the economic well being of a polity which, although certainly not the only measure of general well being, is important and, again, visible. Given its substantial visibility and its destructive effects, the focus on business bribery of government officials is understandable.

Business bribery was almost as early recognized as presenting an assurance problem (Nichols, 2004). Assurance problems are sometimes described in the parlance of game theory, similar to the conceptually different "prisoner's dilemma" (Sandler, 2015), but the term is actually used to describe the real world. An assurance problem exists when two conditions are met. First, each member of a group is best off if all members cooperate, but are next best off if they defect – that is, do not cooperate – and are very least well off if they cooperate when others defect. Second, monitoring the extent to which other members of a group are cooperating is difficult. Under these conditions, a member of a group faces a difficult question: cooperate in the blind and uncertain hope that everyone else is cooperating and each will reap a rich reward, or take the safe route of defecting and settle for a diminished but certain reward (Runge, 1984; Sen, 1967).

From the perspective of a business firm, a corrupt system satisfies both of these conditions. Examinations of the costs imposed by corruption uniformly find that in the long run business firms that do not pay bribes are more productive and have lower costs in dealing with the government (Nichols, 2012a). In the short run, however, firms that pay bribes may (only *may*, but it is a potentially significant may) have powerful advantages over firms that do not pay bribes. If all firms cooperate (do not pay bribes), then all firms will be better off in the long run. But if a firm defects (pays a bribe), it may realize some smaller benefit in the short run while firms that do not pay bribes might not survive to reap the long term benefit. The clandestine nature of bribery makes monitoring the behavior of other firms difficult. Thus, a firm operating in a corrupt system faces a dilemma in determining how it should behave.

The classic solution for an assurance problem is law (Hansich, 2013:148). In corrupt systems, however, law might not function effectively. The next best solution is collective action (Mangiu-Pippidi, 2013; Runge, 1984). Thus, throughout the galaxy of anti-corruption organizations, collective action has become a prominent and desirable tool. It is difficult to generalize the many collective efforts into one particularized description. It is safe, however, to suggest that most of these efforts focus not on the broader context or culture in which corruption occurs but instead on the actual bribe-paying behavior. Collective shaming efforts, such as India's "I-Paid-a-Bribe" campaign, publicize the payment of bribes (Ang, 2014). Blacklisting, such as that undertaken jointly by the members of the World Bank Group and most regional International Financial Institutions, is based on a determination of whether a bribe was paid or not paid (Williams, 2007).

The programs advocated within the global anti-corruption regime also tend to prescribe rules and processes specifically aimed at bribery, and programs that will ensure compliance with these rules and processes. Certification programs, for example, such as Paraguay's Pacto Ético Commercial, audit the decision-making process within a business firm (Petkoski, Jarvis & Frauscher, 2009). Even collective educational programs, such as the Principles for Responsible Management Education Anti-Corruption Toolkit, tend to focus on the costs engendered by paying bribes and on ways of structuring effective anti-bribery processes within a business firm (Anti-Corruption Working Group, 2012; see Waddock et al., 2010).

The global anti-corruption regime has recognized the role that culture at the societal level plays in allowing corruption and bribery to occur. For example, Transparency International, a very prominent organization within the global anti-corruption regime, helps countries evaluate and strengthen social institutions along nine vectors (Transparency International, 2012). Even Transparency International's program, however, selects categories of institutions because of their direct effect on bribery (for critical analyses of Transparency International's National Integrity System program, see Larmour, 2005; Sampford, Smith & Brown, 2005). It is difficult to find within the global anti-corruption regime programs that indirectly deal with bribery by advocating enhancement of societal-level culture as a whole. It is even more difficult to find programs that advocate the control of bribery by improving the quality of individual business firms' ethical culture. As discussed in the next section, however, there is good reason to believe that although indirect, bribery may effectively be controlled through the creation of a strong ethical culture at the firm level.

Combatting bribery by creating strong ethical culture

Programs that focus on the payment of bribes are inarguably valuable and should play a prominent role in collective efforts to combat bribery. In the field of business ethics in general, however, these types of programs represent only one trope of thought in inculcating socially desirable behavior in business firms. The other trope focuses not on designing a set of rules and requiring compliance with those rules but instead on creating a culture within a firm that predisposes members of that firm to act in ethical ways. The "compliance versus culture" debate has raged within the general field of business ethics for many years (Alexandra & Fort, 2015; Verhezen, 2010), with scant resolution.

A similar tension can be found in the global effort to control corruption. Practitioners and advisors acknowledge and even emphasize the importance of culture. The United Nations Office on Drugs and Crime's *Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide*, for example, emphasizes the importance of "norms and values by which the company operates and to which all employees and relevant business partners are expected to adhere" (UNODC, 2013:19). The Programme provides only two sets of guidance for the creation of such norms: "zero tolerance of corruption by leaders (tone at the top), and the "[d]evelopment and implementation of an anti-corruption programme" (UNODC, 2013:20) The remaining eleven sections of the program deal with rule creation, implementation, monitoring and enforcement. A similar program, authored jointly by the Organization for Economic Cooperation and Development, the United Nations Office on Drugs and Crime, and the World Bank, also acknowledges the importance of tone but makes even briefer reference and devotes even more of its pages to rules (OECD-UNODC-WB, 2013). The Federal Reserve Bank of New York very explicitly acknowledges the profound need to transform cultures within banks, but at the same time asks how culture can be created and especially how it can be measured (Dudley, 2017). More examples could be provided, but each demonstrates the same tendencies. Businesspersons and policymakers might support the notion of culture even more than do academics, but in practice their programmatic guidance leans heavily toward rule creation and implementation.

