De-normalizing corruption in the Indonesian public sector through behavioral re-engineering

Hendi Yogi Prabowo
Department of Accounting, Faculty of Economics, Islamic University of Indonesia, Sleman, Indonesia

Kathie Cooper
School of Accounting, Economics and Finance, University of Wollongong, Wollongong, Australia

Jaka Sriyana
Department of Economics, Faculty of Economics, Islamic University of Indonesia, Sleman, Indonesia, and

Muhammad Syamsudin
Faculty of Law, Islamic University of Indonesia, Sleman, Indonesia

Abstract

Purpose – Based on the authors' study, the purpose of this paper is to ascertain the best approach to mitigate corruption in the Indonesian public sector. To do so, the paper uses three behavioral perspectives: the Schemata Theory, the Corruption Normalization Theory and the Moral Development Theory.

Design/methodology/approach – This paper is part of the authors' study to examine corruption patterns in Indonesia in the past 10 years through examination of reports from various institutions as well as other relevant documents addresses corruption-related issues to explore various options for mitigating corruption through behavioral re-engineering. For the purpose of gaining various perspectives on anti-corruption measures, this study also uses expert interviews and focus group discussions with relevant experts in Indonesia and Australia on various corruption-related issues.

Findings – The authors establish that despite the fall of the New Order regime nearly two decades ago, corruption remains entrenched within the post-Suharto Governments. The normalized corruption in Indonesia is a legacy of the New Order regime that shaped societal, organizational and individual schemata in Indonesia. The patrimonial style of leadership in particular within the regional governments resulted in increasing rent-seeking activities within the decentralized system. The leadership style is also believed to have been supporting the normalization of corruption within the public sector since the New Order era. The three-decade-old systematic normalization of corruption in the Indonesian public sector can only be changed by means of long and systematic de-normalization initiatives. To design the best intervention measures, decision makers must first identify multiple factors that constitute the three normalization pillars: institutionalization, rationalization and normalization. Measures such as periodical reviews of operational procedures, appointment of leaders with sound morality, anti-corruption education programs, administering "cultural shocks", just to name a few, can be part of multifaceted strategies to bring down the normalization pillars.

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Research limitations/implications – The discussion on the options for de-normalization of corruption in Indonesia is focused on corruption within the Indonesian public institutions by interviewing anti-fraud professionals and scholars. A better formulation of strategic approaches can be developed by means of interviews with incarcerated corruption offenders from the Indonesian public institutions.

Practical implications – This paper contributes to the development of corruption eradication strategy by suggesting options for de-normalizing corruption in the Indonesian public sector so that resources can be allocated more effectively and efficiently to mitigate the problem.

Originality/value – This paper highlights the importance of behavior-oriented approaches in mitigating corruption in the Indonesian public sector.

Keywords Leadership, Normalization, Indonesia, Corruption, Moral, Schemata

Paper type Research paper

Introduction

Corruption, generally defined as the abuse of public power for private benefits, has been a major problem in the world causing low economic growth, distorted investment and low quality of public services (Dreher *et al.*, 2009). Billions of dollars have been lost to corruption around the world. Worldwide experience has shown that corruption affects not only the perpetrators but also their environments and even their countries. More than a few high-profile politicians, world leaders, businessmen and even governments have fallen because of accusations of corruption. Conflicts arising from corruption-related issues have even claimed the lives of many innocent people. Regardless of the difficulty in quantification, no one denies that the political, economic and social development costs of corruption are becoming increasingly evident (Organisation for Economic Co-operation and Development, 2014, p. 1). Corruption in the world comes in various shapes and sizes. Common forms include bribery, embezzlement, nepotism, state capture, just to name a few (Organisation for Economic Co-operation and Development, 2014, p. 1). Due to the fact that the perpetrators are generally intelligent individuals, corruption rarely occurs on its own. A number of other offences such as bid rigging, fraud and money laundering often act as supporters for corruption (Organisation for Economic Co-operation and Development, 2014, p. 1).

Efforts have been made by various international institutions to reduce the risk of corruption in the world. For example, the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (signed in 1997) aims at encouraging member countries to sanction bribery in international business transactions by companies within their jurisdictions (Organisation for Economic Co-operation and Development, 2011). The convention essentially provides standards in particular for criminalizing the acts of bribery in international business transactions to foreign public officials. Similarly, the United Nations Convention against Corruption (UNCAC) (signed in 2003) serves as a comprehensive anti-corruption convention covering a wide-range of corruption offences such as bribery (domestic and foreign), embezzlement, trading in influence and money laundering (United Nations Office on Drugs and Crime, 2004).

