

Corporate Disclosures on Curbing Bribery and the UK Bribery Act 2010: Evidence from UK companies

Muhammad Azizul Islam¹
Professor in Accountancy
University of Aberdeen
Email: azizul.islam@abdn.ac.uk

Shamima Haque
Senior Lecturer in Accounting
University of Aberdeen
Email: shamima.haque@abdn.ac.uk

Sharon Henderson
Manager, Financial Advisory - Infrastructure
PricewaterhouseCoopers 480 Queen St, Brisbane QLD 4000
Email: sharon.henderson@pwc.com

Michael Jones
Professor of Accounting
Bristol University
Email: Michaeljohn.Jones@bristol.ac.uk

&
Homaira Semeen
Sessional Academic
UQ Business School
Email: h.semeen@uq.edu.au

Citation: Islam, M. A., Haque, S., Henderson, S., Jones, M. and Semeen, H. (Accepted), Corporate disclosures on curbing bribery and the UK Bribery Act 2010: evidence from UK companies, *Accounting, Auditing & Accountability Journal*

Acknowledgements: We are pleased to acknowledge the helpful and stimulating responses from colleagues (including Professor Rob Gray) at the CSEAR Conference in St Andrews, August 26-28, 2014.

¹ Corresponding Author

Corporate Disclosures on Curbing Bribery and the UK Bribery Act 2010: Evidence from UK companies

Abstract

Purpose –This study aims to investigate whether United Kingdom (UK)-based companies have changed their voluntary disclosures on curbing the bribery of foreign officials in response to the UK Bribery Act 2010, if so whether and how such disclosure changes substantively reflected allegations of bribery of foreign officials by news media.

Design/methodology/approach: By using the notions of *institutional pressure* and *decoupling* and applying content and thematic analysis we examined, in particular, disclosures on curbing bribery by the largest 100 companies listed on the London Stock Exchange in periods before and after the Bribery Act (2007–2012). News media reports covering incidents of bribery of foreign officials and related corporate disclosures before and after the Act were thoroughly examined to problematise corporate anti-bribery disclosure practices.

Findings: Our study finds a significant change in disclosure on curbing bribery before and after the enactment of the UK Bribery Act, consistent with the notion of institutional coercive pressure. However, decoupling is also found: organisations' disclosures did not substantively reflect incidents of bribing foreign public officials, mostly from underprivileged developing nations.

Research limitations/implications: This study acknowledges a limitation stemming from using media reports that focus on bribery incidents in identifying actual cases or incidents of bribery. As some of the incidents identified from news media reports appeared to be allegations, not convictions for bribery, companies could have defensible reasons for not disclosing some aspects of them.

Originality/Value: This study contributes to the accounting literature by problematising MNCs' operations in underprivileged countries. Our findings suggest that not only public officials in developing countries as creators of bribery but also western-based MNCs as the suppliers of bribery, contribute to perpetuating unethical practices and injustices to the under-privileged communities in developing countries. Our research is imperative as this is one of the first known studies that provide evidence of the actions including disclosure related actions companies have taken in response to the UK Bribery Act.

1. Introduction

Corporate bribery as an emerging issue is present in many countries (see, for example, Jones 2011) and has received ubiquitous stakeholder concern, but little is known about whether and how multinational companies (MNCs) adopt measures including disclosure on combatting bribery of foreign officials. Extant research has so far provided little or no insights into how disclosures in relation to MNC's anti-bribery measures in a particular regulatory context can be problematic. Accordingly, we aim to provide critical analysis of disclosures on curbing bribery of foreign officials by UK (United Kingdom) based MNCs which are subject to the UK Bribery Act 2010. To achieve our research aim, we investigate whether and how United Kingdom (UK)-based MNCs have changed their disclosures on curbing bribery in response to the UK Bribery Act 2010, and whether and how such disclosure changes reflect media allegations of bribery of foreign officials. In other words, we investigate how coercive pressures², usually imposed by governments, in this case, being the UK Bribery Act 2010 influence anti-bribery disclosure provided by UK based companies. Our aim is aligned with prior social science research (see for example, Larrinaga, Carrasco, Correa, Llena, & Moneva, 2002; Frost, 2007 within accounting literature; Shamir, 2004; Banks, 2019; Lord & Levi, 2018 within law or regulation literature; Near & Dworkin, 1998; Weber & Wasieleski, 2013 within business ethics literature) that investigated corporate responsiveness to particular regulations or Acts.

Wider social science literature focussing on corruption and bribery has rich and critical insights into how corruption/bribery narratives are linked to the post-colonial imperialism by developed nations and their patron-based supranational institutions (such as World Bank, IFC) who usually shape or paint developing nations in a broad-brush way as corrupt (Alemazung, 2010; De Maria, 2008; Fraser-Moleketi, 2007; Rossini, 2017; Pierce, 2006; Everett, Neu, and Rahaman, 2007; Sikka, 2003). Such literature within the interdisciplinary accounting field (see Sikka, 2003; Everett et al. 2007) highlights that while many consider that developing countries are often painted as more corrupt than developed ones, arguably such consideration is one-sided and does not reflect the real incidents in developing nations. More importantly, little attention is paid to the role of developed nations and their MNCs as front runners in supplying bribery. In fact, the orthodox or conventional view frames developing nations as the creators of bribery which often does not reflect reality. Whereas, a closer look at the incidents of bribery of foreign officials indicates responsibility avoidance from the suppliers of bribery (such as MNCs) located in the developed parts of the world. Therefore, instead of focussing on developing nations, we focus on MNCs based in a developed country, the UK, where a unique bribery Act namely the UK Bribery Act 2010 has been enacted to eliminate all kinds of bribery. Our aim is to problematize MNCs' operations in other countries (including developing nations) and its relation to the enactment of the UK Bribery Act. We pursue such an aim by investigating how the UK based MNCs disclose measures to curb the bribery of foreign public officials (mostly from underprivileged developing nations).

² The term coercive pressure is used in institutional theory (DiMaggio & Powell, 1983) refers to a pressure usually imposed by government requiring companies voluntarily or mandatorily to pursue specific behaviour including disclosure behaviour.

Bribing foreign officials to obtain an advantage in business decisions is a serious problem that not only threatens social, political and economic structures, especially those of developing nations, but also adversely affects companies involved in international commerce. Bribery of this nature undermines democracy and threaten economic progress (Venard & Hanafi, 2008; Ministry of Justice, 2011). The World Bank (2013, Para. 6) estimates that bribery of foreign officials costs US\$1000 billion every year. This estimate includes all forms of bribery between MNCs and foreign public officials (World Bank, 2013, para. 11). This has serious implications for underprivileged developing nations because MNCs' bribery of government officials in many developing nations is harming development and poverty elimination in those countries. However, unfortunately, until recently, the issue has not been recognised as a stand-alone societal and regulatory concern. Thus, the introduction of the UK Bribery Act and stronger ongoing stakeholder attention to MNC's global bribery appears to have implications for UK based MNCs and presents a unique research opportunity. It is therefore imperative to see whether and how MNCs responded to the expectations of the UK Bribery Act.

The enforcer of the UK Bribery Act, the Senior Fraud Office (SFO) has made an option of lenient punishment³ for those companies which self-report (i.e., voluntarily disclose) incidents of bribery in relation to foreign officials (SFO, 2012). We, therefore, focus on disclosures on combatting bribery of foreign officials by MNCs. Prior research has documented a range of potential reasons for social and environmental disclosures (see reviews within Parker, 2005; Deegan, 2002; Dumay, De Villiers, Guthrie, & Hsiao, 2018), and at the same time, a growing amount of research has highlighted a problematic aspect of such practices (see, for example, Islam, Deegan and Gray, 2018; Chwastiak & Young, 2003; Puxty, 1991). While it is evident that companies (such as MNCs) operating in different industries and different regions require more disclosures because their activities are of keen current interest, such as environmentally unfriendly activities, socially irresponsible actions, new technology industries, and so on, such practices can be problematic because these may not create accountability to the broader community (see related research that documented problematic aspects of social and/environmental disclosures or social audits, Islam, Deegan and Haque, 2020; Islam, Gray and Deegan, 2018; Semeen and Islam, 2020; Gray, 2010). Given the widespread stakeholder concerns on specific social accountability issues such as bribery, it is essential to investigate MNCs' disclosures on combatting bribery of foreign officials and explore a problematic aspect of the practices that may not create accountability to the broader community (including local communities in developing countries affected by the bribery of officials)⁴.

³ i.e. a provision for civil conviction instead of criminal prosecution.

⁴ While many studies have examined the content and implications of the UK Bribery Act on internal actors within the organisations such as employees and how this Act may differ from other anti-bribery laws (Kirk, 2011; Dunst, Diamant, & Kung, 2011; Yeoh, 2012a; 2012b; Lord, 2016), this study is unique in its focus on how corporations respond. There is also a need to investigate bribery of foreign officials a type of corruption because, in light of this Act, corporations are now expected to demonstrate robust compliance measures, especially in international transactions.

In line with critical accounting literature (Islam, Deegan, & Gray, 2018; Islam, Deegan & Haque, 2020; Semeen & Islam, 2020; Gallhofer & Haslam, 1997; Gray, 2010; Sikka, 2011; Chwastiak & Young, 2003; Martinez & Cooper, 2017; Neu, Cooper, & Everett, 2001; Puxty, 1991) and by drawing on the notions of coercive pressures (DiMaggio & Powell 1983; Scott, 1995) and decoupling (Sandholz 2012; Lepoutre & Valente, 2012), we investigate the impact of the UK Bribery Act on disclosures and show insights into how such institutional requirement for disclosures of particular bribery incidents can be problematic. Accordingly, an analysis of corporate reports [annual reports and CSR reports] by the Top 100 London Stock Exchange-listed companies (subject to the UK Bribery Act 2010) from 2009-2012 and an in-depth examination of news media articles during both pre and post regulatory periods concerning these companies was conducted. Accordingly, in line with the notion of coercive pressure⁵ (DiMaggio & Powell, 1983; Scott, 1995), we found corporations' disclosures on curbing bribery significantly increased from 2009 to 2012 and responded to coercive regulatory pressure for self-regulating. Based on the concept of decoupling, (i.e., the difference between actions and disclosures (Lepoutre & Valente, 2012; Sandholtz, 2012), we found that organisations' disclosures did not substantively reflect the incidents of bribery of foreign officials. There was a mismatch between organisational disclosures and incidents of bribery of foreign public officials and a variation in an organisation's level of disclosure and the degree of decoupling and/or institutional non-conformity was evident. Such finding suggests that companies' anti-bribery disclosure provide only symbolic aspects of an institutional logic and not material expectations in conformance with the UK Bribery Act. Thus, our study contributes to the accounting literature by problematizing MNCs' operations in underprivileged countries. Our findings suggest that western-based MNCs as the suppliers of bribery, contribute to perpetuating unethical practices and injustices to the underprivileged communities in developing countries.

The remainder of this paper has six sections. Section 2 provides the background of the bribery of foreign officials and stakeholder concern as well as the requirements and uniqueness of the UK Bribery Act 2010. Section 3, the theoretical framework provides an overview of the notions of coercive pressure and decoupling. Section 4 outlines the research methods of this study. Section 5 describes the results in relation to the research questions. Section 6 provides a conclusion.

2. Bribery of foreign Public officials, Stakeholder Concerns and the UK Bribery Act 2010: Background

Business activity on a global scale is at the forefront of many MNCs' agendas (Lord, 2016). Often, third party representatives, agents and intermediaries in overseas jurisdictions are used to bribe officials to win or maintain contracts with foreign governments (Sung, 2005; Cleveland et al., 2009). Over many years, researchers have documented the fragile and underdeveloped democratic institutions and market structures within developing nations. They have argued that

⁵ Notion of coercive isomorphism suggests that organisations will conform to the demands of regulation to attain and maintain legitimacy (DiMaggio & Powell, 1983).

such situations encourage corrupt behaviour (Meny, 1996; Williams & Beare, 1999; Adeyeye, 2012 p.70). It is widely accepted that cross-border bribery is prevalent in developing nations in which local anti-bribery regulation holds little to no power over big MNCs (Sanyal, 2012).