Culture, however, is very powerful. Business firms, like other groupings of people, each have a distinct culture (Lencioni, 2002). A culture is made up of the cumulative knowledge, experiences, institutions, beliefs, attitudes, and similar social artifacts acquired by a group of people, which sustains and transmits itself independently of individual members of that group (Wimbush, 1994). While legal scholars may argue over the legal theories that justify the existence of business firms, and ethical scholars may argue over the moral agency of business firms, sociologists and anthropologists agree that business firms have distinct cultures (Fusch et al., 2016). Some scholars of organizational ethics distinguish the term "ethical culture" from "ethical climate," using the former to more broadly include systems and institutions that operationalize the more narrowly defined ethical climate (see Miska, Stahl & Fuchs, 2016). Out of caution, this paper uses the term "ethical culture" even though much of the research described herein focuses more narrowly on ethical climates.

Scholarly inquiry into the influence of its ethical culture on a business firm begins with Bart Victor and John Cullen's (1987; 1988) research on the effects of ethical climate. Victor and Cullen, drawing upon sociological and organizational behavior research as well as their own fieldwork, developed a typology of ethical climates found within business firms. Their profound contribution, however, is the observation that the ethical conduct of firm is not composed merely of the scattered actions of atomistic individuals but instead that the ethical climate of a firm deeply influences the behaviors of individuals within that firm.

One component of ethical culture is norms (Victor & Cullen, 1988). Norms consist of general standards regarding behavior: "shoulds" and "oughts," as well as "should nots" and "ought nots." Interestingly, norms seem to exert greater control over the behavior of individuals in an organization than do formally articulated rules, including laws backed by criminal sanctions (Applebaum, Deguire & Lay, 2005; Forte, 2004; Schminke, Arnaud & Kuenzi, 2007). The body of norms within a business firm constitutes the foundation of its ethical culture, and if that body of norms reflects an underlying morality and if it exerts positively meaningful influence, then it can be called a "strong" ethical culture (Applebaum, Deguire & Lay, 2005; Bartels et al., 1998).

A substantial amount of empirical research has investigated the effects of the strength of a business firm's ethical culture (for meta analyses of this research, see Kish-Gephart, Harrison & Treviño, 2010; Martin & Cullen, 2006). One line of this research finds that a strong ethical culture engenders higher levels of commitment and loyalty among those who work within a business firm (for example, Ambrose, Arnaud & Schminke, 2008; Babin, Boles & Robin, 2000; Bulutlar & Öz, 2009; Cullen, Parboteeah & Victor, 2003; Erben & Güneşer, 2008; Mulki, Jaramillo & Locander, 2008; Neubert et al., 2009; Schwepker, 2001; Shapira-Lischinsky & Evan-Zohar, 2011; Treviño, Butterfield & McCabe, 1998; Tsai & Huang, 2008; Weeks et al., 2006; Weeks et al., 2004). Commitment and loyalty manifest in ways such as willingness to sacrifice for the firm (e.g, continuing to work after hours or helping another department in an emergency) and to advocate for the firm (e.g., defending the firm in a crisis or encouraging potential customers). The ethical climate of a firm also significantly affects job satisfaction (Babin, Boles & Robin, 2000; Elçi & Alpkan, 2009; Jaramillo, Mulki & Solomon, 2006; Tsai & Huang, 2008; Wang & Hsieh, 2012).

The second line of research is of more relevance to the potential role of a strong ethical culture in controlling corruption. This line of research finds that members of a business firm are substantially more likely to engage in workplace misconduct if the firm's ethical climate is weak and are substantially more likely to engage in pro-social behavior if the firm's ethical climate is strong (Andreaoli & Lefkowitz, 2009; Balthazard, Cooke & Potter, 2006; Deshpande & Joseph, 2009; Fritzche, 2000; Fu & Deshpande, 2012; Laratta, 2011; Mayer, Kuenzi & Greenbaum, 2010; McKendall & Wagner, 1997; Özer & Yilmaz, 2011; Peterson, 2002; Prachsriphum & Ussahawinitchakit, 2008; Ross & Robertson, 2000; Shacklock, Manning & Hort, 2011; Shafer, 2008; Shin, 2012; Smith, Thompson & Iacovou, 2009; Vardi, 2001; Wimbush, Shepard & Markham, 1997). Misconduct includes lying, stealing, self-dealing, violating organizational rules, and violating the law.

A much smaller body of research specifically examines the effects of the ethical culture of a business firm on bribery. Amalina Abdullah, Zunaidah Sulong and Ridzwana Mohd Said (2014) find, through simple regression analysis of surveys in Malaysia, that the ethical climate of a firm explains a substantial portion of respondents' decisions about questionable actions, including bribery. Similarly, Malini Sathappan, Zoharah Omar, Ismi Arif and Ramesh Sathappan (2016), through qualitative analysis of structured interviews and field observation, find that the ethical culture has a significant effect on the levels of bribery in a public organization in Malaysia. Lam Nguyen, Natalia Ermasova and Sergey Ermasov (2016), in an analysis of questionnaires distributed throughout Russia, find a relationship between factors they consider basic components of strong ethical cultures and higher levels of ethical behavior including avoidance of bribery and corruption; they emphasize, however, the need for more research. K. Praveen Parboteeah, H. Titilayo Seriki and Martin Hoegl (2014), using a qualitative case study approach in Nigeria and South Africa, find support for the proposition that a stronger ethical climate in a business firm reduces bribery by members of that firm; they too suggest a need for more research.

The connection between a strong ethical culture in a business firm and the reduction of misbehavior by members of that firm has been thoroughly explored and substantially demonstrated. It is quite likely that the same is true with respect to the control of the specific behavior of bribery (a conclusion similar to that of David Hess (2014), who argues that if the norms of a business firm conform to general concepts of morality, then individuals within the firm are far less likely to act corruptly). Given the potential that creating strong ethical cultures has in the effort to control bribery, the instincts of practitioners and policymakers seem justified. The creation of strong ethical cultures should be a tool in the global effort to control corruption. There are, however, substantial difficulties in creating and advocating for general programs to create strong ethical cultures, which might explain why even while arguing for strong cultures the global regime leans toward rule creation and enforcement.