Studies have shown that corruption, especially in the public sector, has been part of many developing countries. In terms of the flow of illicit funds, for example, according to the World Bank, the bribery payments in developing and transition countries each year is estimated to be around US$20bn to US$40bn (World Bank, 2007, p. 1). The illicit funds from corrupt activities are diverted from the original purpose of providing public health and education services, prosperity and development, to the multiple private accounts of the people entrusted with management of public resources. According to an estimate from the World Bank (2007, p. 1), every year, the global proceeds from criminal activities, corruption and tax evasion in developing and transition countries are estimated at around US$1tn to

US$1.6tn. Based on OECD (Organisation for Economic Co-operation and Development, 2014, p. 8) statistics, in the period of 2003-2012, Asian developing countries contributed around 40.3 per cent of the total (US$6,840.5bn) illicit financial flows making the region the largest contributor of illicit financial flows in the developing world. The data from the World Bank and the OECD highlight the seriousness of the corruption problem in the world. Venality statistics for Asian developing countries accents the priority of addressing corruption challenges in countries such as Indonesia.

Corruption has been a visible feature of Indonesian Government since at least the leadership of Suharto. For example, the New Order regime (1967-1998) was perceived to be one of the most corrupt regimes the world had ever seen (McLeod, 2000; 2010; Kuncoro, 2006). Even after nearly two decades since the fall of the Suharto regime, corruption remains pervasive in Indonesia particularly in the public sector as evidenced by hundreds of major corruption cases investigated by the Corruption Eradication Commission (Komisi Pemberantasan Korupsi, also known as the KPK). Despite these efforts, the 2014 Corruption Perception Index reported Indonesia was ranked 107 in terms of its cleanliness from corruption which basically means that Indonesia is still one of the most corrupt countries in the world (Transparency International, 2014).

A primary aim of this paper is to address the question of what should be done to eradicate corruption in Indonesia. The "corruption infection model" drawing on three behavioral perspectives:

(1) the Schemata Theory,
(2) the Corruption Normalization Theory; and
(3) the Moral Development Theory will be used to analyze various behavioral and cultural issues behind the resilience of corruption in Indonesia.

This model will also be used to identify and analyze potential measures to counter the normalization of corruption particularly in the Indonesian public sector. This paper is a continuation of another paper "Re-Understanding Corruption in Indonesia through Three Behavioral Lenses" by the first and second authors.

Format of paper
The next section of this paper will provide an overview of the major anti-corruption initiatives in Indonesia as well as a description of the Corruption Infection Model as a foundation for assessing the corruption problem in the Indonesian public sector. The Corruption Infection Model is then used as a framework to discuss multiple aspects of corruption problem in the Indonesian public sector to highlight the main factors that makes the problem seemingly unceasing. Upon the identification of such factors, future directions to de-normalize corruption in the Indonesian public sector will be formulated accordingly to bring down the three-decade old corruption normalization structure. In this formulation, this paper will identify the existing anti-corruption initiatives which can thwart the institutionalization, rationalization and socialization of corrupt practices in the Indonesian public sector as well as possible future initiatives for impeding the regeneration of corruption. From the discussion, a conclusion is then drawn regarding future development of corruption de-normalization strategy within the Indonesian public sector.

Anti-corruption initiatives in Indonesia
Extensive efforts have been devoted to bring corruption offenders to justice. Law enforcement initiatives have included Law No. 31 Year 1999 as amended by the Law No 20

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Year 2001 dealing with the Eradication of Corruption, identifies seven categories of offences that constitute corruption:

(1) acts that cause losses to the nation;

(2) bribery;

(3) occupational embezzlement;

(4) extortion;

(5) deception;

(6) conflict of interests in procurement of goods and services; and

(7) gratification (Ardisasmita, 2006, p. 4).

In 2012, the Indonesian Government issued "The National Strategy of Corruption Prevention & Eradication" to systematically eradicate corruption (Government of Indonesia, 2012). The strategy's medium-term vision is to create a corruption-free government with the capacity to prevent as well as to take action against corruption. Furthermore, this initiative seeks to create a system of cultural values based on integrity. The long-term vision is to use cultural values and integrity to support creation of an anti-corruption nation (Government of Indonesia, 2012). The strategy covers six broad areas: prevention; law enforcement; harmonizing the laws and regulations; anti-corruption education and culture; and mechanisms of reporting corruption eradication actions. Nevertheless, as evidenced by the seemingly unchanged level of corruption during the Yudhoyono Government, 2004-2014, many observers argue that much still needs to be done to achieve the strategy's objectives (Blunt *et al.*, 2012; Corruption Eradication Commission, 2015; Control Risks Group, 2013).

The corruption infection model

This paper views the corruption problem from three behavioral lenses: the Schemata Theory, the Corruption Normalization Theory and the Moral Development Theory. Each of these theories can be used to analyze corruption from a behavioral angle. When combined these theories can be used to depict a more precise picture of the corruption problem in Indonesia as well as how to manage it. The detailed discussion of the intersections between the three theories is part of the first and second authors' previous paper, "Re-Understanding Corruption in the Indonesian Public Sector through Three Behavioral Lenses"[1] (Prabowo and Cooper, 2017). In the paper, the first and second the authors formulated the "Corruption Infection" model based on the three theories to analyze the resilience of corruption in the "Indonesian public sector" (Prabowo and Cooper, 2017).