MNCs experience a globalised, connected and intertwining network of operations that makes them increasingly susceptible to organised bribery. In such an environment, corporations are faced with the hard challenge of implementing and monitoring effective anti-bribery measures (Baughn, Bodie, Buchanan & Bixby, 2010). Governments of many developed nations appear either reluctant or face difficulties in regulating multinational transactions which in many cases are susceptible to corruption. At the same time, developing nations are likely to suffer more from the impacts of corruption because they simply do not have enough resources as developed nations. Given that, broader stakeholder groups, orthodox Inter-Governmental Organisations (IGOs) including OECD and global Non-Governmental organisations (NGOs) including Transparency International (TI), are concerned over the MNCs' overseas conducts (Lord, 2016; Carr & Outhwaite, 2011). News media also plays an essential role in generating worldwide concern over the global bribery by MNCs (Stapenhurst, 2000, p.3; Welford, Chan & Man, 2007).

As a response to broader stakeholder concerns about anti-bribery laws in the UK, the UK Bribery Act received Royal Assent in April 2010 and came into force on 1 July 2011 (Ministry of Justice, 2011). Previous foreign bribery legislation in the UK, such as the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1916, were deemed inappropriate for a nation operating in the global economy (Ministry of Justice, 2011). As the prominence of cross-border bribery increases in society, so do regulations attempting to control it (TI, 2010). The UK Bribery Act 2010 represents an important part of OECD treaty harmonization. The Act is built on the 1977 Financial Corrupt Practices Act (FCPA) in the USA. Being recognised as the “toughest anti-corruption legislation in the world” (Russell, 2011 p. 1), the UK Bribery Act criminalises the promising or giving of financial or other advantages to a foreign public official in order to achieve a business advantage, and also provides jurisdiction over cross-border bribery activity/ies committed by any corporation with operations in the UK (Ministry of Justice, 2011). From this perspective, the UK Bribery Act resembles the FCPA.

The UK Bribery Act is “an Act to make provision about offences relating to bribery; and for connected purposes” (c.23 p. 1). Its objective is to be a robust mechanism for curbing corporations' cross-border or overseas bribery (Ministry of Justice, 2011). While each part of the UK has its prosecution agencies, the UK Serious Fraud Office (SFO) is the lead agency for enforcing the Act. The SFO holds the jurisdiction of investigating and prosecuting corporate offences of fraud and bribery. Under Sections 1 and 2 of the Act, two general provisions — the “active” and “passive” bribery clauses — are given. The former pertains to the offering, promising or giving of an advantage to obtain or retain business; whilst the latter refers to requesting, agreeing to receive or accepting an advantage in order to obtain or retain business (s.1, s.2). Aligned with the amended US FCPA (1998) and OECD convention, the UK Bribery Act aims to force organisations to assess the adequacy of their existing anti-bribery programmes. This law contains the first distinct provision for organisations that fail to prevent

bribery. Section 7 (1) stipulates that organisations subject to the Bribery Act are liable if they fail to prevent persons associated with them from committing bribery on their behalf. This thereby requires companies to take adequate measures to control bribery-related activity in their organisations (s.7.1). The Act also allows corporations to demonstrate adequate anti-bribery procedures as a mitigating circumstance (s.7.2; Yeoh, 2012a). The boundaries of the Act extend beyond residents of the UK and organisations incorporated in the UK. As stated in Section 12(5), any organisation that does business in the UK is subject to the Act. Besides, organisations are liable even if a person associated with the company commits bribery, meaning that contractors, suppliers, agents, intermediaries and anyone acting on behalf of the company is subject to the Act (Ministry of Justice, 2011). However, the Act is not problem-free. In particular, right after its enactment, its provision for mitigating circumstance sparked major controversy and generated public debates (Milford, 2013).

3. Theoretical framework

We draw on the notions of coercive pressure (Scott, 1995; DiMaggio & Powell's 1983) and organisational decoupling (Lepoutre & Valente, 2012; Sandholtz, 2012), to explain the impact of the British Bribery Act on disclosures and offer critical insights into how such institutional requirement can be problematic. While accounting literature focusses on a wide range of critical theories ranging from Marxist informed perspectives to Bourdieusian notions (Semeen & Islam, 2020; Gallhofer & Haslam, 1997; Chwastiak & Young, 2003; Neu, Cooper, & Everett, 2001; Puxty, 1991) to explain particular disclosure or non-disclosures, our research contributes to the literature by considering the use of institutional turning of critique⁶ to explain such practices.

The notion of coercive pressure indicates that regulations influence organisational practices (see, Scott, 1995; DiMaggio & Powell, 1983). Recent accounting research (for example, Reichborn-Kjennerud, González-Díaz, Bracci, Carrington, Hathaway, Jeppesen, & Steccolini, 2019) has considered the notion of coercive pressure (Scott, 1995) in explaining the regulatory role of a public sector accounting or audit institution's role to fight corruption. Accordingly, we expect that regulatory pressure such as UK bribery legislation has implications for corporations. The UK government appears to institutionalise external coercive pressure via a shift in bribery regulation, creating strong demand for corporations to conform to the expectations of governments, NGOs and IGOs. Therefore, it is important to understand whether and how the coercive pressure of the UK Bribery Act influences corporate disclosures on combatting bribery of foreign officials.

Reichborn-Kjennerud et al. (2019) used Scott's (1995) notion of coercive pressure to explain corruption control measures in the public sector. We find such a notion relevant to explain

⁶ There is a debate over whether institutional theory has enough insight to be critical (see the discussion between Willmott, 2015 and Lok, 2019). We agree with Lok's (2019) discussion that suggests that institutional theory has critical potential, and institutional theorists who are embarking on the recent critical turn can make important contribution to the literature while acknowledging their differences with the critical theorists.

bribery-related disclosures by MNCs. While we start with a discussion on the notion of coercive pressure (DiMaggio & Powell, 1983, Scott, 1995), our study is data-driven and mostly relies on another institutional notion, decoupling (Souitaris, Zerbinati, & Liu, 2012; Lepoutre & Valente, 2012; Sandholtz 2012). The notion of decoupling is helpful to investigate whether the change in corporate disclosures on curbing the bribery of foreign officials, created by regulatory or coercive pressure, substantively reflects real allegations of bribery. Decoupling is the process through which organisations closely conform to the expectations of the environment where it operates, without any intention of implementing those expectations at the operational level (Pache & Santos, 2013). Decoupling occurs when there is a mismatch between formal organisational practices (disclosures) and actual organisational actions (real events). While organisations may formally make disclosures that display conformity to institutional expectations, organisations may also decouple such disclosures from their actual actions (Fiss & Zajac, 2006; George et al., 2006).

Given the widespread investigation of decoupling as well as the variation of institutional conformity or even non-conformity (Helms, Oliver & Webb, 2012; Souitaris et al., 2012; Lepoutre & Valente, 2012; Hengal et al, 2014; Fiss & Zajac, 2006), by relying on Sandholtz (2012), we focus on the varying degrees of decoupling: full decoupling, slight decoupling and no coupling (see Table, 1). In studying the decoupling processes within organisational responses to ISO 9000 certification standards, Sandoltz (2012) identified two different types of decoupling: malignant (resulting from strong organisational opposition to regulation) and benign (reflecting implementation of regulation).

We apply the different degrees of decoupling, as suggested by Sandholtz (2012) to different nature and extent of disclosures on combating bribery. Prior literature indicates that corporations remain silent (Buhr, 2001) to negate the relationship with the stakeholders, or to provide vague, strategic response. Such negation serves as carriers of the institutional pressure (Lepoutre & Valente, 2012), and demonstrates corporations' symbolic adaption as well as (Jamali, 2010; Holder-Webb & Cohen, 201). Merging the propositions of different level of decoupling (Sandholtz, 2012) and different natures and extents of particular CSR disclosures (Buhr, 2001; Jamali, 2010; Holder-Webb & Cohen, 2012) we expect that three degrees of decoupling can range from:

- Malignant separation: an extreme form of institutional decoupling. For example, the complete non-disclosure of bribery-related events.
- Symbolic adoption: some disclosure of bribery-related events but inconsistent with formal requirements of regulations. For example, ceremonial or ritualistic disclosures.
- Complete implementation: where organisations are found entirely compliant. For example, substantive or full disclosure of bribery-related events.

Table 1: Three Degrees of Decoupling: strategy and nature of the disclosure

Degree of Decoupling	Decoupling Strategy	Nature of Disclosure
Full decoupling	Malignant separation	Non-disclosure, separation
Slight decoupling	Symbolic adoption	Ceremonial, ritualistic, generic, presentation but not substantial
No decoupling	Complete implementation	Substantive, detailed, full disclosure

Using the categorisation mentioned in the above table (Table 1), our study examined whether and how disclosures reflect real bribery incidents reported by the news media. Accordingly, such an examination will help us to provide critical insights into corporate disclosures on bribery. The notion of decoupling has remained unaddressed in accounting literature (see MacLean & Behnam, 2010 for insight into the problematic aspects of decoupling within management literature) and in particular, the examination disclosures via different degrees of decoupling deserve research attention. In other words, while existing research highlighted the problematic aspect of disclosure/non-disclosures (see for example, Semeen & Islam, 2020; Chwastiak & Young, 2003), institutional requirements or regulation was not the direct focus of such critical research.

While regulation may be a mechanism ensuring decoupling minimisation, conformity to regulations of a ceremonial or a symbolic nature may render a form of institutional ‘immunity’ to the regulatory pressures. From the institutional immunity perspective, Lepoutre and Valente’s (2012) work is relevant here. Under some conditions or contradictory situations, organisational actors may adopt decoupling strategies (malignant separation or symbolic adoption, Table 1) to immunise themselves under the pressures for conformity to prevailing logic (Lepoutre and Valente, 2012). The apparent motivation for an organisational actor to seek immunity from an institutional requirement depends on its key actors’ (managers’) desire to maximise self-interests from conforming to that institutional requirement (Lepoutre & Valente, 2012; George et al., 2006). Accordingly, in an attempt to establish the problems presented by organisational decoupling and the processes of seeking immunity and maximising self-interest, MNCs’ anti-bribery disclosures in response to UK Bribery Act need to be investigated.

4. Research Methods

We commence with content analysis to document the level of disclosures on combatting bribery as a response to coercive pressure (the UK bribery Act). We then use thematic analysis to critically analyse organisational decoupling with reference to a specific item of disclosures, this being disclosure of bribery of foreign officials by MNCs. A brief discussion of content analysis and thematic analysis is next.

4.1. Content analysis

This study uses content analysis, a commonly used method in accounting research (Beattie, 2014). Unlike prior studies which have used only a single type of content analysis, two specific types were used in this instance: first, a simple presence/absence index analysis where the items to be studied are specified *ex-ante*; and second, a thematic content analysis where the whole text on a particular topic (see, Beattie & Thomson, 2007) or specific incidents were analysed (see a general overview of methods within Beattie *et al.*, 2004). Considering the two different types of content analysis, we analyse corporate media, including annual reports and CSR reports, to determine whether and how corporate disclosures on curbing bribery of foreign officials have or have not changed over the enactment period of the UK Bribery Act. We then consider news media articles about incidents of bribery of foreign officials concerning corporations that come under the jurisdiction of the UK Bribery Act to determine the nature of disclosures and degrees of decoupling.

Annual reports and CSR reports of the companies listed on the Top 100 London Stock Exchange on 30 June 2013 were selected for the presence/absence index analysis. The period from 2009 to 2012 was chosen in order to identify any shifts in disclosures from before, during and after legal enforcement of the UK Bribery Act 2010. There are no specific guidelines for choosing the number of years before and after the emergence of regulation to examine its impact. However, our decision of choosing two years of disclosure before the enactment of the Act and two years of disclosures after the Act is consistent with prior literature (e.g., Frost, 2007). We analysed 396 annual reports from 99 companies and 364 CSR reports from 91 companies. A company was excluded from the final sample if it was newly incorporated during the sample period. Eight companies without CSR reports for any of the sample years were also excluded from the final CSR report sample.