Difficulties in implementing the use of strong ethical cultures to control corruption

The universe of the global anti-corruption regime encompasses many types of actors, including practitioners and organizations that attempt to influence practitioners. Two practical difficulties might dissuade each of these groups from embracing the ethical culture approach to controlling bribery and other forms of corruption.

One such difficulty consists of the simple fact that creating and adopting rules is far simpler than effectuating culture change, whether from the perspective of actual implementation or from the perspective of designing and advocating for programs to help practitioners with implementation. The relative ease of implementing rules rather than creating culture may be illustrated by comparing rules to norms, which underlie an ethical culture. Norms differ from formal rules in several ways. Adherence to norms is selfmonitored or is monitored by other members of the group, whereas compliance with formal rules is monitored by agents designated by those rules. Thus, even though there are many more monitors of norms, no specific person can be identified and given that responsibility in an implementation plan. Violation of norms results in shame or reputational damage, whereas violation of formal rules results in a punishment designated by those rules. Thus, even though the penalties for violations of norms could be more costly, they are less quantifiable, articulable, and predictable than the penalties for rules violations (Thomas, Schermerhorn & Dienhart, 2004). The most important difference may be that norms by their very nature conform to the broader culture, whereas formal rules can take any articulable form. Rules, therefore, can simply be imposed on an organization whereas culture must be organically cultivated.

This last difference is particularly pertinent to collective action organizers. Rules can be explicitly articulated and can be imposed *en masse*; norms tend to exist as less articulable principles and require some degree of organic development (Murray & Fortinberry, 2015; Schminke, Ambrose & Neubaum, 2005). These aspects of ethical culture hinder communication from collective action organizers to individual business firms: there is no single or simple implementation scheme that will match the organic and distinctive genesis of ethical cultures in each business firm.

The second difficulty involves measurement. An ethical culture is a state of being, and it is difficult to measure organizational states of being (see Dess & Robinson, 1984, discussing the difficulties of measuring organizational states of being for strategic purposes). It is particularly difficult to measure something as intangible as the state of "goodness," for which no quantitative scale exists. Indeed, attempts to measure complex or amorphous social phenomena have provoked substantial criticism. Sally Engle Merry (2011) bemoans the increasing pressure to reduce to simple measures complex global phenomenon such as rule of law, human rights, and social development. Cris Shore and Susan Wright (2015) share that concern specifically in the realm of the realm of ethics and accountability in the management of organizations. They warn that this "audit culture" reduces trust, innovation, and professionalism and increases system gaming, blaming, and compliance costs (2015:430-31). Danielle Warren and William Laufer (2009) specifically criticize direct measures of corruption, finding them crude, inaccurate, and biased.[1]

These problems inherent to measuring a state of being could be avoided by measuring instead an appropriate proxy. States of being do manifest themselves through actions, and actions can be measured. This method of measurement, however, offers its own dangers. When only particular acts are measured, the part of an ethical culture related to those acts is emphasized and the rest is ignored. What constitutes an ethical culture, however, is likely to be eminently idiosyncratic, not because moral rules are subjective but instead because business firms operate in decidedly individualized contexts deeply

[1] There is, of course, a lively debate within the sciences that study organizations on definitions and measurement of organizational culture in general (Alvesson, 2011). A variety of terms, such as adhocratic, clan, entrepreneurial, hierarchical, have been suggested by academics to describe aspects of the cultures such as administrative flexibility, relationship structures and importance, and decision making processes, along with proposed methods to measure these cultural structures (see, for example, Gimenez-Espin, Jiménez-Jiménez & Martínez-Costa, 2013; Naranjo-Valencia, Jiménez-Jiménez & Sanz-Valle, 2016; Spigel, 2017). Business consultants advocate and propose methods of measuring cultural forms such as enterprise architecture management or total quality management (see, for example, Aier, 2014; Evans & Dean, 2002). While those debates are of interest to the concept of culture in general, this paper focuses on the state and strength of an organization's ethical culture.

embedded in the complexity of the real world (see O'Donohue & Nelson, 2009). Thus, a measurement of ethical culture that used as a proxy one set of actions would have the perverse effect in most business firms of distorting that firm's ethical culture by causing that firm to focus on those behaviors rather than on behaviors actually pertinent to the firm (see Shore & Wright, 2015, who make a similar but broader argument). Great care, therefore, must be taken in selecting a proxy.

Behaviors related directly to corruption would prove poor proxies for ethical culture. A measure such as "how many bribe requests were turned down" would provide little real information and would have little predictive value. Although the popular image presents a lurid picture in some polities of daily demands for bribes, in reality the number of opportunities that a firm or a manager has to interact with bribery vary wildly and a firm may not face such demands for long periods of time (Nichols, 2015). Comparing the measurements of firms that faced few requests with the measurements of firms that faced many such opportunities would reveal little if anything about the underlying cultures of each of those firms.

Bribery also differs from many other behaviors in that both parties to the transaction have reason to hide their activities (see Nichols, 2012b). Both the bribe payer and the bribe taker have in almost all cases violated a law. Even business firms that pay bribes in response to extortive demands from government officials have usually violated laws. As a consequence, there is a strong incentive to hide or to underreport the payment of bribes (see Jensen & Rahman, 2011). Thus, the use of the action of bribe paying as a proxy for ethical culture is problematic.

Although succinctly described, these difficulties present real obstacles to practitioners and to organizations that counsel practitioners or advocate for action among practitioners. There are many reasons to advocate for the creation of strong ethical cultures in business firms, but creating a universal plan for doing so seems unlikely. Similarly, advocates of strong ethical cultures can offer little in the way of measuring progress or setting goals.

Stakeholder trust as a suitable proxy

This paper does not put forth a dramatic prescription that the global anti-corruption regime must immediately adopt a program advocating the measurement and maximization of stakeholder trust, nor does this paper make the sweeping empirical claim that using stakeholder trust as a proxy for measurement would resolve all of the difficulties presented when attempting to evaluate the strength of an ethical culture. Rather, this paper makes the more modest claim that current research supports an argument that stakeholder trust is a plausible proxy for the strength of an ethical culture. Explanation of this claim requires explication of both "trust" and "stakeholder."