The first part of the "Corruption Infection" model is the Schemata Theory which essentially explains how the human mind works in interpreting multiple environments and situations. Proposed by Frederic Bartlett (1995), schemata (plural form of schema) are a mental codification of experience that include a particular organized way of perceiving cognitively and responding to a complex situation or set of stimuli (Merriam-Webster, 2015). Schema has been defined by Bartlett (1995, p. 201) as "an active organization of past reaction, or of past experiences, which must always be supposed to be operating in any well-adapted organic response". He also believed that the schemata "are living, constantly developing, affected by every bit of incoming sensational experience of a given kind" (Bartlett, 1995, p. 200).

As depicted by Figure 2, a person's mind may consist of many schemas which form a framework of schemata where each schema serves a particular purpose in enabling the

person to interpret a situation based on past knowledge and experience. When faced with a situation that generates inputs of information, at least one schema will be activated (more schemas may be activated when needed) to interpret the situation. The types and number of schemas differ across people depending on various factors such as age, education, family background, level of perceptiveness, just to name a few. So generally, a person's schemata represent his or her past life. Oliveira (2007, p. 13) believed that once schemata take form in one's mind they will be resistant to changes. However, as a person grows older and is exposed to more experience at some point, he or she may incorporate new values into his or her existing schemata due to exposures to information incompatible to preexisting beliefs and thus causes gradual changes in his or her schemata (Oliveira, 2007, p. 13).

Schemata generally exist in three levels: individual, organizational and societal. In principle, individual schemata can be influenced by organizational schemata shaped by the existing societal schemata (culture). In practice, the relationship between these schemata levels does not always follow this particular pattern. For example, in cases of authoritarian countries, the dictator's schemata can become a template for the development of the schemata of an entire nation.

The second part of the "Corruption Infection" model is the Corruption Normalization Theory which explains how corruption becomes embedded within an organization as part of its structure and activities. As proposed by Ashforth and Anand (2003, p. 1), the normalization of corruption within an organization is carried out by three mutually reinforcing processes:

(1) *institutionalization* (initial act, embedding and routinizing);

(2) *rationalization* (denial of legality, denial of responsibility, denial of injury, denial of victim, social weighting, appeal to higher loyalties, metaphor of the ledger and refocusing attention); and

(3) *socialization* (cooptation, incrementalism and compromise).

The three processes reinforce one another to form a triangle of corruption normalization within an organization. The *institutionalization* process aims at gradually and subtly integrating corruption into an organization's schemata by first introducing and embedding corrupt acts into its procedures and structure. When the acts become part of the organization's procedures and structure, through the process of routinization, they will become part of organizational memories that shape the existing organizational schemata.

At the institutionalization stage, generally corruption resides only in the organization's schemata[2]. Therefore, the *socialization* process is required to incorporate corruption into each organization member's individual schemata. This requires the process of socialization and rationalization to be carried out throughout the organization. This is particularly important as every now and then an organization will accept new members, and they will need to be "recruited" to join the corruption network. The socialization process plays an important role in turning an otherwise ethically sound individual into a corruption offender by means of imparting the values, beliefs, norms and skills so as to enable organization members to fulfil their roles and function more effectively within the group context (Van Maanen, 1976; Ashforth and Anand, 2003, p. 25). Just as the gradual and subtle process of introducing corruption into an organization, introducing corruption to its members must be conducted in similar manner to avoid possible detection. For example, in the cooptation stage, organization members will be lured to engage in corrupt acts by means of financial rewards. Through the incrementalism of corrupt acts, organization members' moral schema will be compromised, and they will accept corruption as part of their individual schemata.

To assist organization members in overcoming the resultant cognitive dissonance from their first corrupt acts, they will be taught about corruption *rationalization* through various types of denials. The most common types of denials are:

- *denial of legality* (acts are believed to be legal);
- *denial of responsibility* (acts are believed to be justifiable due to the circumstances perceived to be beyond their controls);
- *denial of injury* (no one was really harmed from the corrupt acts);
- *denial of victim* (the violated party deserved to be victimized);
- *social weighting* ("condemning the condemners" and "selective social comparison");
- *appeal to higher loyalties* (the acts are perceived as fulfilling a higher-order value);
- *metaphor of the ledger* (entitlement to commit misconduct due to past contributions and achievements); and
- *refocusing attention* (shifting the center of attention to the normatively redeeming features of the acts) (Ashforth and Anand, 2003).