The annual reports and CSR reports were analysed by developing a presence/absence disclosure index consistent with the prior research (e.g., Islam & McPhail, 2011). Our disclosure index was primarily based on the UK's *Adequate Procedures Guidance* (APG) which is in line with the UK Bribery Act 2010 (Ministry of Justice, 2011). The disclosure index is a composition of the following four general themes based on the UK's APG:

- Top management and human resource policy and procedures
- Risk Assessment ;
- Due Diligence Measures to curb different nature of bribery of foreign public officials
- Monitoring and Review of Bribery of foreign public officials

These four general themes regarding companies' fight to curb bribery were chosen in order to reflect the principles detailed in the UK Bribery Act's APG (See appendix A for a summary description of the six principles of APG as stated by the Ministry of Justice). However, 38

specific disclosure items (which APG does not specifically address) under the four general themes were developed by a review of two additional international guidelines including *OECD Guidelines for Multinational Enterprises-Section VI: Combating Bribery* (OECD, 2009, 1998) and *TI UK Bribery Act Adequate Procedures Checklist: guidance on good practices procedures for corporate anti-bribery programs* (Wilkinson, 2010).

All of the three guidelines (UK APG, TI Adequate Procedures Checklist and OECD Guidelines) suggest proper and practical anti-bribery guidance for UK Bribery. The UK APG (Ministry of Justice, 2011) assists companies in constituting what the UK Bribery Act refers to as “adequate procedures”. Section 7(2) of the UK Bribery Act (2010, c.23, p. 5) states:

[...] it is a defence for a commercial organisation to prove that it had in place adequate procedures designed to prevent persons associated with the commercial organisation from undertaking bribery-related conduct.

The TI Adequate Procedures Checklist and OECD guidelines definitively categorise specific operational policies and procedures. The UK APG observes considerable overlap with the TI Adequate Procedures Checklist and OECD guidelines. A disclosure index, in particular, is considered to be a practical and valid research tool when the selection of the items are based on other indices in the literature or international benchmarks. It is for this reason that we have merged these three guidance documents to develop a disclosure index to measure corporations’ disclosures on curbing bribery of foreign officials. As the enforcing agency, SFO considers disclosures of bribery-related allegations as lenient; we use these three guidelines to develop a disclosure index.

The final content analysis disclosure index comprises four general categories (i.e., based on four general themes on the UK’s APG mentioned above) and 38 specific disclosure items. Scored against 396 annual reports and 364 CSR reports, a total of 47,880 individual observations for the content analysis of corporate media were observed. We used specific keywords to support our individual observations, and the keywords included, but were not limited to: “accounting”, “assessment”, “audit”, “board”, “bribe”, “bribery”, “corruption”, “commitment”, “compliance”, “control”, “developing”, “employee”, “foreign”, “fraud”, “human”, “internal”, “monitor”, “measure”, “official”, “resource”, “risk”, and “training”,

We used a presence/absence content analysis tool to analyse the content within corporations’ annual and CSR reports (Islam and McPhail, 2011 Beattie & Thomson, 2007). We believe that a simple presence/absence tool can capture the quality and degree of specificity and completeness of disclosures better than other approaches which use a weighting scheme (see examples of weighting schemes within Hooks & van Staden, 2011). Where pieces of information relating to the same items are duplicated or repeated during the disclosure process, we counted them only once (as is consistent with the approach of Guthrie and Petty (2000).

We endeavoured to understand organisational response through the changing level of anti-bribery disclosures from the pre to the post-enactment period of the UK Bribery Act. At the same time, through thematic analysis (see next) we addressed the proposition that as institutional practices are complex and often symbolic in nature (Lepoutre & Valente, 2012;

Sandholtz, 2012; Buhr, 2001; Jamali, 2010; Holder-Webb & Cohen, 2012), anti-bribery disclosures by MNCs may be decoupled from their actual actions to eliminate bribery.

4.2. Thematic analysis

Thematic analysis was the second type of analysis to be used in this study (i.e. Thematic analysis within Beattie & Thomson, 2007; Beattie et al., 2004). The thematic analysis was applied to news media articles as well and corporate reports in order to identify narratives of particular bribery incidents involving our sample companies. News media plays an important role in public policy and receives special attention for its political, cultural, social and economic influence (Fico, Lacy & Riffe, 2008). News media is an unobtrusive means⁷ of analysing interactions that occur in society and is therefore used in this study to examine allegations of bribery of foreign public officials.

A thematic analysis focusing on particular cases of bribery incidents reported by news media was used to examine different levels of organisational decoupling as a response to coercive institutional pressures. Hartz & Steger (2010) used news media thematic analysis of German newspapers in order to explore the changing nature of organisations and their managers in relation to corporate governance. Likewise, Fiss & Hirsch (2005) also used news media texts analysis of newspaper articles from the US to analyse *public discourse on globalisation*. Our preferred method of thematic analysis is similar to that used by Hartz & Steger (2010) and Fiss & Hirsch (2005).

For our thematic analysis, we followed three specific steps:

- First, using the Dow Jones FACTIVA database, we extracted all news media articles that contained the word “bribery” or “corruption” for each of the sample companies. We reviewed the following leading global news media including (but not limited to) *BBC, Financial Times, The Australian Financial Review, The Daily Telegraph, The Guardian, The International Herald Tribune, The Irish Times, The New York Times, The Sun, The Sunday Times, The Sydney Morning, The Times, The Wall Street Journal (USA, Europe and Asia), The Washington Post, USA Today*, and presses including *Agence France Presse, Dow Jones International News, and Reuters News*. Duplicates of media articles published in the above-mentioned journals were removed so as not to distort the sample dataset. Covering the period from July 2011 to December 2012, the final data set contained 787 documents, 666 of which specifically related to bribery of foreign officials, while the other 121 related to other general forms of bribery and corruption issues such as tax avoidance or money laundering. The illustrative media articles covering the pre-regulation period (2007-2009) were also reviewed
- Second, by reading each of the 666 news articles during 2011-2012, we identified 19 incidents of bribery, involving 17 companies within our sample group. For the pre-

⁷ Unobtrusive means is something which cannot be observed directly and we need media’s assistance to observe this. Inflation is a classic example of obtrusive means, people can sense this through their daily economic activity. On the other hand, bribery is an example of unobtrusive means because people need a media to tell the story.

regulation period (2007-2009), we identified 8 incidents involving 7 of these companies.

- Third, all of the relevant text within the corporate reporting media (i.e., annual reports, CSR reports and corporate websites) by a total of 17 companies (with the 27 bribery incidents in total over 2007-2009) was thoroughly read and analysed. We compared what the media reported and what companies disclosed. We looked at how our sample companies disclosed incidents of bribery due to coercive pressure (regulatory pressure) after the introduction of the UK Bribery Act (2011-2012) and at the same time we checked how these companies disclosed bribery incidents during the pre-regulation period (2007-2009). Such a comparison of the extent of decoupling between post and pre-regulatory periods appeared helpful to understand whether the Act was effective in reducing decoupling behaviour. In other words, we had the case-specific or illustrative understanding of whether decoupling was less or extensive after the introduction of the UK Bribery Act than before (that is, unregulated or non-coercive environment). For further analysis, subsequent or final media articles on the specific bribery cases/incidents after the Act came into force (from 2013 to 2018 — until the news media stopped reporting the cases) and relevant corporate annual reports were reviewed. With confidentiality in mind, all the companies identified as having bribery incidents are referred to by a coded number (please see Appendix, B). The order of the coded number does not reflect the order in which they appear above.

In addition to the news media analysis, this study triangulated the preliminary findings with the evaluation reports of the OECD, intending to gain a more in-depth understanding of the nature of decoupling. The following section discusses the results of the study.

5. Results

5.1 Disclosure on curbing bribery and coercive pressures: Pre- and Post-implementation of the UK Bribery Act 2010

Table 2 provides disclosures by UK based MNCs on curbing bribery from 2009-2012 in their annual reports (AR) and corporate sustainability reports (CSR) under the four categories including Top Management and Human Resource Policy and Procedures, Risk Assessment, Due Diligence Measures to Curb Different Nature of Bribery of Foreign Public Officials and Monitoring and Review of Bribery of Foreign Public Officials. Table 3 shows changes in the number of disclosures during the period from 2009 to 2012. As shown in table 2 and 3, the number of disclosures on curbing bribery gradually increased over time.

In relation to the first theme, ‘Top management and human resource policy and procedures’ consisted of 10 items, over all the years there were 2531 annual report and CSR disclosures. The most frequent disclosure item was (1) *The company has a Code of Conduct, equivalent policy document or value statement that includes an explicit statement of the no-bribes policy* (the combined disclosures for the period was 433: within annual reports, 21 companies disclosed this item in 2009 and 66 in 2012; and within the CSR reports 48 companies disclosed

the item in 2009 and the number went up to 82 in 2012). The least disclosed item within the first category was *(10) Amount of expenditure on employee training in regards to anti-bribery* (the combined disclosures for the period was only 11: 1 company disclosed this in 2009 and 4 in 2012 within the annual report and no company disclosed in 2009 and 2 in 2012 within the CSR report).

The second disclosure theme or category 'Risk assessment' consisted of four items. For the overall years, there were 1623 annual report and CSR disclosures. The most disclosed item within this category was *(11) The board or equivalent body has oversight of the risk assessment process for bribery in the organisation* (the combined disclosure for the overall period was 601: within the annual reports 74 companies for this item in 2009 and 94 companies in 2012; within CSR reports 51 companies disclosed this item in 2009 and the number went up to 81 in 2012) and the lowest disclosing item was *(13) Number of times the risk assessment process is carried out in a year* (the combined number of disclosures was only 160: 7 companies disclosed via an annual report in 2009 and the number increased to 53 companies in 2012; 3 companies disclosed in 2009 and 26 companies in 2012 via CSR).

Table 2: Disclosures on curbing bribery by UK based MNCs (n=99)

Disclosure Categories	Items	Number of Companies that made Disclosures								Total number of disclosures
		2009		2010		2011		2012		
		AR	CSR	AR	CSR	AR	CSR	AR	CSR	
Top management and human resource policy and procedures	1. The company has a Code of Conduct, equivalent policy document or value statement that includes an explicit statement of the no-bribes policy	21	48	24	55	57	80	66	82	433
	2. There is a policy that the company is consistent with all relevant anti-bribery laws in all jurisdictions in which the company transacts its business	21	44	23	51	51	76	64	80	410
	3. Reference to key individuals and departments involved in the development and implementation of the organisation's prevention procedures on bribery of foreign officials	10	21	14	31	42	63	58	71	310
	4. Employees are required to read and annually sign that they have read and agree to the company's anti-bribery programme and business conduct guidelines	3	4	5	6	14	22	18	29	101
	5. There are policies and procedures for continuing appropriate training of directors, managers, employees, agents and other intermediaries so that they clearly understand the company's anti-bribery programme, know the company's expectations and the sanctions procedures in the event of a violation	22	35	35	45	60	64	68	76	405
	6. There are policies and procedures to make clear through communications that no employee will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes even if such refusal may result in the company losing business	10	18	17	33	42	60	54	70	304
	7. The company assesses training activities on the programme periodically for effectiveness in curbing bribery	23	23	30	31	57	59	63	76	362
	8. Number of employees being trained	1	0	8	8	38	28	49	40	172
	9. Number of employees terminated for bribery-related reasons	1	0	2	0	6	4	6	4	23
	10. Amount of expenditure on employee training in regards to anti-bribery	1	0	1	0	2	1	4	2	11
Total disclosures		113	193	159	260	369	457	450	530	2531
Risk Assessment	11. The board or equivalent body has oversight of the risk assessment process for bribery in the organisation	74	51	79	59	88	75	94	81	601
	12. The risk assessment process identifies and prioritises risks from bribery (e.g. country risks, sectoral risks)	70	38	78	46	90	60	89	72	543
	13. Number of times the risk assessment process is carried out in a year	7	3	14	7	35	15	53	26	160
	14. Detailed policies and procedures are developed and improved based on the risks identified in which they are benchmarked against universal business principles for countering bribery (E.g. reference to Transparency International, OECD, or UK Bribery Act 2010)	3	3	14	11	75	60	81	72	319
Total disclosures		154	95	185	123	288	210	317	251	1623
Due Diligence Measures to curb different nature	15. There is a procedure to record accurately in the books any facilitation payments made	2	21	2	30	7	41	13	46	162