Trust, like corruption, lends itself to numerous definitions. This paper uses a straightforward definition of trust. Trust is an expectation that a person or entity will behave as desired under conditions of risk (Cook, 2005). If person *A* hands person *B* the keys to person *A*'s car, but does not thereafter let person *B* or the keys out of sight, trust is not at issue because there is no condition of risk. On the other hand, if person *A* hands person *B* the keys and then lets person *B* leave the room with the expectation that person

B will return with the keys, then person *A* has trusted person *B*. There is a condition of risk – person *B* could abscond with the keys, and there is an expectation that person *B* will behave as desired – that person *B* will return with the keys.

There are three broad types of trust (Newton & Zmerli, 2011). Personalized trust is the type illustrated above. One person or entity trusts another person or entity. Particularized trust occurs when a person or entity trusts another, not specifically but instead as a member of some identifiable group (Freitag & Traunmüller, 2009). In the United States, for example, people often trust fire fighters as fire fighters rather than as individual persons. In Thailand people often trust monks as monks. The person who demonstrates trust may or may not know the individual firefighter or monk, but that is irrelevant. The person trusts firefighters or monks in general.

Personalized and particularized trust have much in common. The third type of trust, generalized trust, is distinct. Generalized trust is not focused on people or groups but instead describes a level of confidence in society in general (Coleman, 1990; Fukuyama, 1995). High levels of generalized trust mean that most people think that "the system" works, that systems and institutions function in a socially appropriate way, that even strangers can be expected to behave in socially appropriate ways (Bac, 2009; Paxton, 2007). Generalized trust describes a gestalt rather than the sum of particulars: a person may have a strong sense of generalized trust even though that person does not trust, for example, the local police.

Generalized trust may have an indirect relationship with personalized or particularized trust (Stolle, 2002), but is not the type of trust at issue in this paper. Stakeholder trust – the measurement of which this paper suggests may be a viable proxy for the measurement of ethical climate – has to do with the attitudes of stakeholders toward a specific business firm. Stakeholder trust, therefore, is most likely to be in the form of personalized or particularized trust.

The term "stakeholder" is capable of a "maddening variety" of definitions (Mitchell, Agle & Wood, 1997:853). Ed Freeman (1984:46), a progenitor of stakeholder theory as a business ethics framework, defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's goals." Broader definitions include those parties who may significantly affect or are significantly affected by any action of the business firm, not only the achievement of that firm's objectives (Mitchell, Agle & Wood, 1997). This paper is agnostic with respect to debates over the precise definition of stakeholders and instead relies on one salient aspect independent of exact definitions: stakeholders in some way interact with a business firm. Each interaction may contribute to the creation or degradation of trust.

The precise mechanisms for the formation of personalized or particularized trust are not fully known. The literature on trust suggests two very different mechanisms. In the field of business management, the literature on trust has been dominated by the discussion initiated by Russell Hardin (2002; 1996; 1993; 1991; see Herreros, 2004). Hardin describes trust as a strategic calculation that the interests of another are closely aligned with one's own interests. Person *A* trusts person *B* because their interests are closely aligned, and thus the interests of person *A* will be furthered if person *B* acts in ways that also further the interests of person *B*. Person *A*, who assumes that person *B* is a rational actor, thus expects person *B* to act in those ways. Trust, therefore, is created through the perception of similar interests and objectives.

Hardin, however, has staked out a relatively small portion of the research on trust. Empirical research conducted by scholars in other disciplines finds that trust seems to be created through the interactions of parties, whether directly or indirectly (McAllister, 1995; Rousseau et al., 1998). If person *A* has interacted with person *B* under conditions of risk, and if person *B* has consistently behaved as desired (or as considered socially appropriate), then person *A* is likely to trust person *B*. Moreover, if person *A* observes person *B* behaving appropriately under conditions of risk, or learns from reliable sources that person *B* behaves appropriately under conditions of risk, then person *A* is likely to trust person *B*, even though they have not directly interacted.

Therein lies the potential of measurement of stakeholder trust as a proxy for measurement of the strength of an ethical culture of a business firm. Stakeholders are those who interact with a particular business firm. In the aggregate, stakeholders interact in all or almost all of the possible significant ways with a particular firm. They do not interact in a prescribed or distorted way but instead interact in the normal course of a business firm's operations. Moreover, stakeholders interact with a business firm under conditions of risk, when they are vulnerable to the behaviors of the firm. The quality of their interactions will affect the extent to which each stakeholder trusts or mistrusts the firm.

Trust, unlike states of being, is also measurable (Tschannen-Moran & Hoy, 2000). Experimental research on trust, often through games involving vulnerabilities, have resulted in a plethora of widely used indexes (Delgado-Márquez, Hurtado-Torres & Aragón-Correa, 2013). More prosaically, trust is measured in a variety of contexts for a variety of purposes. Scholars and consultants measure trust in brands (Bisschoff & Moolla, 2014). Scholars and consultants measure the extent to which employees trust managers (Chang et al., 2016). Management consultants have long measured organizational trust (Schoorman, Mayer, & Davis, 2007). Political consultants have long measured the extent to which candidates are trusted by potential voters (Levi & Stoker, 2000).

The facts that the measurement of stakeholder trust avoids the hazards presented by the measurement of other proxies, and that trust is measurable, do not by themselves mean that stakeholder trust is a suitable proxy for a firm's ethical climate. In order for stakeholder trust to be acceptable as a proxy for ethical culture, there must also be a close connection between the creation of trust and ethicality. As discussed in the next section, research on trust generation suggests such a link.