The third part of the "Corruption Infection" model is the *Theory of Moral Development* initially proposed by Kohlberg (1981). The theory explains moral development throughout an individual's life. According to Kohlberg (1981; 2008), there are six stages (divided into three levels) in an individual's moral development:

(1) *Level 1/Stage 1 – obedience and punishment orientation*: focusing on avoiding punishment;

(2) *Level 1/Stage 2 – naively egoistic orientation*: focusing on obtaining rewards;

(3) *Level 2/Stage 3 – "Good-boy" orientation*: focusing on approval as well as pleasing and helping others;

(4) *Level 2/Stage 4 – the authority and social-order maintaining orientation*: focusing on avoiding censure and guilt;

(5) *Level 3/Stage 5 – contractual legalistic orientation*: focusing on avoiding violation of the will or rights of others, and majority will and welfare; and

(6) *Level 3/Stage 6 – conscience or principle orientation*: focusing on avoiding self-condemnation (Kohlberg, 1981; Kohlberg, 2008; Robert, 1974).

In terms of individual corruption risk, the higher the level of one's moral development, the less likely he or she will engage in corrupt acts. This implies that organization members with the lowest levels of moral development will be more likely to be coopted as part of the corruption network within the organization.

As depicted by Figure 1, the corruption normalization process within an organization will turn an otherwise accountable organization into a corrupt entity and eventually the individual schemata of its members will also become corrupt. When corrupt acts become part of organizational procedures and structure, members, even those with "contractual legalistic orientation" type of schema, may have no choice but to comply with them. Only those who possess the "conscience or principle orientation" schema will be brave enough to react by criticism or protests and, if not successful, leaving the organization for good. With the rationalization and socialization processes, organization members' schemata will gradually change to become more like those of their organization. As the corruption normalization progresses over time, the moral quality of the existing organization members
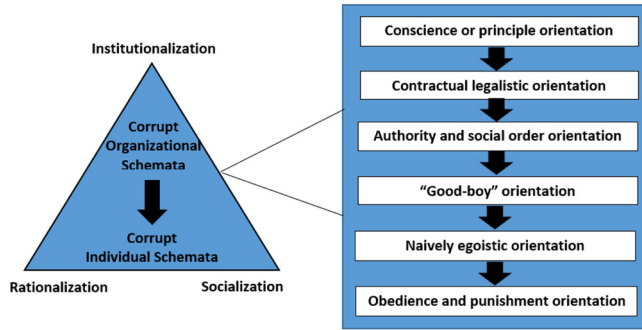
Source: Modified from Ashforth and Anand (2003), Bartlett
(1995) and Kohlberg (1981, 2008)
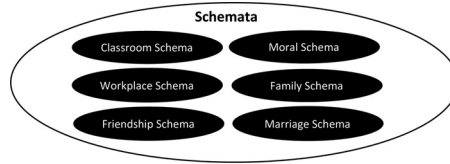
will slowly degrade to the point where the search for personal benefits and avoidance of
punishment become their only motivations in their actions.

Re-mapping the corruption problem in Indonesia

The root of the current corruption problem in Indonesia is the three decades of the
corruption normalization within the New Order regime (1967-1998). Within this period,
Suharto's individual schema is used as the model of the country's national culture. Through
the patrimonial style of leadership, Suharto and his supporters used various means to shape
the schemata of Indonesian public officials as well as society in general.

As illustrated by Figure 3, there was a long and systematic process of schemata
engineering during the New Order era in which Suharto's interpretation (or rather
misinterpretation) of the Javanese culture[3] in particular related to power accumulation and
usage had shaped his schemata and was extensively socialized within his patrimonial
network. This eventually became organizational memories in particular for public
institutions in the country which were then transferred to their members. Through the
process of interactions with families, friends and society at large, what was once one man's
schema later on turned into societal schemata (or more commonly known as culture).

Some of the characteristics of the New Order regime (e.g. centralized government,
excessive power of the military and tight media control) are no longer present in today's
government. However, some features such as a patrimonial style of leadership as well as
rent-seeking practices still exist within the decentralized governments. The most common
manifestation of the rent-seeking behavior is the prevalence of bribery in the Indonesian
public sector. According to the Corruption Eradication Commission's (KPK) corruption
statistics, in the period of 2004-2015, 46 per cent of major corruption offences investigated by
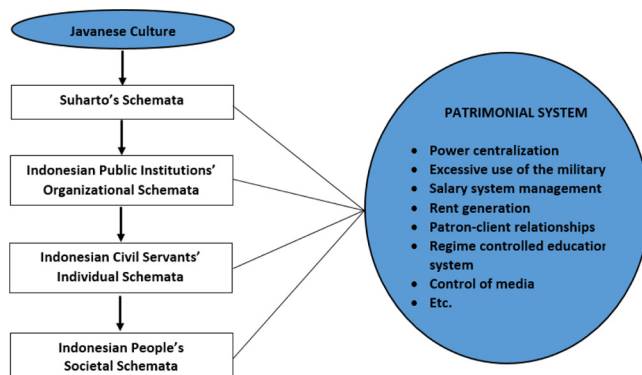
Source: Adapted from Bartlett (1995), McLeod (2000, 2010),
Aspinall (2005), Irawanto *et al*. (2011), and Sutarto (2006)

Figure 3.
The schemata
engineering by the
Suharto regime

the commission involved bribery and another 31 per cent involved goods and services
procurement (Corruption Eradication Commission, 2015). These figures demonstrate the
trend in corruption in the current Indonesian public sector where the patron-client
relationship still serves as a foundation of many government activities such as goods and
services procurement projects.