of bribery of foreign public officials	16. There are procedures and controls, including thresholds and reporting procedures, to ensure that the company's policies relating to gifts, hospitality and expenses are followed and conform to the anti-corruption laws of the countries where they are made or received	6	33	7	46	12	62	19	70	255
	17. Monetary amount of political contributions	48	4	50	4	53	6	53	6	224
	18. Contributions are subjected to procedures and controls to ensure they are not used as a subterfuge for bribery to gain the undue advantage for the company	25	43	29	49	44	64	50	68	372
	19. There is a procedure for due diligence to be carried out on recipient bodies so that no foreign public official is associated with the body that will gain an advantage in the conduct of business	21	33	29	40	47	60	53	65	348
	20. Monetary amount of social/charitable contributions	66	4	68	5	70	7	70	16	306
	21. There are procedures for the approval and payment of sponsorships to ensure payments are in line with the normal purchasing procedures and associated with corrupt practices	15	21	19	34	29	53	33	58	262
	22. A list of sponsorships made is published publicly to ensure transparency in alignment with the organisation's anti-bribery programme	18	15	21	25	36	36	37	47	235
	23. Monetary amount given for sponsorships	27	5	27	6	26	17	29	19	156
	24. The company has policy and procedures to make known its anti-bribery programme to contractors, subcontractors and suppliers	22	26	23	41	40	67	48	70	337
	25. The company measures the training given to contractors and suppliers	18	21	26	38	50	61	54	64	332
Total disclosures	268	226	301	318	414	474	459	529	2989	
Monitoring and Review of Bribery of foreign public officials	26. External consultants are used to monitor, advise and assure the organisation's anti-bribery programme	90	48	93	56	97	71	98	74	627
	27. An external verification or assurance has been conducted	94	6	95	5	97	9	97	9	412
	28. Internal auditors are used to monitor and advise on the organisation's anti-bribery programme	78	23	86	31	86	64	98	64	530
	29. Number of members in the audit committee who have oversight over ethical matters such as bribery and corruption	12	3	19	8	57	34	73	52	258
	30. The company provides secure and accessible channels through which employees can raise concerns and report violations ('whistleblowing') in confidence and without risk of reprisal	39	29	42	31	52	46	58	47	344
	31. There is a procedure to implement accountability throughout the company and its subsidiaries to enforce internal controls and proper books and records in relation to transactions with foreign public officials	22	43	24	58	42	47	60	76	372
	32. There are procedures to ensure that there are no 'off-the-books' accounts, inadequately defined transactions or false entries	7	6	8	12	23	23	28	31	138
	33. The internal controls include financial and organisational checks and balances over the company's accounting and record-keeping practices and other business processes related to the anti-bribery programme	78	33	79	55	84	69	90	72	560
	34. There is an audit committee that provides oversight of internal controls, financial reporting processes and related functions including countering bribery	66	22	74	30	84	55	91	67	489
	35. There is a procedure for reporting bribery of foreign officials-related incidents to the authorities	30	10	33	22	44	35	50	39	263
	36. The company publishes publicly details of public legal cases of bribery of foreign officials involving the company	5	4	3	8	5	18	8	24	75
	37. Number of incidents in relation to bribery of foreign officials	7	1	4	3	6	3	5	7	36
	38. The company monitors its significant investments periodically to check that their anti-bribery programmes are adequate and working	13	14	17	23	33	35	38	37	210
Total disclosures	541	242	577	342	710	509	794	599	4314	
Total disclosures	1076	756	1222	1043	1781	1650	2020	1909		

Table 3: Summary of changes (increases) in the number of disclosures on curbing bribery over time (n=99)

Disclosure categories	Changes in 2009-2010		Changes in 2010-2011		Changes in 2011-2012		Cumulative changes 2009-2012	
	AR	CSR	AR	CSR	AR	CSR	AR	CSR
Top management and human resource policy and procedures	46	67	210	197	81	73	337	337
Risk Assessment	31	28	103	87	29	41	163	156
Due Diligence Measures to curb different nature of bribery of foreign public officials	33	92	113	156	45	55	191	303
Monitoring and Review of Bribery of foreign public officials	36	100	133	167	84	90	253	357
Total	146	287	559	607	239	259	944	1,153

Eleven items were considered within the third category ‘Due diligence measures to curb different nature of bribery of foreign public officials’ consisting of 2989 disclosures for the overall period. The most disclosed item under this category within the annual report was (18) *Contributions are subjected to procedures and controls to ensure they are not used as a subterfuge for bribery to gain the undue advantage for the company* (the combined disclosures was 372: within the annual reports, 25 companies disclosed this item in 2009 and the number went up to 50 in 2012 and within the CSR report 43 companies disclosed this item in 2009 and the number rose to 68 in 2012). The least disclosed item was (23) *Monetary amount given for sponsorships* (the combined disclosures for the whole period was 156: within annual reports, 27 companies disclosed this item in 2009 and the number marginally increased to 29 in 2012; within CSR reports, 5 companies disclosed in 2009 and 19 in 2012).

We looked at 13 items within the category ‘Monitoring and review of bribery of foreign public officials’ and found 4314 disclosures for the overall period—the highest number of disclosures for a category throughout the period of observation. The most specific disclosed item with this category was (26) *External consultants are used to monitor, advise and assure the organisation’s anti-bribery programme* (the total disclosure for the period is 627—the highest number of disclosures for a specific item out of 38 specific items for this study: within annual report 90 companies disclosed in 2009 and the number had risen to 98 in 2012; within the CSR reports 48 companies disclosed this item in 2009 and the number rose to 74 in 2012). The least disclosed item was (37) *Number of incidents in relation to bribery of foreign officials* (total number of disclosures was only 36— 7 companies disclosed this item in 2009 and the number went down to 5 in 2012 within the annual reports and within the CSR reports 1 company disclosed this item in 2009 and 7 companies in 2012)⁸.

As shown in Table 2 in total, there was an increasing trend in annual report disclosures (1076 disclosures in 2009 and the number went up to 2020 disclosures in 2012) and in CSR disclosures (756 disclosures in 2009 and the number went up to 1909 in 2012). Table 3 shows the changes in disclosures more clearly. As Table 3 shows, the increase in disclosures of all four categories reached a peak during 2010-2011. Total disclosures on *Top management and human resource policy and procedures* within the annual reports increased by 46 in the first year (2009-2010), 210 in the second year (2010-2011) and then increased further by 81 in the third year (2011-2012). Within the CSR reports, disclosures under the same category rose by 67 in 2009-2010, 197 in 2010-2011 and then 73 in 2011-2012. A similar pattern of changes can also be observed in the other 3 categories of disclosures. However, the cumulative change in disclosures on *top management and human resource policy and procedures* were higher than the other three categories within both annual reports and CSR reports.

⁸ We analysed disclosures on bribery incidents and media reports on bribery incident independently. Our findings shed light on the relation between the least disclosed items by the sample companies and the media allegations of bribery incidents they were involved in. We found that corporate disclosures on the incidents of bribery of foreign officials were related to the media allegations of bribery incidents. The next phase of analysis was conducted to understand the relationship between bribery disclosures and media report.

Furthermore, to understand which general themes significantly changed between the pre and post-UK Bribery Act, we ran an independent samples *t*-test⁹. An independent samples *t*-test was conducted to compare the average number of disclosures companies for each category before enforcement of the UK Bribery Act (2009 and 2010) ($n = 99$ companies for annual reports; $n = 91$ companies for CSR reports) to the average disclosure companies after the enforcement of the UK Bribery Act (2011 and 2012). As shown in Table 4, considering annual report disclosures, two categories ('Top management and human resource policy and procedures'; $p = .000$ and 'Due Diligence Measures to curb different nature of bribery of foreign public officials'; $p = .013$) out of four observed significant ($p = .000$) increases in the number of disclosures from before to after enactment of the Bribery Act. Considering the stand-alone CSR report, all four categories (Top management and human resource policy and procedures, $p = .002$; Risk Assessment, $p = .023$; 'Due Diligence Measures to curb different nature of bribery of foreign public officials', $p = .001$ and 'Monitoring and Review of Bribery of foreign public officials', $p = .000$) showed a significant increase in disclosures. Furthermore, two categories 'Top management and human resource policy and procedures' [annual reports ($t = -4.73$; $p = .000$); CSR reports ($t = -3.34$; $p = .002$)] and Risk Assessment [annual reports ($t = -1.656$; $p = .123$); CSR reports ($t = -2.545$; $p = .023$)] observed the highest mean difference.

While there was a general upward trend in the number of disclosures from before to after the enactment of the Bribery Act, there was a variation among specific issues disclosed by the companies. Out of 38 specific items, companies were most keen to disclose 21 items and reluctant to disclose at least 17 items.¹⁰ The three items (out of 38) companies were most reluctant to disclose (10) *Amount of expenditure on employee training in regards to anti-bribery* (with only 11 disclosures in total during the observation period), (9) *Number of employees terminated for bribery-related reasons* (with 23 disclosures in total) and (37) *Number of incidents in relation to bribery of foreign officials* (with 36 disclosures in total). The least disclosed items mostly related to the factual data/information. In other words, Table 2 suggests that companies provided more disclosures on the general measures they undertook to prevent bribery incidents, whereas their disclosures on specific actions against bribery-related incidents are very limited. The low disclosure of factual information (such as the number of bribery incidents) is a problematic aspect of disclosures, and in the advance section, we will, in particular, provide critical illustrations of how companies disclose incidents of bribery of foreign officials.

⁹ The independent *t*-test is considered appropriate as the dataset meets all independent *t*-test assumptions (i.e., scale of measurement, independence, normality and homogeneity of variance).

¹⁰ Companies were reluctant to disclose item numbers 4, 8, 9, 10, 13, 15, 16, 17, 21, 22, 23, 29, 32, 35, 36, 37 and 38.

Table 4: Results of t-tests of mean difference of disclosures on curbing bribery: before and after the enactment of the UK Bribery Act

	Mean		Std. Dev.		Mean Difference	t-Stat.	Sig.
	Before	After	Before	After			
<i>Annual Reports (n=99)</i>							
Top management and human resource policy and procedures	14	41	10.81	23.48	-27.35	-4.73	.000*
Risk Assessment	42	67	35.42	23.86	-25	-1.656	.123
Due Diligence Measures to curb different nature of bribery of foreign public officials	26	40	17.90	17.44	-13.81	-2.593	.013*
Monitoring and Review of Bribery of foreign public officials	43	53	34.45	31.92	-10.21	-1.075	.287
<i>CSR Reports (n=91)</i>							
Top management and human resource policy and procedures	23	49	19.57	29.89	-26.7	-3.34	.002*
Risk Assessment	27	58	23.57	24.17	-30.38	-2.545	.023*
Due Diligence Measures to curb different nature of bribery of foreign public officials	24	46	15.207	23.17	-20.86	-3.53	.001*
Monitoring and Review of Bribery of foreign public officials	23	45	17.93	22.63	-22.76	-3.92	.000*

*p < 0.05

In summary, we find that companies were responsive to the Bribery Act as coercive pressures (DiMaggio & Powell, 1983; Scott, 1995) and at the same time, we argue the fewer disclosures on some specific issues (such as bribery incidents) appears consistent with the notion of decoupling (Lepoutre & Valente, 2012; Holder-Webb & Cohen, 2012; Sandholtz, 2012). Accordingly, in the next section, by considering a specific disclosure item (this being disclosure of bribery incidents) we present a problematic aspect of companies' response to the UK Bribery Act.