Alignment of trust-generating behaviors and ethical culture

The validity of engendered trust among stakeholders as a proxy for an ethical culture in a business firm depends on a critical premise. That premise is that the characteristics that engender trust are the same as or are very similar to the qualities that would be considered ethical. If the qualities that engender trust are the same as or are very similar to the qualities considered ethical (and if, of course, the business firm interacts with sufficient numbers of people or other entities to make measurement meaningful), then high levels of trust could defensibly be argued to indicate strength in those characteristics. High levels of trust would indicate a strong ethical culture.

An obvious scholarly objection to this premise arises from the contentious nature of scholarship. Normative scholars do not agree on the qualities that are considered ethical. Deontological schools of thought vigorously argue that morality flows from immutable rules, teleological scholars argue just as fiercely that morality is determined by the consequences of actions. Confucian scholars look to the social context, while virtue theorists only examine the actor. Each of these schools of thought offers voluminous reasoning to support its argument (see Sandbu, 2011).

This paper respects the intellectual integrity of the contestants and the importance of theoretically sound bases for evaluating norms. As Mark Edwards and Nin Kirkham observe, however, the theoretical pluralism within business ethics "can result in the loss of ethical theorising as a moral guide to decision-making, goal setting and purposive behavior" as well as "what might be called, arbitrary eclecticism where a more-or-less random mixture of theoretical positions is adopted with no reasoned justification" (2014:480). For purposes of proposing and discussing real-world policy implementation, therefore, this paper adopts the approach suggested by Mary Gentile; action can be defensibly based on the notion that many ethical principles are generally known and are knowable (see Gentile, 2012; Gentile, 2010).

Management and organizational scholars have attempted to identify qualities that merit or earn trust, particularly in a business setting. Some of those qualities have little to do with ethical behavior and more to do with competency. Business always involves interactions with other persons or entities, therefore business always involves some risk that other parties are not capable of performing their tasks. Competency – the ability to complete a task and complete it well – therefore engenders trust (Heffeman, 2004; Mayer, Davis & Schoorman, 1995). Indeed, online service rating services, such as Angie's List or Yelp, exist to provide consumers with sufficient information about competency to make decisions about trusting a service provider (Andresen, 2011).

Of more relevance to the argument that stakeholder trust can serve as a proxy for an ethical culture is the other significant contributor to trust: character (see Pirson, Martin & Parmar, 2015; Tyler, 2016). Claims regarding specific qualities that engender trust risk the very overgeneralization that the use of trust as a proxy seeks to avoid. The argument for the use of trust as a proxy for an ethical culture, therefore, can only be made in broad terms, with the understanding that the discussion of any particular quality might not apply to a particular business firm and that implementation will be idiosyncratic at the firm level.

Scholars who study trust suggest that qualities that engender trust include respect, honesty, transparency, and integrity (Fairholm & Fairholm, 2000; Simpson, 2007; Tschannen-Moran, 2014; Tyler, 2016; Whitener et al., 1998). Arguably, each of these behaviors is considered broadly ethical and contributes to the creation of an ethical culture. Respect of others, for example, resonates strongly with Immanuel Kant's principle of respect for the dignity of all persons, which constitutes one of the organizing principles of his ethical philosophy (see Teuber, 1983). Honesty is embraced by countless philosophies. Confucianism ([500 b.c.e.?] 1998:15:5) requires a leader to "be sincere and true to your word"; Aristotle ([340 b.c.e.?] 1908:1096a.13-1096a.16) demanded the same from his students when he noted that "it would perhaps be thought to be better, indeed to be our duty, for the sake of maintaining the truth even to destroy what touches us closely, especially as we are philosophers; for, while both are dear, piety requires us to honour truth above our friends." Transparency is closely related to accountability (Brandeis, 1914; Roberts, 2009). Integrity, or consistency of principles even in the face of difficulty, is described as essential to ethical behavior in international business by Tom Donaldson (1996).

Research into the generation of trust is far from complete. Research into the generation of trust by stakeholders in business firms is in its early stages. Nonetheless, the research that does exist supports the plausibility of the use of stakeholder trust as a proxy for an ethical culture. The characteristics that seem to generate trust are aligned with qualities that in general are considered ethical. High degrees of trust can defensibly be linked to a strong ethical culture. Stakeholder trust, therefore, should be considered as a strong candidate for serving as a proxy for the ethical culture of a business firm.

Measuring stakeholder trust and implementation of an ethical culture

The measurement of stakeholder trust as a proxy for measuring the strength of ethical culture also responds to the problem posed by the difficulty in prescribing a plan of action for implementation. Indeed, simply requiring managers to measure and report on stakeholder trust contains the seeds for the implementation of a strong ethical culture. An insight into how this might occur lies in a misperception common among managers. The management scholar Edward Deming argued that "It is wrong to suppose that if you can't measure it, you can't manage it – a costly myth" (2000:35). Popular culture, however credits Deming with promoting precisely the aphorism that he despised – "you can't manage what you can't measure" – and despite vigorous condemnation by the Deming Institute that "myth" continues to be perpetuated (Hunter, 2015). Similarly, management scholar Peter Drucker did not say "if you can't measure it, you can't manage it" and in fact argued the opposite, but is also popularly credited with promoting the aphorism that managers manage to the measure (Zak, 2013). One reason that these mythical quotes have taken on lives of their own is that many business managers have difficulty understanding and working toward qualitatively expressed goals (Zak, 2013; see Davenport & Manville, 2012).

Conversely, many business managers are comfortable at independently planning for and accomplishing quantitatively expressed goals (Davenport & Manville, 2012; Davenport & Prusak, 2003). If managers are tasked with the inchoate goal of strengthening the ethical culture of their firm, they may founder. If, on the other hand, they are given the objective of achieving a measured objective with respect to stakeholder trust, then they are likely to set about methodically identifying salient stakeholders, studying their relationships with those stakeholders, and developing and testing strategies for increasing measured trust held by those stakeholders.