At the core of the corruption problem in Indonesia are the various behavioral issues
associated with the patrimonial leadership style and rent-seeking practices within society
which render anti-corruption measures ineffective. For example, a study by Budiman *et al.*
(2013) of Indonesian civil servants who served under the New Order regime revealed that
upholding loyalties to peers and superiors was one of the most common corruption
rationalization means of that time. This excessive loyalty to peers and superiors remains
characteristic of public service institutions in Indonesia. Reluctance by many civil servants to
report to higher authorities' wrongdoings within their institution indicates loyalty to peers
will negate the impact of a common anti-corruption mechanism, a whistleblowing system.

Near and Miceli (1985, p. 4) defined:

> [. . .] whistle-blowing" as "disclosure by organization members (former or current) of illegal,
> immoral or illegitimate practices under the control of their employers, to persons or organizations
> that may be able to effect action.

Studies of occupational fraud highlight the importance of whistleblowing systems in
uncovering occupational fraud especially corruption. For example, the ACFE's global study
(published in 2014), shows "tips" are the most common (42.2 per cent) initial detection means
in uncovering occupational frauds followed by management review (16 per cent), internal
audit (14.1 per cent), by accident (6.8 per cent), account reconciliation (6.6 per cent), document
examination (4.2 per cent), external audit (3 per cent), surveillance (2.6 per cent), notified by
law enforcement (2.2 per cent), IT controls (1.1 per cent), confession (0.8 per cent) and other
detection means (0.5 per cent) (Association of Certified Fraud Examiners, 2014, p. 19). Based
on the study, the sources of tips are: employee (49 per cent), customer (21.6 per cent),
anonymous (14.6 per cent), vendor (9.6 per cent), other (6.5 per cent), shareholder/owner (4.3
per cent) and competitor (1.5 per cent) (Association of Certified Fraud Examiners, 2014,
p. 21). These results support the views of the Principal Criminologist of the Australian

Institute of Criminology, Dr Russell Smith, who, in a discussion with the first the author, argued that it is crucial for public institutions to have effective policies and legislation in place to encourage reporting of corrupt conduct as part of the whistleblowing system and to protect those who make reports in the public interest (Smith, 2015). Conversely, managing a whistle-blowing system will be more challenging in an organization where corruption has been normalized throughout the entire system. Organization members who view loyalty to peers and superiors as above everything else will refrain from reporting misconduct within their organizations to anyone.

Referring to Ajzen's (1991) theory of planned behavior, Park and Blenkinsopp (2009, p. 546) believed that an organization member's intention to blow the whistle is largely influenced by attitude toward behavior, subjective norm and perceived behavioral control. Attitude toward a certain behavior is basically determined by one's belief about the consequences thereof (Park and Blenkinsopp, 2009, p. 546; Ajzen, 1991). Attitude represents the degree to which an organization member has favorable (or unfavorable) assessment of the behavior in question (Ajzen, 1991, p. 188). Subjective norm is related to one's normative beliefs which are how he or she perceives social pressure to perform or not to perform a particular act (Park and Blenkinsopp, 2009, p. 546). Perceived behavioral control is determined by one's belief about the existing resources and opportunities to perform the act (Park and Blenkinsopp, 2009, p. 546). In other words, it is related to the perceived ease or difficulty of performing the act in particular based on past experiences as well as expected obstacles (Ajzen, 1991, p. 188). With regard to one's final decision, Ajzen (1991, p. 188) postulated that:

> As a general rule, the more favorable the attitude and subjective norm with respect to a behavior, and the greater the perceived behavioral control, the stronger should be an individual's intention to perform the behavior under consideration. The relative importance of attitude, subjective norm, and perceived behavioral control in the prediction of intention is expected to vary across behaviors and situations.

Winardi's (2013) study concluded that the three determinants influence low-level civil servant's intention to blow the whistle on corrupt acts in public institutions in Indonesia. This highlights the importance of measures to increase the effectiveness of whistle-blowing systems in Indonesia by managing the three determinants. Extensive studies are needed to determine the right mixture of measures to increase organization member's intention to report corruption in the Indonesian public institution.

Other common rationalization means are: denial of responsibility; "social weighting" and "metaphor of the ledger". Referring to the Corruption Normalization Theory, these are part of the rationalization process to integrate corruption into organizational and individual schemata. The authors believe that preventing the occurrence of various denials may serve as an effective means to bring down the entire corruption normalization structure in Indonesia.