5.2 Bribery Incidents and Disclosures: Degree of decoupling and logic of institutional non-conformity

Prior social accounting literature suggests that social disclosures can serve as a symbolic carrier or be used to maintain symbolic legitimacy (i.e. institutional logics of symbolic adoption or malignant separation) when organisations face broader stakeholder pressures (Killian & O'Regan, 2016; Archel, Husillos & Spence, 2011). More critically, when social disclosures or social auditing serve as a symbolic legitimacy, they may perpetuate social inequality (Islam, Deegan, & Gray, 2018; Semeen & Islam, 2020; Chwastiak & Young, 2003; Neu, Cooper, & Everett, 2001; and they may do more harm than good (Puxty, 1986, 1991). In view of this, the notions of symbolic adoption or malignant separation are particularly relevant in the context of our study to problematise anti-bribery disclosure patterns when companies face bribery allegations. Accordingly, in this section, we present an analysis of news media reports on particular bribery incidents and the responses to those reports by the companies concerned, to gain insights into whether and how (via the strategies of symbolic adoption or malignant separation) the companies' disclosures reflect a perceived immunity to the UK Bribery Act's requirements.

Table 5: Incidents of bribery of foreign officials in news media and corporate disclosures on those incidents after the emergence of the UK Bribery Act

Media attention to incidents of bribery of foreign officials by MNCs				Disclosure of incidents of bribery of foreign officials by Alleged MNCs			
Industry	Number of Articles	Number of Companies Alleged of Bribery	Number of Incidents or Bribery Allegations	Number of Companies that made Disclosures	Number of companies that did not make Disclosures	Number of Incidents Disclosed by Companies	Number of Incidents not Disclosed by Companies
Mining, Utilities and Construction	239	6	7	3	3	3	4
Tele-communications & Equipment	159	3	3	2	1	2	1
Other	134	2	2	1	1	1	1
Pharmaceutical & Medical Care	66	2	4	2	0	2	0
Financials	45	2	5	0	2	0	3
General Retailers	23	2	2	1	1	1	1
Total	666	17	19	9	8	9	10

As can be seen in Table 5, media attention towards allegations, prosecutions or settlements of corporate bribery of foreign public officials by UK corporations was dominated by Mining,

Telecommunications and ‘Other’ industries after the emergence of the UK Bribery Act. The number of articles dedicated to bribery of foreign officials related incidents, released after the implementation of the UK Bribery Act was 239 for the Mining, Utilities and Construction industries (rank 1); 159 for the Telecommunications and Equipment industry (rank 2); and 134 for the ‘Other’ industry (rank 3) (Table, 5).

The Mining industry indeed deserved the most media attention due to it having recorded the greatest number of separate incidents (seven incidents for six companies). The number of separate bribery incidents per industry was then highest for the Pharmaceutical & Medical Care industry (four incidents for two companies), and for the Financials industry (five incidents for two companies). The two pharmaceutical companies, both made disclosures for the two incidents that had been documented, whilst companies under the Financials industry made no disclosures concerning reported incidents.

In the three industries generating the most media attention: in the Mining industry, three out of six alleged bribery guilty companies made disclosures; in Telecommunications two out of three alleged bribery guilty companies made disclosures, and in the other industry one out of two alleged bribery guilty companies made disclosures. Whether such disclosures were reflective of real-life allegations and incidents of bribery, reported by the news media, was of significant interest. Such information will help address whether and to what degree decoupling may be observed. Interestingly, only 10 out of 17 companies made disclosures, and only 3 of them disclosed corrective actions (i.e., companies’ admitted bribery incidents and made disclosures about recovery measures) on the particular incidents that received media attention.

Given the above discussion on media attention on bribery incidents and related corporate disclosures during the UK Bribery Act (2011-2012), the extent of decoupling during both post and pre-regulatory periods is presented next. We compared the extent of decoupling between post and pre UK Bribery Act periods to understand whether the Act was effective in reducing companies’ decoupling behaviour. To understand the level of decoupling, we assessed the extent to which the particular companies (see Appendix B) disclosed bribery incidents as highlighted by news media¹¹. In other words, we examined the extent of companies’ disclosure by applying the three levels of decoupling introduced in section 3 - malignant separation, symbolic adoption and complete implementation (Sandholtz, 2012; Buhr, 2001; Jamali, 2010; Holder-Webb & Cohen, 2012).

In relation to post period of the Act (2011-2012), as shown in Table 6 and documented in Appendix B, out of the 17 companies alleged to have bribed foreign officials (Table 6), 7 companies did not disclose the bribery incident (i.e. these companies adopted a full decoupling or malignant separation strategy), 8 companies disclosed generic information about the incident (i.e. these companies adopted a slight decoupling or symbolic adoption strategy), and only 2 companies fully disclosed detailed information about the incident (i.e. these companies adopted

¹¹ Comparing news media articles on bribery incidents with corporate disclosures on those incidents is consistent with other studies that analysed news media articles in order to determine corporations’ behaviour (Hartz & Steger, 2010).

no decoupling or a complete implementation strategy). We examined both the year that the incident was reported and the following year so media and reporting time lags were controlled. Table 6, indicates that after the enactment of the UK Bribery Act, considerably more companies are fully decoupling their disclosures from real events, as opposed to fully adopting regulators' call for higher transparency. Such finding suggests that the UK Bribery Act did not contribute to the reduction of corporate decoupling about curbing bribery of foreign officials by UK based MNCs. This finding, accordingly, motivated us to examine how these companies disclosed bribery incidents in a fully unregulated environment or during the pre-period of the Act (2007-2009).

Table 6: Companies Classified in Three Degrees of Decoupling: strategy, nature and companies (pre and post-enactment periods of UK bribery act)

Degree of Decoupling	Decoupling Strategy	Nature of Disclosure	Companies Studied (2011-2012)	Companies Studied (2007-2009)
Full Decoupling	Malignant Separation	Non-disclosure, separation	C (Both incidents) D E (Second incident) F (Both incidents) N M H	A H (Both incidents) P
Slight Decoupling	Symbolic Adoption	Ceremonial, Ritualistic, Generic. Present but not substantial	A E (First incident) I K O L Q P	B O Q
No Decoupling	Complete Implementation	Substantive, Detailed. Full Disclosure	B G	

In relation to the period before the Act (2007-2009), as documented in Appendix B and Table 6, out of the 6 companies alleged with bribery of foreign officials, 3 (A, H and P; for one of which two incidents were alleged) did not disclose the bribery incident (i.e. these companies adopted Full decoupling or Malignant Separation strategy), 3 (B, O and Q) disclosed generic information in relation to the incident (i.e. these companies adopted Slight decoupling or Symbolic adoption strategy), and no company fully disclosed detailed information with regard to the incident. Hence, we found the same or similar pattern of responses by companies when we looked at corporate decoupling behaviour before the enactment of the UK Bribery Act.

In analysing the movement of the same six companies (A, H, P; B, O and Q) between pre-Act (2007-2009) and the post-Act (2011-12) period, we found that company A and company P moved from full decoupling to slight decoupling. Company B moved from slight decoupling to no decoupling. Company O and company Q were slight decouplers for both periods. Company H, a bank, was a full decoupler in both periods. The movement mostly in between full decoupling and slight decoupling indicates that the Act has had a limited effect on corporate

decoupling behaviour. Our overall findings suggest that the regulation (or coercive pressure) like the UK Bribery Act was less useful to eliminate perpetuating of corporate decoupling in relation to curbing bribery.

And hence, while we find anti-bribery disclosures increased significantly after the enactment of the UK bribery act (see previous section, 5.1), these disclosures do not reflect real bribery incidents. The disclosures provide a *symbolic carrier* of the institutional requirements of the UK Bribery Act. Our findings are consistent with the view that, in the presence of institutional contradictions, companies appear to adopt decoupling strategies (Fiss & Zajac, 2004) which seek immunity from an institutional requirement and maximise self-interest (Lepoutre & Valente, 2012; George et al., 2006). Such insights add to the existing critical research (Semeen & Islam, 2020; Gray, 2010) that corporate disclosures are more aligned with symbolism than reflecting any real improvement in relation to their accountabilities to broader stakeholder groups.

The above findings raise a few valid and interesting questions: Do news media report actual incidents/cases of bribery? What sources do news media usually use when reporting particular incidents of bribery? How do the concerned companies change their response/disclosure strategies in response to subsequent coverage by news media of particular incidents of bribery? How does the broader community learn that particular cases of bribery have been resolved or dismissed? Once we attempt to outline the problems that bribery disclosures and corporate decoupling strategies present, the potential range of questions like these remains relevant. We explore a few of these questions further in Table 7.

Following on from our main findings (Table 6), we have attempted to review and track how companies disclosed particular bribery cases after initial reports and until the news media stopped reporting the cases. We reviewed subsequent and final news media reports on bribery incidents more precisely and found that journalists tended to use factual information drawn from sources ranging from government departments, via prosecutors and SEC authorities, to a whistle-blower. At the same time, we reviewed the annual reports of the companies concerned just after the final media reports on the cases and found companies' initial decoupling strategies did not change much. A summary of these findings is presented in Table 7.

As we can see in Table 7, over time the companies changed their strategies on the bribery incidents reported by news media little or not at all. To track whether any of the incidents considered for this study resulted in criminal prosecutions under any law (this is particularly relevant when examining instances of companies' malignant decoupling from situations), we looked at subsequent and final media reports on the cases and companies' disclosures after the media reports. We have found that all 7 companies that adopted a malignant (or full) decoupling strategy early (Table 6) maintained the same strategy subsequently: The companies did not disclose any information in response to final media reports on prosecutions and penalties. This surprised us most, because companies are supposed to disclose prosecutions or potential obligations and liabilities, at least as contingent liabilities within their annual reports. Out of eight companies that adopted symbolic or slight decoupling strategy, 7 of them maintained the same strategy subsequently and one moved from slight decoupling to no decoupling. Two

companies that adopted a no-coupling strategy early (see Table 6) maintained the same strategy by disclosing information (in their annual reports) about subsequent prosecutions and the payment of penalties for bribery imposed upon them by courts, as reported in the final news media articles. Most of the cases involving companies that sustained full and slight decoupling strategies led to prosecutions, and we learned of these from media articles and not from their annual reports. This is problematic because these companies were not prepared to even mention the overseas bribery cases in their annual reports, to formally let shareholders know what had actually happened, and even though some cases were very substantial (a few companies were fined more than US\$300 million each for bribery).

Table 7: Studied companies' disclosures of bribery cases after subsequent and final media reporting of the cases (study period: after enactment of the UK Bribery Act)

Degree of decoupling/ Decoupling strategy (After the first media report on bribery case)	Companies' disclosures in annual reports after the first media report on the bribery case	Tracking of final media reports on the bribery case	Companies' disclosure in annual reports after the final media reports on the bribery case	Tracking of how final news media articles and concerned companies' annual reports covered the bribery cases
Full decoupling/ Malignant Separation	C (Both incidents)	C (2014)	C (No disclosure)	C (Media reported that a whistle-blower was a key source in one case. Eventually, a lawyer was engaged by the company to deal with both cases and finally, the company was fined by the court for both cases. No disclosure by C so far.)
	D	D (2012)	D (No disclosure)	D (Media reported that a local investigator looked into the case. No disclosure by D.)
	E (Second incident)	E (2017)	E (No disclosure)	E (Media reported that US federal police were involved in the case. In 2015 US SEC imposed a civil penalty for the bribery: US\$00 (two digits) million. No disclosure by E)
	F (Both incidents)	F (2013)	F (No disclosure)	F (Media reported that an accounting firm (not Big 4) was involved as a consultant for F. Cases taken to court but result not known. F has not disclosed this case at all so far.)
	N	N (2017)	N (No disclosure)	N (Media report continued until 2017. No disclosure by N.)
	M	M (2014)	M (No disclosure)	M (Media reported that the prosecutor told the court that s/he found corruption on a massive scale. No disclosure by M)
	H	H (2012)	H (No disclosure)	H (No media reports after 2012. No disclosure by H.)
	Slight decoupling/ Symbolic adoption	A	A (2014)	A (No disclosure)
E (First incident)		E (2015)	E (No disclosure)	E (Media reported the SEC along with an accounting firm (Big 4) participating in the investigation. No specific disclosures in E's annual reports so far.)
I		I (2013)	I (Same disclosures as in 2012)	I (Media reported court case filing. No new update in I's annual report so far.)
K		K (2015)	K (No change in disclosure from 2012)	K (Media reported an independent law firm investigating but no report on the result of an investigation. No specific disclosure in K's annual reports.)
O		O (2020)	O (No disclosure)	O (Media reported the case continuing in 2020. No disclosure in O's annual report.)
L	L (2012)	L (No change in disclosure)	L (Media reported the court settled the case for a fine of £000 (3 digits) million. No specific disclosures on this case in L's annual report.)	