Written as a general proposition this of course sounds glib. Experience, however, demonstrates that business managers can and do develop idiosyncratic strategies to achieve measured, non-financial objectives. Triple bottom line accounting and balanced scorecard measures each demonstrate this tendency in real world business management.

Triple bottom line accounting requires a business firm to measure three aspects of its performance: social, environmental, and financial (Slaper & Hall, 2011). Interestingly, while there are universally accepted financial measures, there are no common measures of social or environmental performance. Firms that adopt triple bottom line accounting must develop their own measures. Indeed, one of the more powerful aspects of triple bottom line accounting is that it allows business firms to account for their own interactions in the context of their own relationship with society, rather than forcing them to account for a standardized set of interactions that may have nothing to do with their reality.

Triple bottom line accounting has been criticized as non-novel and potentially misleading (Norman & MacDonald, 2004). Its creator, John Elkington (2004), has stated that it is an evolving process that will require decades of refinement. Notwithstanding the problems that accompany the nascence of such measurement, thousands of business firms, of varying sizes and in various industries, have of their own volition developed strategies specifically for the purpose of achieving a social or environmental objective measured through triple bottom line accounting (Savitz, 2012; Willard, 2012).

Balanced scorecard is a performance enhancement tool that specifically links performance to discrete measurements. Managers are tasked with defining components of performance, of devising measurements for those components, of weighting those measurements, of establishing objectives, and most critically with devising strategies for achieving those measured objectives (Sanger, 1998). As with triple bottom line accounting, there is no standard form of measurement nor does a standard strategy for achieving measured goals exist; each firm develops its own strategy to achieve its measured goal. As with triple bottom line accounting, those who study the balanced scorecard method acknowledge that it is in its early stages and that there are opportunities for more sophisticated measures (Hoque, 2014). Nonetheless, thousands of business firms, of varying sizes and in a variety of industries, have developed effective strategies to improve organizational performance in order to achieve goals as measured by a balanced scorecard (Nair, 2004). Graham Hubbard (2009) notes that balanced scorecard measures have simplified the achievement of inchoate goals and have enhanced stakeholders' abilities to comprehend organizational progress.

Establishing a goal of increasing or maintaining levels of stakeholder trust would share with triple bottom line accounting and balanced scorecard the creation of a measurable objective unique to a particular business firm. Triple bottom line accounting and the balanced scorecard method have induced thousands of business firms to develop strategies unique to their firms in order to achieve their measured goals. It is certainly plausible to suggest that firms would be equally capable of developing strategies to achieve measured goals with respect to stakeholder trust.

Market forces support adoption by business firms

This paper presents a plausible argument regarding the control of bribery. Bribery of government officials by members of business firms may effectively be controlled by strengthening the ethical cultures of those business firms, stakeholder trust could be an appropriate proxy through which to measure idiosyncratic firm cultures, and setting measurable goals has demonstrably motivated business firms to develop strategies to achieve those goals. The argument, however, that a strong ethical culture reduces corruption, and that there is a strong connection between stakeholder trust and a strong ethical culture, may not alone be sufficient to convince business firms to undertake the goal of maximizing stakeholder trust. Market forces, on the other hand, could provide meaningful incentives.

Markets put business firms to a test. If a firm uses resources to efficiently produce goods or services for which there is some demand, the firm survives; if not the market "creatively destroys" that firm and the resources become available for another party's use (see Metcalfe, 1998). While creative destruction is beneficial for society, individual firms of course seek to survive, and they do so by effectively using those resources.

Resources, of course, include information, and it is to a firm's benefit to understand in a useable way information about factors such as demand, costs, and revenue (Shapiro & Varian, 1998). "Useable" means of understanding include quantifiability and comparability (see Stigler, 1961). Fueled by demand from – and funding by – business firms, scholars have over the last century and a half developed increasingly sophisticated measures for each of demand, costs, and revenue (Edwards, 2013). Whereas once a firm simply made guesses regarding demand, firms now have access to "market" data segmented by age, ethnicity, geographic location, income, and countless other refinements.

Firms have access to data on desirable packaging and product placement, on hourly demand ebb and flow, and even how future trends in demand (see generally McDaniel & Gates, 2013). Business firms are willing to spend time and money to understand demand because it directly affects their ability to survive in a market.

A comparison to attempts to develop measurement tools in the nonprofit sphere demonstrates the boost that measurement receives from business. The maximization of general well being may be the most important of all human goals. General well being is a complicated phenomenon, but so too are some of the relationships between costs and revenue. There is no gainsaying that general well being is a valuable and desirable social goal, yet in the hundreds of years that it has been recognized as a goal no accepted form of measurement has been developed (Lim, 2010; Sawhill & Williamson, 2001). Measurement of the effective use of resources to accomplish socially desirable goals lag well behind business measures of productivity (Epstein & Yuthas, 2014). It was only, for example, after the British National Health Service invested substantial time and effort into the development of metrics for its national healthcare system that a common measure of healthcare outcomes was developed (the Quality Adjusted Life Year) (Mehrez & Gafni, 1989). And it is only with the increased interest in social impact investing that scholars have attempted to develop comparable measures for social investment outcomes, measures such as the Best Available Charitable Option used by Acumen Investment Fund (Lim, 2010).

This long history suggests that even though business firms recognize corruption as a social evil and understand that its control would confer a general good, that recognition alone is unlikely to cause them to develop or demand sophisticated measurement tools that would contribute to its demise. On the other hand, the same history suggests that business firms will develop and demand sophisticated measurement tools if those tools measure something directly linked with firm success and survival.

A very strong argument can be made that that such links exist with respect to stakeholder trust. A study by the World Economic Forum (2015) found five types of benefits bestowed upon a business firm through the creation of trust. First, trusted firms receive better business terms when negotiating with other entities. Second, trust enhances the likelihood of innovation and successful entrepreneurship, which contributes to competiveness. Third, trusted firms have more loyal, productive and engaged employees. Fourth, trusted firms have stronger and more productive relationships with suppliers, distributors, and other members of value chains. Fifth, trusted firms are more resilient and are less susceptible to shock; in market terms, trusted firms are more likely to survive unexpected market fluctuations and turbulence.