In the paper entitled "Re-Understanding Corruption in Indonesia through Three Behavioral Lenses" the first and second authors discuss various examples of current issues in Indonesia to illustrate the general trend in corruption normalization in the Indonesian public sector and how it changes over time. For example, the structure of the patron-client relationship has been changing since the fall of the New Order regime in 1997. In the post-Suharto Governments, the business elites who, under the New Order regime often assumed the role of clients for political elites, can now provide sponsorship to the latter to maintain their power through regional elections and thus becoming patrons to the competing politicians (Fukuoka, 2012). Other phenomena that demonstrate the existence of patrimonialism within the current governance system is the prevalence of the so-called

"political dynasty" practices within regional governments. The most well-known example of such practices is that of the former governor of the Banten province, Ratu Atut Chosiyah, whose family members occupied various strategic positions in the local, provincial and central governments (Hamid, 2014). Tahyar (2012, p. 57) argued that wherever patrimonial rule is extensively used, rent-seeking and corruption will likely occur as part of the consequences. For example, Ratu Atut was finally arrested by the Corruption Eradication Commission (KPK) in 2013 for her alleged involvement in the graft case to influence the decision of the Constitutional Court (MK) regarding regional election disputes in Lebak (a regency in Banten). The case also allegedly involved her brother, Tubagus Chaeri Wardana, and the then Chief of the Constitutional Court (MK), Akil Mochtar.

As summarized in Table I, based on first and second the authors' analysis in the previous paper, "Re-Understanding Corruption in Indonesia through Three Behavioral Lenses", corruption normalization appears to have continued long after the fall of the Suharto regime. Despite some major changes, in particular, related to the adoption of the decentralization system and the issuance of anti-corruption laws along with the establishment of an independent anti-corruption agency in Indonesia, evidence suggests that the processes of institutionalization, rationalization and socialization can still be found in many parts of the Indonesian public sector. The conventional means such as detection and prosecution appear to be not as effective as previously thought. This calls for other measures to be developed to stem the growth of the corruption problem.

De-normalizing corruption through schemata re-engineering

Similar to human schemata, once an organization's schema (culture) has been formed, it will not be easy to change it back to its previous state. Any attempt to change it will be resisted

Normalization processes	Components	Examples of related issues
Institutionalization	Initial act Embedding Routinizing	Frequent cases of procurement-related corruption (Corruption Eradication Commission, 2015) Patrimonialism and "political dynasty" in local governments (Hamid, 2014)
Rationalization	Denial of legality Denial of responsibility Denial of injury Denial of victim Social weighting Appeal to higher loyalties Metaphor of the ledger Refocusing attention	Exploitation of loopholes in the existing regulations by business entities (Siantury, 2015) Adherence to the "debt of kindness" principle (Goodfellow, 2015) Excessive loyalties to peers and superiors in public institutions (Budiman *et al.*, 2013) Narcissism in national and regional leaderships Lavish lifestyle as a "basic need" for middle (Ansori, 2009) and upper class professionals Finger-pointing among corrupt politicians (Fealy, 2013) Sponsorship in local elections (Fukuoka, 2012)
Socialization	Cooptation Incrementalism Compromise	Non-meritocratic practices in civil servant recruitments (Kristiansen and Ramli, 2006) Corruption perpetrated by young offenders (e.g. former beauty queen- turned- MP, Angelina Sondakh) (Bachelard, 2013)

Source: Prabowo and Cooper (2017)

Table I.
Corruption normalization in Indonesia based on Ashforth and Anand's (2003) model

by the reinforcing processes of institutionalization, rationalization and socialization (Ashforth and Anand, 2003, p. 37). Anti-corruption initiatives such as whistleblowing systems, for example, will only be overwhelmed by the normalization processes such as the "appeal to higher loyalties" denial. When corruption is already normalized within an organization, relying on any single anti-corruption measure will not solve the problem. The long and systematic corruption normalization process can only be reversed by prolonged and systematic "de-normalization" initiatives (Ashforth and Anand, 2003, p. 37).

The power of publicity
Ashforth and Anand (2003, p. 37) proposed that due to the self-sustaining nature of normalized corruption, it will take a strong shock to change it. Such a shock will usually work better if it comes from external sources such as mass media. In Indonesia, mass media is a powerful means to convey messages to the public. With the advancement of digital technology, today's media can disseminate messages much faster than in the past (i.e. due to tight media control by the New Order regime). In Indonesia, due to the existing anti-corruption laws, when an allegation of corruption is raised within a public institution, it is more likely it will become public knowledge than if it happened within a private institution. Many cases of corruption and other misconduct in private institutions are addressed internally to minimize the adverse effects of negative publicity. Nevertheless, once misconduct in an organization becomes public, there will be more pressure to address it properly. Dutton and Dukerich (1991, p. 519) argued that:

> [. . .] organizational actions are tied to sets of concerns that we call issues. Issues are events, developments, and trends that an organization's members collectively recognize as having some consequence to the organization. Issues can arise from changes inside the organization, such as employees threatening to stage a strike or a new technology transforming a product or service, or changes originating externally, such as a demographic trend, a regulatory act, or a supply shortage.