	Q P	Q (2012) P(2014)	Q (No change in disclosures) P (Disclosed penalty payment)	Q (Media reported a court settlement and Q paying penalty of £00 (two digits) million. No specific disclosure in Q's annual report.) P (Media reported court fined P US \$000 (3 digits) million. P disclosed settlement and payment)
No decoupling/ Complete implementation	B G	B (2016) G (2013)	B (No changes of disclosures since 2012) G (Disclosed fine payment)	B (Media reported the third party appointed and penalty paid as per court order. B disclosed this in its annual report.) G (Media reported that an internal auditor and US SEC were involved in the case settlement. US\$00 (two digits) million paid as a penalty and disclosed in G's annual report.)

In our review of final media articles and corporate disclosures on the specific bribery cases, we found that independent consultants, lawyers and even accounting firms (including Big 4 firms) have been engaged in settling bribery cases. All of these actors were engaged to protect companies from the risk of higher penalty for bribery, rather than to protect broader community interests.

In our extended review of news media and corporate reporting, we have found that most of the UK-based companies that were fined by US courts for bribery were cross-listed on US stock exchanges and subject to the FCPA. We have found that the companies studied adopted limited disclosures of the direct implications of the UK Bribery Act as a part of their response to the final media coverage of the bribery incidents. These findings are consistent with broader concerns over the lack of regulatory enforcement as reported in the early OECD report for the UK (OECD's third phase of evaluation for the UK, OECD, 2012). The UK received sharp criticism from the OECD over its failure to enforce the UK Bribery Act. Reasons for unsuccessful enforcement of the UK Bribery Act were various but often narrowed down to insufficient resources, delay in processing cases and inadequate complaints mechanisms and protection for whistle-blowers (OECD, 2012). The staff of the authorities involved appeared to lack an understanding of the foreign bribery offence (TI, 2014; OECD, 2012). The lack of enforcement also means that there is uncertainty over compliance with the act (Taddia, 2014).

In line with Lepoutre and Valente's (2012) argument, our findings indicate that when companies were subject to bribery incidents, most failed to disclose this and conform with the UK Bribery Act – this, in turn, suggests that companies developed a form of immunity (or low sensitivity) to the requirements of the Act. While such nature of absence or silence in bribery reporting creates a kind of immunity for corporations given the existence of regulatory ambiguities and/or dual environmental complexities in the institutional field (Seo & Creed, 2002), this does state that the silence in reporting in many instances perpetuates injustice and inequality to underprivileged stakeholders (Chwastiak & Young, 2003; Young, 2003) including victims in developing nations where the concerned companies operate. This was well understood by triangulation of the above analysis of media (Table 6, 7, and Appendix B) and corporate narratives with OECD's country analysis based on facts and experts' opinions. In fact, our triangulation via corporate reports, media news, and OECD's report on the UK (OECD, 2012) indicate that enactment of the UK Bribery Act did not reduce corporate decoupling, and that failed implementation has induced companies to feel immune from its

provisions, so has appeared to perpetuate injustice to the people of less privileged countries in which bribery incidents have occurred.

6. Concluding remarks

Given the status of the UK Bribery Act, as well as external stakeholder interests, in the fight against bribery of foreign officials by MNCs, the objectives of this study were (1) to understand whether and how the largest 100 UK-based MNCs' disclosures or narratives on curbing bribery changed from 2009 to 2012 in response to the enactment of the UK Bribery Act 2010 and (2) to investigate whether and how such disclosures changed substantively to reflect real allegations, incidents or events relating to bribery of foreign officials mostly based in underprivileged and developing nations. This study enables us to envisage whether and how decoupling occurred in the presence of coercive pressures. Results of this study in relation to the first objective show that the UK Bribery Act, as coercive pressure, significantly influenced corporations' disclosure behaviour. Such influence was observed for all companies subject to the Act. Thus, our findings are consistent with the institutional notion of coercive pressure (DiMaggio & Powell, 1983, Scott, 1995) and support the view (Sandholtz, 2012; Heese et al., 2016) that the organisations adopt disclosure strategies in an attempt to respond to the external regulatory environments.

By way of different notions of institutional decoupling (Lepoutre & Valente, 2012; Helms et al., 2012; Jamali, 2010; Holder-Webb & Cohen, 2012, Sandholtz, 2012) and based on the thematic analysis of news media articles focussing on incidents of bribery of foreign officials by 17 companies and the disclosures on these incidents within the annual reports of the companies concerned, the results concerning the second objective show that in general, companies' disclosures were not substantively or materially reflective of real allegations or incidents of bribery of foreign officials. Since the purpose of the UK Bribery Act was to prevent corporations from bribing in cross-border transactions, it was expected that the number of companies decoupling their disclosures from the action, would be less than the number of companies not decoupling their disclosures from the action and making full disclosure of bribery of foreign officials. The results, however, show that this was not the case. That is, in the majority of the cases under investigations, the concerned companies remained symbolic and silent in reporting or clarification on the alleged bribery incidents. Such symbolic and silent strategy could do more harm than good (Puxty, 1991) and perpetuate injustice and inequality to underprivileged stakeholders (Chwastiak & Young, 2003; Young, 2003) including those that were based in developing nations where the concerned companies operated. Decoupling and non-conformity occurred despite the UK government's attempt to clarify the regulatory requirements through the Bribery Act.

As seen in this paper, the problematic angle of the notion of coercive pressure is that a regulation can be a formal structure with incentives for symbolic compliance (Zbaracki, 1998; Sandholtz, 2012; Lepoutre & Valente, 2012) allowing corporations to find immunity from the regulatory requirements and perpetuate injustices. Regulators should think about why new or more regulations without substantive requirement are not helpful to curb corporate decoupling and injustice. The regulators should address the crisis that MNCs being suppliers of bribery is

much more harmful to the underprivileged communities in developing nations. Accordingly, this paper provides practical insights into how stakeholders ought to interpret MNCs' accounts of their involvement in bribery critically. The issue of bribery of foreign officials deserves further research attention.

The investigation into whether disclosures on curbing bribery of foreign officials were decoupled from real-life allegations of bribery is arguably at the heart of this paper, and it is what differentiates this study from others that examined corporations' reporting behaviour in response to regulation. Given that, we acknowledge a limitation on the use of media reports focussing on the incidents/allegations of bribery in identifying the actual number of bribery incidents. As some bribery incidents identified from news media reports appeared to be allegations, not convictions for bribery within the period of this study, companies could have defensible reasons for not disclosing some contingencies. In relation to any particular media report/s on the incidents, during the period of this study, we were unaware whether any reporters (investigative journalists) were (legally) challenged by the concerned companies. Identifying a bribery incident is a challenging task and given that we encourage future research to use alternative sources of data to examine corporate accountability in relation to the elimination of bribery. We also encourage future research to evaluate how the UK Bribery Act has an effect on corporate accountability by considering what the optimal time lag might be between news media highlighting particular bribery incidents, NGOs' anti-bribery activism and corporate responsiveness.

References

- Adeyeye, A.O. (2012), *Corporate Social Responsibility of Multinational Corporations in Developing Countries: Perspective on Anti-Corruption*, Cambridge Press, UK.
- Alemazung, J.A. (2010), "Post-colonial colonialism: An analysis of international factors and actors marring African socio-economic and political development", *The Journal of Pan African Studies*, Vol. 3 No. 10, pp.62-84.
- Archel, P., Husillos, J. and Spence, C. (2011), "The institutionalisation of unaccountability: Loading the dice of Corporate Social Responsibility discourse", *Accounting, Organizations and Society*, Vol. 36 No. 6, pp. 327-343.
- Banks, A. (2019), "The Push for Corporate Human Trafficking Compliance under the Trends of Global Legislation", *Penn State Journal of Law & International Affairs*, Vol. 7 No. 2, pp 577-610.
- Baughn, C., Bodie, N.L., Buchanan, M.A. and Bixby, M.B. (2010), "Bribery in International Business Transactions", *Journal of Business Ethics*, Vo. 92 No. 1, pp. 15-32.
- Beattie, V. (2014), "Accounting narratives and the narrative turn in accounting research: issues, theory, methodology, methods and a research framework", *British Accounting Review*, Vol. 46 No.2, pp.111-134.
- Beattie, V., and Thomson, S. (2007), "In Lifting the lid on the use of content analysis to investigate intellectual capital disclosures in corporate annual reports", *Accounting Forum*, Vol. 31 No. 2, pp.129-163.
- Beattie, V., McInnes, B. and Fearnley, S. (2004), "A methodology for analysing and evaluating narratives in annual reports: a comprehensive descriptive profile and metrics for disclosure quality attributes", *Accounting Forum*, Vol. 28 No. 3, pp. 205-236.
- Buhr, N. (2001), "Corporate silence: environmental disclosure and the North American free trade agreement", *Critical Perspectives on Accounting*, Vol. 12 No. 4, pp. 405-421.
- Carr, I., and Outhwaite, O. (2011), "The Role of Non-Governmental Organizations (NGOs) in Combating Corruption: Theory and Practice", *Suffolk University Law Review*, Vol. 44 No. 3, pp. 615-655.
- Chwastiak, M., & Young, J. J. (2003), "Silences in annual reports", *Critical Perspectives on Accounting*, Vol. 14 No. 5, pp. 533-552.
- Cleveland, M., Favo, C.M., Frecka, T.J. and Owens, C.L. (2009), "Trends in the International Fight Against Bribery and Corruption", *Journal of Business Ethics*, Vol. 90 No. 2, pp. 199-244.
- Deegan, C. (2002), "Introduction: The legitimising effect of social and environmental disclosures—a theoretical foundation", *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 282-311.
- De Maria, B. (2008), "Neo-colonialism through measurement: a critique of the corruption perception index", *Critical Perspectives on International Business*. Vol. 4 No. 2/3, pp. 184-202.
- DiMaggio, P.J. and Powell, W.W. (1983), "The Iron Cade Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields", *American Sociological Review*, Vol. 48 No. 2, pp. 147-160.
- Dumay, J., De Villiers, C., Guthrie, J. and Hsiao, P.C. (2018), "Thirty years of Accounting, Auditing and Accountability Journal", *Accounting, Auditing & Accountability Journal*, Vol. 31 No. 5, pp. 1510-1541.
- Dunst, L.G., Diamant and M.S., Kung, T.R. (2011), "Hot Off the Press: Resetting the Global Anti-Corruption Thermostat to the UK Bribery Act", *Business Law International*, Vol. 12 No. 3, pp. 257-292.
- Everett, J., Neu, D. and Rahaman, A.S., (2007), "Accounting and the global fight against corruption", *Accounting, Organizations and Society*, 32(6), pp.513-542.