Trust confers measurable value on publicly traded corporations. Trust is closely related to reputation (Kim, Hur & Yeo, 2015). Reputation Dividend, a consulting firm that helps traded firms quantify the value of their reputation, releases annual reports on the overall value of reputation. In 2015, reputation created 36 percent of the value of firms included in the London Stock Exchange's FTSE and 33 percent of the value of firms included in the Sao Paulo Exchange's Bovespa Index. In the United States, during the same period, reputational problems had destroyed US$ 325 billion of value in the New York Stock Exchange's S&P 500.

In short, stakeholder trust confers a significant benefit on a firm and increases the likelihood that a firm will survive the test of the market. Firms therefore have ample reason to maximize stakeholder trust, and the scholars who conduct research related to business have a corresponding incentive to develop sophisticated means of measuring and comparing trust. Those who are interested in controlling corruption can publicize and leverage these justifications for maximizing trust. Maximizing stakeholder trust makes a firm more competitive *and* reduces corruption.

Dangers in using trust as a proxy

There are at least three potential dangers in using stakeholder trust as a proxy for an ethical culture. The first is a danger that lies in any form of measurement. As has already been discussed, ethical cultures are likely to be highly individualized and will differ from firm to firm. If standardized measures of trust are developed, it is possible that business firms will develop cultures that conform to those measures rather than creating authentic cultures. Managers sometimes respond to measurement tools even when to do so is counterproductive and dysfunctional (Austin, 2013; Ridgway, 1956). Cultures that merely reflect what is measured might not be as effective at fighting corruption. As mentioned earlier in this paper, many scholars are deeply and justifiably critical of existing measures of social objectives precisely in part because such measures distort and mislead.

This danger may be minimized by using indirect measures. Attempting to create a standard measure of the strength of an ethical culture, asking if every business firm had a particular process or engaged in a specific behavior, would risk the evils criticized by scholars such as Sally Engle Merry (2011) and Cris Shore and Susan Wright (2015). Trust, however, is not a state of being, nor is it a specific action. Rather, trust is the product of actions which themselves arguably reflect organizational qualities. Moreover, the measurement of stakeholder trust aggregates the observations of numerous monitors, each with a different relationship with the business firm.

A second danger is inherent to forms of measurement that allow for comparison. Stakeholder trust enhances the productivity and competitiveness of a business firm. Business firms that engender more stakeholder trust are likely to be more productive and more competitive than firms that do not. Thus, persons making decisions about the investment of capital should rationally be attracted to firms that report high levels of stakeholder trust. Because high levels of stakeholder trust should be attractive to potential investors, unscrupulous firms may choose to cheat in their measurement or reporting of stakeholder trust. Cheating behavior has already been observed in online measures of reputation, for example through the generation of fake positive reviews or by self-generating large numbers of positive responses (Malbon, 2013).

Cheating, of course, is not limited to measurement of stakeholder trust. Several of the largest business scandals over the last decade have involved the false reporting of measurements related to costs or to revenue (Soltani, 2014). There is no perfect solution to cheating, but the control of cheating with respect to amounts of stakeholder trust will probably be similar to the control of cheating in other measurements – through criminal, civil, and social sanctions. Stakeholder trust does influence the survival of a firm in a market, and thus the nature of stakeholder trust is a material fact. Misrepresenting its measure to potential or current investors, therefore, constitutes fraud, which depending on the legal system can be a criminal or civil violation, or both. Additionally, as tools for measuring trust become more sophisticated, misrepresentation or manipulation will become more difficult.

The most serious danger posed by the use of trust as a proxy for an ethical culture is that it may in fact not be a proxy. Stakeholders may respond positively because the trust a firm to be competent, or because they share in a particularized trust of an industry.

Neither of these forms of trust reflects interactions that reveal qualities related to the ethical culture of a business firm.

Even personalized trust might not reflect actual qualities of a business firm. Trust is usually created through repeated iterations of desired behavior under conditions of risk. As discussed earlier, however, trust can sometimes be created through an alignment of interests (Hurley, 2006). Unfortunately, no association need exist between aligned interests and ethical behavior. Demagogues, for example, are adroit at convincing others that their interests are aligned, even as they act against the interest of the people whose trust they cultivate (Mara, 2001). Demagoguery is only one type of trust building behavior that would not reflect an ethical culture in a business firm. Whitewashing and greenwashing behaviors have already been observed with respect to business firms' maintenance of reputation (Chen & Chang, 2013; Thomas, 2014; Wexler, 2012). Whitewashing occurs when a business firm strategically diverts attention from immoral or illegal behavior to more acceptable behavior; greenwashing occurs when a business firm expends more effort and money on messages regarding environmentally-friendly behavior than it does actually engaging in such behavior. It is not difficult to envision business firms generating trust through similar techniques rather than through the actual creation of a strong ethical culture. Trusted is not the same as trustworthy. By engaging in manipulative techniques, a business firm could be trusted even though its character does not merit trust.

No easy solution to this possible problem exists. The existence of such a problem does not, however, negate the value of stakeholder trust as a proxy for an ethical culture; instead it presents an area for further research and refinement of measurement tools. It also suggests a need for a collective approach to implementing the measurement of stakeholder trust as a tool for combatting corruption.

A need for collective action

The potential problems in using measures of stakeholder trust do not outweigh the potential power of strong ethical cultures to combat corruption or the utility of using measurements of stakeholder trust as a means of determining the strength of an ethical culture. Those problems do, however, highlight the need for employing a collective approach.

There are many interesting and complex questions that attach to phenomena such as trust, and stakeholders, and measurement. Each of those is worthy of investigation and explication. This paper, however, remains focused on the possible utility of creating strong ethical cultures as part of the global anti-corruption regime, and of the plausibility of measuring stakeholder trust as a means of implementing a program to enhance ethical cultures. The global anti-corruption regime recognizes the need for collective efforts to control bribery. There are at least four reasons for using a collective approach to implement the maximization of stakeholder trust.