Among the few corruption cases that went public in the Indonesian private sector was the embezzlement of wealthy Citibank customers' funds by one of its own managers, Malinda Dee. In 2011 Malinda suddenly emerged as a new celebrity in Indonesian mass media for her infamous acts of embezzling Rp 17bn (US$1.95m) of Citibank customers money (Prabowo, 2011). It was believed that the exploitation occurred over a period of around three years before three of her victims reported to the bank suspicious unauthorized fund transfers from their accounts (Prabowo, 2011). In her scheme, Malinda forged customers' signatures to withdraw funds before transferring the money to her own accounts. Additionally, with her close relationship with her customers, it was easy for her to obtain blank signed forms or blank checks that were subsequently used to withdraw funds at higher amounts than what were actually requested by customers (Prabowo, 2011). Malinda was sentenced to an eight-year prison term in 2012. The fallout from the case saw Citibank and other foreign and local banks temporarily banned from offering wealth-management services to new customers. Citibank itself was prohibited from issuing new credit cards in Indonesia for two years. In addition, a one year ban on opening new branches in Indonesia was also imposed on Citibank (Hariyanto and Bellman, 2011).

Bringing down the normalization structure
Bringing down the entire structure of corruption normalization requires the destruction of its three pillars: institutionalization, rationalization and socialization. A key to successful corruption de-normalization is a leadership with strong morality. However, this in itself may

be problematic in a society with varying levels of education. This was demonstrated in Indonesia by the Corruption Eradication Commission (KPK) national survey (Corruption Eradication Commission, 2013, p. 9) addressing the integrity of Indonesian elections. The results of the survey showed some voters, often those with a low level of education as opposed to those with higher education, had no knowledge of the term "integrity" much less understood its meaning. This indicates that uneducated voters may have used incorrect criteria to select their leaders. As a consequence, prospective leaders with high moral values may fail to be elected and the system of corruption normalization will continue. Similarly, an organization that has gone through the process of corruption normalization will be highly resistant to any attempt to change it back to its former schemata. Under such circumstances, a cataclysmic social event must occur before management is likely to take action to break the chains of normalization. Once a morally sound individual is selected to lead a currently corrupt country or organization, the next step is to identify each element of the existing corruption normalization and develop countermeasures accordingly.

To demolish the "institutionalization" pillar, preventing corrupt acts to occur in the first place should always be a priority. Many small and seemingly insignificant corrupt acts may later on turn into serious offences if they are perpetrated frequently. Periodical reviews of the existing structures and process within an organization must be performed to ensure that no part of organizational operations constitutes corruption. Should any part of the operation be found to be of corrupt nature, it must be erased from organizational memory immediately. This includes identifying unofficial practices by organization members outside the formal structure as part of daily operations. Regardless of the resistance, routinized corrupt acts must be explicitly sanctioned so as to create a deterrence effect for organization members.

Eliminating the "rationalization" pillar requires neutralization of denials through education and communication of policies and responsibilities and ethical codes of conduct. Communication of explicit and detailed job descriptions and ethical codes of conduct clarifying roles and responsibilities and clearly delineating acceptable behavior from unacceptable behavior can be used to counter denials of legality and responsibility (Smith, 2015). Employees are more likely to adhere to policies and ethical codes in carrying out their responsibilities if the remuneration received is commensurate with their specified duties (Smith, 2015). Furthermore, the risk of employee theft, fraud and other dysfunctional behavior is reduced in the absence or diminution of financial pressures faced by workers (Smith, 2015). Educating organization members on the principles of right and wrong, justice and fairness and raising awareness of the cost to individuals and society of corruption and other misconduct aids elimination of denials of "injury and victim"; "social weighting"; "appeal to higher loyalties", "metaphor of the ledger" and "refocusing attention".

The third level of Kohlberg's (1981; 2008) moral development framework can be used as a reference for setting the objectives in the education programs. For example, at the end of the process organization members are expected to act not merely out of fear of punishment or expectation of rewards but out of their awareness of the principles of choice based on logical universality and consistency to avoid self-condemnation. Such programs may take a long time to complete and the role of leaders in setting examples should be at the core of the process. Some "cultural shocks" may be administered to shape organization members' schemata to conform to the ideals of an accountable organization. Smith argued that a principle way anti-corruption strategy can be enhanced is by fostering anti-corruption attitudes and practices within organizations and among individuals such as through multi-faceted education and awareness campaigns in concert with the development of policies and guidelines for ethical behavior (Smith, 2015).