- Fico, F.G., Lacy, C. and Riffe, D. (2008), "A Content Analysis Guide for Media Economics Scholars", *Journal of Media Economics*, Vol. 21 No. 2, pp. 114-130.
- Fiss, P.C. and Hirsch, P.M. (2005), "The Discourse of Globalization: Framing and Sensemaking of an Emerging Concept", *American Sociological Review*, Vol. 70 No. 1, pp. 29-52.
- Fiss, P.C. and Zajac, E.J., (2004), "The diffusion of ideas over contested terrain: The (non-)adoption of a shareholder value orientation among German firms", *Administrative Science Quarterly*, Vol. 49 No. 4, pp.501-534.
- Fiss, P.C. and Zajac E.J. (2006), "The symbolic management of strategic change: Sensegiving via framing and decoupling", *Academy of Management Journal*, Vol. 49 No. 6, pp. 1173-1193.
- Fraser-Moleketi, G., (2007), "Towards a common understanding of corruption in Africa", *International Journal of African Renaissance Studies*, Vol. 2 Np. 2, pp.239-249.
- Frost, G.R. (2007), "The introduction of mandatory environmental reporting guidelines: Australian evidence", *Abacus*, Vol. 43 No. 2, pp.190-216.
- Gallhofer, S. and Haslam, J. (1997), "The direction of green accounting policy: critical reflections", *Accounting, Auditing & Accountability Journal*, Vol. 10 No. 2, pp. 148-174.
- George, E., Chattopadhyay, P. and Sitkin, S.B., Barden, J. (2006), "Cognitive underpinnings of institutional persistence and change: A framing perspective". *Academy of Management Journal*, Vol. 31 No. 2, pp. 347-365.
- Gray, R., (2010), "Is accounting for sustainability actually accounting for sustainability... and how would we know? An exploration of narratives of organisations and the planet", *Accounting, Organizations and Society*, Vol. 35 No.1, pp.47-62.
- Guthrie, J. and Petty, R. (2000), "Intellectual capital: Australian annual reporting practices", *Journal of Intellectual Capital*, Vol. 1 No. 3, pp. 241-251.
- Hartz, R. and Steger,T. (2010), "Heroes, villains and 'honorable merchants': narrative change in the German media discourse on corporate governance", *Organization*, Vol. 17 No. 6, pp. 767-785.
- Helms, W. S., Oliver, C. and Webb K., (2012), "Antecedents and settlement on a new institutional practice: negotiation of the ISO 26000 standard on social responsibility", *Academy of Management Journal*, Vol. 55, pp. 1120-1145.
- Holder-Webb, L. and Cohen, J. (2012), "The Cut and Paste Society: Isomorphism in Codes of Ethics", *Journal of Business Ethics*, Vol. 107 No. 4, pp. 485-509.
- Hooks, J., and van Staden, C.J. (2011), "Evaluating environmental disclosures: The relationship between quality and extent measures", *The British Accounting Review*, Vol. 43 No. 3, pp. 200-213.
- Islam, M. A., and McPhail K. (2011), "Regulating for corporate human rights abuses: The emergence of corporate reporting on the ILO's human rights standards within the global garment manufacturing and retail industry", *Critical Perspectives on Accounting*, Vol. 22 No. 8, pp. 790-810.
- Islam, M. A., Deegan, C., & Gray, R. (2018), "Social compliance audits and multinational corporation supply chain: evidence from a study of the rituals of social audits", *Accounting and Business Research*, Vol. 48 No. 2, pp.190-224.
- Islam, M. A., Deegan, C., & Haque, S. (2020). "Corporate human rights performance and moral power: A study of retail MNCs' supply chains in Bangladesh". *Critical Perspectives on Accounting*, 102163.
- Jamali, D. (2010), "MNCs and International Accountability Standards through an Institutional Lens: Evidence of Symbolic Conformity or Decoupling", *Journal of Business Ethics*, Vol. 95, pp. 717-640.

- Jones, M. J. (Ed.). (2011), *Creative accounting, fraud and international accounting scandals*. John Wiley & Sons.
- Kirk, D. (2011), "A guiding light on bribery", *Journal of Criminal Law*, Vol. 75 No. 3, pp. 157-160.
- Killian, S. and O'Regan, P. (2016), "Social accounting and the co-creation of corporate legitimacy", *Accounting, Organizations and Society*, Vol. 50, pp. 1-12.
- Larrinaga, C., Carrasco F., Correa, C., Llena, F. and Moneva, J. (2002), "Accountability and accounting regulation: the case of the Spanish environmental disclosure standard", *European Accounting Review*, Vol. 11, pp. 723-740.
- Lepoutre, J. and Valente, M. (2012), "Fools Breaking Out: The Role of Symbolic and Material Immunity in Explaining Institutional Non-Conformity", *Academy of Management Journal*, Vol. 55 No. 2, pp. 285-313.
- Lok, J., 2019. Why (and how) institutional theory can be critical: Addressing the challenge to institutional theory's critical turn. *Journal of Management Inquiry*, 28(3), pp.335-349.
- Lord, N. (2016), "Establishing enforcement legitimacy in the pursuit of rule-breaking 'global elites': The case of transnational corporate bribery", *Theoretical Criminology*, Vol. 20 No. 3, pp. 376-399.
- Lord, N. and Levi, M., (2018), "In pursuit of the proceeds of transnational corporate bribery: The UK Experience to Date", In *The Palgrave Handbook of Criminal and Terrorism Financing Law* (pp. 621-648). Palgrave Macmillan, Cham.
- Neu, D., Cooper, D.J. and Everett, J., (2001), "Critical accounting interventions. *Critical Perspectives on Accounting*", Vol 12 Np. 6, pp.735-762.
- Near, J.P. and Dworkin, T.M. (1998), "Responses to legislative changes: Corporate whistleblowing policies", *Journal of Business Ethics*, Vol. 17 No. 14, pp.1551-1561.
- MacLean, T. L., & Behnam, M. (2010). "The dangers of decoupling: The relationship between compliance programs, legitimacy perceptions, and institutionalized misconduct." *Academy of Management Journal*, Vol. 53 No. 6, pp. 1499-1520.
- Martinez, D. E., & Cooper, D. J. (2017), "Assembling international development: Accountability and the disarticulation of a social movement", *Accounting, Organizations and Society*. Vol. 63, pp. 6-20.
- Milford, A. (2013). Presentation at UK Serious Fraud Office World Bribery and Compliance Forum 2013. Last viewed on 1 December 2020, available at: <http://www.sfo.gov.uk/about-us/our-views/other-speeches/speeches-2013/world-bribery-and-compliance-forum-2013.aspx>.
- Meny, Y. (1996), "'Fin de Siecle' Corruption: Change, Crisis and Shifting Values", *International Social Science Journal*, Vol. 48 No. 3, pp. 309-320.
- Ministry of Justice (2011), *The Bribery Act 2010: Guidance. Office of the Secretary of State for Justice, UK*, available at: Ministry of Justice website <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>. (Accessed 25 May 2013).
- OECD (1998), *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and Related Documents, May 23, 1977 (1998)*. Retrieved from <<http://www.oecd.org/ezp01.library.qut.edu.au/investment/briberyininternationalbusiness/anti-briberyconvention/38028044.pdf> >.
- OECD. (2009), *Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions. November 2009* available at: <http://www.oecd.org/investment/anti-bribery/antibriberyconvention/44176910.pdf>.
- OECD (2012). *Phase 3 Report on Implementing the OECD Anti-bribery Convention in the United Kingdom, March 2012*, OECD Publishing, available at: <http://www.oecd.org/daf/anti-bribery/UnitedKingdomphase3reportEN.pdf>.

- Pache, A. C. and Santos, F. (2013), "Inside the hybrid organization: Selective coupling as a response to competing institutional logics", *Academy of Management Journal*, Vol. 56 No. 4, pp. 972-1001.
- Parker, L.D. (2005), "Social and environmental accountability research", *Accounting, Auditing & Accountability Journal*, Vol. 18 No. 6, pp. 842-860.
- Pierce, S. (2006), "Looking like a state: colonialism and the discourse of corruption in Northern Nigeria", *Comparative Studies in Society and History*, Vol. 48 No. 4, pp.887-914.
- Puxty, A.G. (1986), "Social accounting as immanent legitimation: a critique of a technicist ideology", *Advances in Public Interest Accounting*, Vol. 1 No. 6, pp. 95-111.
- Puxty, A. (1991), "Social accountability and universal pragmatics", *Advances in Public Interest Accounting*, Vol. 4, pp. 35-45.
- Reichborn-Kjennerud, K., González-Díaz, B., Bracci, E., Carrington, T., Hathaway, J., Jeppesen, K.K. and Steccolini, I. (2019), "Sais work against corruption in Scandinavian, South-European and African countries: An institutional analysis", *The British Accounting Review*, Vol. 51 No, 5, p.100842.
- Rossini, G., 2017. Land Grabbing: Last Ditch Effort of Colonialism? A Survey of a Few Contributions and a Couple of Suggestions. *Homo Oeconomicus*, 34(1), pp.79-96.
- Russell, J. (2011). "Fears Bribery Act will harm UK plc." *The Telegraph* (UK), last viewed 15 December 2020, available at: www.telegraph.co.uk/finance/yourbusiness/bribery-act/8272140/Fears-Bribery-Act-will-harm-UK-plc.html
- Sandholtz, K.W. (2012), "Making Standards Stick: A Theory of Coupled vs. Decoupled Compliance, *Organization Studies*", Vol. 33 No. 5/6, pp. 655-678.
- Sanyal, R. (2012), "Patterns in international bribery: Violations of the foreign corrupt practices act", *Thunderbird International Business Review*, Vol. 54 No. 2, pp. 299-309.
- Scott, W.R. (1995). *Institutions and Organizations*. Sage, London, UK.
- Scott, W.R., (2008). *Institutions and Organizations: Ideas and interests*. Sage. London, UK.
- SFO, (2012), *Corporate self-reporting: Guidance, policy and protocols*, available at: <https://www.sfo.gov.uk/publications/guidance-policy-and-protocols/corporate-self-reporting>
- Shamir, R. (2004), "Between self-regulation and the Alien Tort Claims Act: on the contested concept of corporate social responsibility", *Law & Society Review*, Vol. 38 No. 4, pp.635-664.
- Sikka, P. (2003), "The role of offshore financial centres in globalization", *Accounting Forum* Vol. 27, pp. 365-399.
- Sikka, P., (2011). Accounting for human rights: The challenge of globalization and foreign investment agreements. *Critical Perspectives on Accounting*, 22(8), pp.811-827.
- Souitaris, V. Zerbinati, S. and Liu, G. (2012), "Which iron cage? Endo- and exoisomorphism in corporate venture capital programs", *The Academy of Management Journal*, Vol. 55 Nol. 2, pp. 477-505.
- Stapenhurst, R. (2000), *The Media's Role in Curbing Corruption*, World Bank Institute, Washington, USA.
- Sung, H.-E. (2005). "Between demand and supply: Bribery in international trade", *Crime, Law & Social Change*, Vol. 44 No. 1, pp. 111-132.
- Taddia, M. (2014). "Economic crime: Corruption conundrum", *The Law Society Gazette*, available at <https://www.lawgazette.co.uk/law/economic-crime-corruption-conundrum/5044646.article>.
- TI (2010), *Avoiding Corruption Risks in the City: The Bribery Act 2010*, Transparency International. May 2010. Available at: http://217.154.230.218/NR/rdonlyres/26DD8F2B-17D9-42B7-AB5120F1D8542892/0/AvoidingCorruptionRisksintheCity_final.pdf.