First, in order to be useful, maximizing stakeholder trust must be accepted by business managers and must be widespread. Maximizing stakeholder trust does not constitute a paradigm shift; it fits into a market-oriented scheme. It does, however, require that business firms broaden their understanding of the factors that contribute to success in the market, and in some cases their relationships with stakeholders. Although phrases such as "market disruption," "thought innovator," and "entrepreneur" are fashionable in the realm of business, many business firms tend to be conservative in the adoption of new strategies and new metrics (see Kolk & Pinske, 2005). Implementing the maximization of stakeholder trust across business sectors as a whole is more likely to occur than is piecemeal implementation among individual business firms.

In some ways, maximization of stakeholder trust presents business firms with a dilemma similar to that presented by corruption. Almost every firm would be made better off by increasing the extent to which stakeholders trust that firm, and therefore by more and better measurement of stakeholder trust. In the absence of widespread acceptance and use of such measures, however, individual firms that undertake such measurement could be vulnerable to misinterpretation of the collected data. In the absence of context, a score could be made to look ridiculously high or low. Moreover, management might be criticized for "wasting" the time and resources of a business firm. Lorenzo Zambrano, for example, was strongly criticized for creating and deploying teams of researchers to engage deeply with Mexican homebuilders among the less advantaged communities; his critics suggested that his methods were wastefully expensive and that standard tools of measurement would suffice (Casanova, 2009; Hart, 2005; Sandoval, 2005; Segel, Chu & Herrero, 2004). Although Zambrano's measurement program led to the creation of the very successful Patrimonio Hoy program, which has created a means for thousands of people across Latin America to build homes and has generated stable profits for CEMEX, Zambrano initially came under some degree of negative pressure and the program could have been terminated long before its success. Ideas outside the boundaries of normal are at a disadvantage. Widespread simultaneous adoption would normalize measurement of stakeholder trust and would protect managers from criticism.

A second advantage of industry-wide adoption has to do with the usefulness of the data gathered by measuring stakeholder trust. As mentioned, in the absence of context, data about the extent to which an individual business firm is trusted could convey little information about the relationships of stakeholders to that firm. Useful information is not stitched together from the individual efforts of business firms. Accounting standards, for example, contextualize some of the most useful information available to business firms, but accounting standards are not the product of individual firms' efforts. Accounting standards are the product of collective action by scholars, business associations, professional associations, and policymakers (Zeff, 2016). Similarly, information on trust would be made more useful if many constituencies cooperated in creating comparable and understandable methods for communicating that information. The global anticorruption regime could be the catalyst for broad-scale cooperation.

A third reason for a collective undertaking is the need to create knowledge. A great deal of research explores the nature of trust, and a growing body of research studies the competitive advantages conferred by stakeholder trust. The connection between levels of stakeholder trust and a strong ethical culture, however, requires additional research. A deeper understanding of this relationship will allow for the creation of measurement tools that specifically target indications of an ethical climate. Research would also contribute to the possible development of responses to whitewashing, greenwashing, or worse. Other areas that require further research include the processes through which stakeholder trust is created, and whether trust created through competency or the alignment of interests can be distinguished from trust created through desired behavior under conditions of risk.

Another very important area for research is the development of measurement tools. Current measures of trust are crude. The same, of course, was true of measures of cost and revenue fifty years ago. This paper cannot predict the trajectory of research on trust measurement, but among the possible issues of interest are more finely-grained tools, weighted measures similar to balanced score cards, understanding which stakeholders should be included in trust measurement, assessing aggregated trust measurement data, cataloguing behaviors that contribute to stakeholder trust, and developing understandable ways of communicating information about trust.

Finally, a fourth reason for a collective approach is the raison d'être for this paper. Inculcating strong ethical climates in business firms will reduce corruption. A scattershot approach will reduce corruption, but perhaps only negligibly. Serious reduction in corruption requires widespread adoption of strong ethical cultures. Widespread adoption is most likely as part of a collective effort. Collective action, therefore, once again presents the most effective means of controlling corruption.

Conclusion

Bribery of government officials by members of business firms presents serious challenges, and merits serious responses. A global anti-corruption regime has evolved in response to the threats posed by bribery. This paper makes a modest suggestion with respect to that regime. Research demonstrates that a strong ethical climate significantly contributes to the control of misbehavior in business firms, and suggests that this includes bribery. The advocacy of strengthening ethical cultures is hindered by the difficulties in measurement of culture and by the idiosyncratic nature of culture. Moreover, direct measurement of ethical cultures could distort behaviors and could lead to oversimplifying assumptions regarding complex phenomena. The measurement of stakeholder trust, however, could be an appropriate proxy for the strength of an ethical culture. Stakeholder trust is measurable and there is a plausible argument that it is closely connected to qualities considered ethical. Experience also suggests that business firms are capable of developing strategies that work within their idiosyncratic contexts if they are tasked with achieving measurable goals.

This suggestion cannot yet rise to the level of a proposal. Extant research supports the plausibility of this suggestion, but is far from establishing it as certain. Substantial research remains to be done, particularly with respect to the connection between stakeholder trust and an ethical culture. The potential power of strong ethical cultures to control bribery, however, should motivate actors within the global anti-corruption regime to devote resources to expanded study of the connections suggested by extant research.

Collective action constitutes the most fruitful avenue for expanded study, and possibly for eventually creating a shared goal of strengthening ethical cultures by maximizing stakeholder trust. Collective action will help create the knowledge and tools necessary for implementation, and will normalize a new practice among managers. Collective action will also result in the most widespread use of this effective means of reducing bribery. Setting as a shared goal the maximization of stakeholder trust will benefit individual business firms and will reduce for everyone the harms inflicted by corruption.

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