- TI (2011), *UK: Government Guidance 'Deplorable' and will Weaken Bribery Act*. Transparency International UK., available at: http://www.transparency.org/news/pressrelease/20110330_guidance_weakens_bribery_act. (Accessed 30 March 2013).
- TI (2012). *Corruption Perceptions Index 2012*. Transparency International. Available at: www.transparency.org/cpi2012/results.
- TI (2014). *Exporting Corruption: Progress Report 2014: Assessing Enforcement of the OECD Convention on Combating Foreign Bribery*, Transparency International, available at: http://www.transparency.org/whatwedo/publication/exporting_corruption_progress_report_2014_assessing_enforcement_of_the_oecd. (Accessed 23 October 2014).
- Venard, B. and Hanafi, M. (2008), "Organizational Isomorphism and Corruption in Financial Institutions: Empirical Research in Emerging Countries", *Journal of Business Ethics*, Vol. 81 No. 2, pp. 481-498.
- Weber, J. and Wasieleski, D.M., 2013. Corporate ethics and compliance programs: A report, analysis and critique. *Journal of Business Ethics*, 112(4), pp.609-626.
- Welford, R., Chan, C. and Man, M. (2007), "Priorities for Corporate Social Responsibility: a Survey of Businesses and their Stakeholders", *Corporate Social Responsibility and Environmental Management*, Vol. 15 No. 1, pp. 52-62.
- Williams, J.W. and Beare, M.E. (1999), "The business of bribery: Globalization, economic liberalization, and the "problem" of corruption", *Crime, Law and Social Change*, Vol 32 No. 2, pp. 115-146.
- Wilkinson, P. (2010). *Adequate Procedures – Guidance to the UK Bribery Act 2010*, Transparency International UK. Available at: <http://www.transparency.org.uk/our-work/publications/95-adequate-procedures---guidance-to-the-uk-bribery-act-2010>.
- Willmott, H. (2015), "Why institutional theory cannot be critical", *Journal of Management Inquiry*, Vol. 24 No. 1, pp.105-111.
- World Bank (2013), *Six Questions on the Cost of Corruption with World Bank Institute Global Governance Director Daniel Kaufmann*. World Bank Institute. Available at: <http://go.worldbank.org/KQH743GKF1>
- Yeoh, P. (2012a), "The UK Bribery Act 2010: contents and implications", *Journal of Financial Crime*, Vol, 19 No. 1, pp. 281-310.
- Yeoh, P. (2012b), "Bribery Act 2010: implications for regulated firms", *Journal of Financial Regulation and Compliance*, Vol 20 No. 3, pp. 264-277.
- Young, J. J. (2003), "Constructing, persuading and silencing: the rhetoric of accounting standards", *Accounting, Organizations and Society*, Vol. 28 No. 6, pp. 621-638.
- Zbaracki, M. (1998), "The rhetoric and reality of Total Quality Management", *Administrative Science Quarterly*, Vol 43 No. 3, pp. 602-636.

Appendix A:

As detailed by the Ministry of Justice (2011), the six principles may be summarized as follows:

- (1) Proportionate Procedures: Procedures that are put in place only have to be proportionate to the size and nature of the business. Modest risks require modest procedures.
- (2) Top-Level Commitment: Top-level management are committed to preventing bribery by persons within the organizations. They foster a culture within the organisations in which bribery is never acceptable.
- (3) Risk Assessment: The organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf or by persons associated with it. The assessment is periodic, informed and documented.
- (4) Due Diligence: The organisation applies due diligence procedures in respect of persons who perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.
- (5) Communication: The organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training.
- (6) Monitoring and Review: The organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

Appendix B: Summary of Bribery Related Incidents in News Media and Corresponding Annual Report Disclosures before and soon after the enactment of the UK bribery act (2007-2012)

Company	Year	Country(ies) involved	Incident and Key Allegations	Disclosures within the concerned company annual reports
A	2011	Tanzania	The company failed to keep adequate accounting records related to materially substantial commission payments made to overseas agents in assisting the company in obtaining contracts from the Tanzanian government to buy a radar system [<i>The Financial Times</i>].	In its 2011 Annual report, company A did not directly acknowledge what commission was paid to overseas agents for the radar contract. However, it was noted that a £29.5m charitable contribution to benefit the Tanzanian people, in connection with a global settlement of regulatory investigations by the UK's Serious Fraud Office, was deducted from the Group's net debt as at 31 December 2010.
	2007-2008	Romania, Chile, Qatar, South Africa, Tanzania and the Czech Republic and Saudi Arabia	Company A was accused of bribing and offering sweeteners to the senior public officials in different countries in return for lucrative arms contract. [<i>The Guardian</i> , 2008]. [<i>Dow Jones International News</i> , 2007]	There was no disclosure about incidents in 2008 and partial disclosure in 2007 mentioning only the Saudi Arabia incident
B	2011	Serbia	Criminally indicted by Serbian authorities as part of a wider investigation into allegations of bribery. <i>The Financial Times</i>	In 2011 Annual report, company B disclosed details of the criminal indictment. The disclosure was detailed with the parties involved in the incident and the current status of the indictment.
	2008	Iraq	Company B was accused of bribing an Iraqi to win lucrative contracts. The company had paid \$162,000 (GBP81, 000) in bribes to get three contracts worth \$2.9m. [<i>The Guardian</i> , 2007]	Partial disclosure was made mentioning the country involvement and potential fines involved in this allegation, but the company did not disclose the actual incident involved in it.
C	2011	Tanzania	They were investigated for providing \$40million loan to Tanzania to buy a radar system. There are questions of what due diligence standards Company C carried out in relation to loan to Tanzania to be reassured that the funding would not facilitate a corrupt deal. <i>The Financial Times</i>	Company C did not disclose any information relating to this incident in 2011 or 2012 annual reports.

	2012	Libya	Scrutinised for providing “multi-million euro loan to a Lebanese arms dealer, and politically exposed. The loan recommendation suggested that ...would act as a business partner to Company C by helping the bank further its activities with Libyan foreign public officials. <i>Media Part</i>	No disclosures made on this incident in 2012 Annual Report
D	2012	Aksai, Kazakhstan	Company D’s joint ventures in Aksai, Kazakhstan went under investigation with allegations of bribery. A freight shipment handler received an anonymous email alleging improper facilitation payments for moving goods through Aksai’s customs office and bribe payments to Kazakh custom officials. <i>The Wall Street Journal</i>	No disclosures of this incident within Company D’s annual report (2011, 2012)
E	2011 2012-2013	Cambodia Australia	Alleged of making a \$US1 million payment to the Cambodian government in 2006 to secure bauxite leases. <i>The Sydney Morning, The Financial Times</i> . Company E is under investigation by the Australian Federal Police over its sponsorship of the 2008 Beijing Olympics as part of an ongoing U.S. Department of Justice investigation into possible violations of anti-corruption laws. The investigation is related to alleged hospitality or gifts to foreign officials, including Chinese dignitaries. <i>The Australian Financial Review, The Wall Street Journal</i>	In the Annual Report 2012, company E disclosed information that it is continuing an internal investigation into allegations of “possible misconduct involving interactions with government officials” However no details on the involvement of government officials were disclosed. No disclosure on Beijing Olympic incident within the company E annual reports (Annual reports, 2011, 2012 or website)
F	2012 2012	West Asia	Company F conducted an internal investigation into allegations of bribery at its tanker chartering division. The allegations focus on the relationship between a senior employee and one of the company’s suppliers. <i>Dow Jones International, The Daily Telegraph</i> Company F under investigation with UK Serious Fraud Office over bribery allegations relating to the engineering projects one of its	No disclosures were made in Company F annual reports of 2010, 2011, and 2012 in relation to both incidents.

			contractors is undertaking in West Asia, <i>Dow Jones International, The Daily Telegraph</i>	
G	2011	South Korea, India and Thailand	Company G's employees or contractors paid bribes to government officials in South Korea, India and Thailand to boost sales and receive favourable tax treatment. <i>The Financial Times</i>	Disclosure made in the 2011 and 2012 annual report. The monetary settlement amount was disclosed but details of the incident were generic and not specific to the incident.
H	2012	Saudi Arabia	Accused of funnelling £14m in alleged bribes paid by a British defence firm to Saudi Arabian royal officials. <i>The Sunday Times</i>	No disclosure made in 2007, 2009 to 2012 annual reports.
	2009	Argentina	Company H was alleged to accept and transfer \$3.2m (pounds 2.3m) on behalf of the chief of staff to the former Antigua prime minister. <i>The Guardian</i>	
	2009, 2007	Taiwan	The company allegedly accepted US\$60,000 from a Taiwanese client in June 2007 to approve the applications of two companies. <i>Dow Jones Chinese Financial Wire</i>	
I	2011	Chinese and South Korea	The company I settled with regulators over allegations it bribed Chinese and South Korean officials to win at least \$54 million in government contracts. <i>National Post, New York Business Journal</i>	In the annual report 2011, there was a disclosure of the settlement, but it was not specific to the bribery of foreign officials.
K	2012	China	Company K faced allegations of bribery and corruption in making payments in return for a 2005 contract with Air China and a deal with China Eastern Airlines in 2010. <i>The Sunday Times</i>	Detailed disclosure was given in financial notes to the contingent liability section of the annual report 2012. However, disclosure was not specific to this incident. The company only identified "matters of concern in these Indonesia and China and in other overseas markets.
L	2012	Kuwait	Company L's managers are alleged to have made payments to high-ranking individuals in the Gulf state's Energy and Water Ministry. The company received several contracts during 2010 from the Kuwaiti government. <i>The Financial Times</i>	The disclosure was provided in the annual report 2011, and it mentioned it was involved in a project in Kuwait but did not mention it involved bribery (of foreign officials) related payments.
	2007-2008	The Caribbean, the Middle East and Switzerland.	There was a bribery allegation against the Chairman and his successor [<i>The Sunday Times, 2008</i>]	The company did not disclose any real incidents and allegations mentioning all the countries involved.

M	2012	Not mentioned	A company executive received corrupt payments totalling £4.9million from directors of a major potato supplier in return for granting them a lucrative contract. <i>Telegraph Online</i>	The incident remained undisclosed in 2011 and 2012 annual and CSR reports.
N	2012	Uganda	Company N denied allegations made in the Ugandan Parliament that it paid bribes to senior government ministers. <i>The Irish Times</i> .	No disclosure was made in relation to the allegations in the 2011 and 2012 annual reports.
O	2012	Not mentioned	Settled allegations that they or their contractors bribed foreign officials to smooth the way for importing equipment and materials into several countries. <i>Dow Jones News Service</i>	Generic disclosure was given and was not specific to bribery of foreign officials: "The Company O's subsidiary agreed to a Deferred Prosecution Agreement...which arose in connection with its use of the freight-forwarding firm...." Annual report 2012
	2007	Nigeria	A U.K. court affidavit seen by the <i>Financial Times</i> says there is reasonable cause to believe Mr X bled money from his oil-rich state and bought assets including a \$20 million jet, houses in London and Dorset, and a EUR406,000 armour-plated Mercedes-Benz from a Mayfair dealership. [<i>Dow Jones International News, Financial Times, November 2007</i>]	Partial disclosure. Cases of bribery and fraud are reported to the Audit Committee of the Board. In 2007, 112 violations were reported. As a result, the company ended its relationship with 151 staff and contractors [Annual report 2007]
P	2012	Iran	Allegedly paid Iranian public officers \$60m and was given contracts to develop three separate oil and gas fields in return. <i>The Financial Times</i>	The disclosure was present, yet extremely generic and did not make reference to any oil and gas contracts: "employees were placed under formal criminal investigation for possible charges as accessories to the corruption of foreign public agents" Annual report 2012.
	2007	Iran	The CEO and two other employees were being questioned by the French police investigating alleged corruption involving an Iran gas project [<i>Dow Jones International News, 2007</i>].	No disclosure
Q	2012	Greece	Company Q's distributors paid bribes on behalf of the company's subsidiaries to Greek doctors in order to purchase the company's products. <i>Dow Jones News Service</i>	Disclosure in the 2012 annual report was informative yet lacked substantiveness in relation to the Greek distributor scheme. The company's disclosure instead focused on claims of commitment to enhanced compliance programs.

	2007	Iraq	Company Q has received a request from the Serious Fraud Office to hand over documents as part of an inquiry into bribes allegedly paid to the government in Iraq [<i>The Daily Telegraph</i> , 2007]	No disclosure
--	------	------	---	---------------