The "socialization" pillar requires a special approach to counter. This is mostly due to the fact that embedding corruption into people's individual schemata is generally a delicate and subtle process that when completed will require an equally complex process to reverse the result (Prabowo and Cooper, 2017). This signifies the roles of leaders in an organization as the role models for organization members in responding to corruption. Morally sound organization leaders should proactively approach their subordinates to assess and shape their attitudes toward corruption. When high tolerance to corruption among subordinates is identified, actions must be taken immediately. For this, leaders should set good examples as part of the efforts to embed honesty and accountability into organization members' individual schemata. Observing their leaders behaving honestly and fairly will provide organization members with a new set of memories that will hopefully overwrite the pre-existing memories on corrupt acts.

According to a group of auditors from the Supreme Audit Board (BPK)[4] in a focus group discussion organized by the first the author, over the years, there have been efforts to de-normalize the corruption culture within public institutions in Indonesia (Rizki *et al.*, 2015). For example, in 2010, the President of Indonesia issued the Presidential Regulation of The Republic of Indonesia Number 81 Year 2010 on The Bureaucratic Reform Grand Design 2010-2025 as part of the efforts to develop clean, efficient, effective and productive bureaucracies in Indonesia (Kasim, 2013, p. 19). This regulation marked the seriousness of the Indonesian Government in formalizing their efforts to tackle various issues related to the lack of transparency and accountability within Indonesian public institutions. Among the aims of bureaucratic reform is to free the government from corruption, collusion and nepotism. However, according to the BPK auditors, generally much of such efforts are nothing more than a formality without significant actual changes in mindsets and attitudes resulting in little or no success (Rizki *et al.*, 2015). Regarding bureaucratic reform in Indonesia, Kasim (2013, p. 19) argued that:

> The question is, will this bureaucracy reform effort be able to improve the performance of government's bureaucracies in delivering public services and citizen empowerment? If we compare the essence of the problems faced by the bureaucracy with the scope of bureaucracy reform effort, it is obvious that the effort is not adequate because it focuses mainly on the implementation of the existing rules and regulations. The effort unfortunately still reflects what government wants to do, based on the existing law, and focuses on the implementation of the existing policy. In other words, it is not about the change of mindset or harmonization of policy contents, rules or regulations.

Fine examples of efforts to bring down the corruption normalization structure are those of the current governor of Jakarta, Basuki Tjahaja Purnama (popularly known as Ahok). As his inauguration in November 2014, Ahok has demonstrated a very different approach in managing Jakarta. He was inaugurated as the new governor of Jakarta by his predecessor, Joko Widodo, who had earlier left his position to the latter after he was elected as Indonesia's seventh president (Wardhani, 2015). There have been more than a few times when Ahok demonstrated hostility toward his subordinates who allegedly committed misconduct. Despite the controversy, he has been viewed by many as attempting to create a hostile environment for corruption and misconduct in his provincial government. Publicly scolding and threatening subordinates is a common practice for Ahok since when he was still the deputy governor of Jakarta with Joko Widodo as the governor (Elyda, 2014). Ahok also regularly uploaded video recordings of all meetings on YouTube to boost city administration transparency (Elyda, 2014).

Many have criticized Ahok for his hot temper and for his habit of issuing verbal threats to those he considered as doing misconduct or not doing their jobs well enough. However, a

similar style of leadership had been practiced by Ali Sadikin, the Governor of Jakarta in 1966-1977. Ali Sadikin went even further by giving real physical threats to those who he considered as engaging in misconduct or causing inefficiency (Fadillah, 2012; Tempo.Co, 2014). For example, at one time, Ali slapped a private contractor in the face (literally) for failing to meet the initial deadline in a government project (Fadillah, 2012; Tempo.Co, 2014). Ahok, on the other hand, uses a "softer" approach by demoting a number of his agency's heads for poor performance (Wardhani, 2015). This has caused tensions between him and his subordinates and even with the City Council (Wardhani, 2015). Regardless of the controversy, Ahok's approach in dealing with misconduct and low work performance serves as a form of "shock therapy" in particular to public officials in Jakarta so as to re-shape their schemata to be more intolerant of corruption.

Garbage in garbage out
Occupying positions in public institutions has been seen as a symbol of prestige by many Indonesians. Almost every year many college graduates compete in civil servant recruitment and only a small percentage of them will get jobs in the government. This is believed to have contributed to the high demand for civil servant positions in the government. In fact, evidence suggests there is even an underground market for those who are willing to pay a huge amount of money to succeed in civil servant recruitments (Kristiansen and Ramli, 2006). The new civil servants who obtain their positions by bribing the recruitment committee, recouping their "investment" in turn by, among other things, accepting bribes from various sources (Kristiansen and Ramli, 2006). This will then create deviant a culture or sub-culture within public institutions that becomes a fertile ground for corruption to grow and flourish in the government. Even for those who are already employed, to get promoted to higher positions often requires unlawful payments to senior public officials. For example, according to an Indonesian civil servant (Budiman *et al.*, 2013, p. 144):

> It is quite simple actually. To be able to occupy a position as a treasurer, which involved lots of work related to project aid development, an employee had to be ready to buy that position through bribery instead of getting it through a career promotion. Therefore, in their minds only someone who was ready to buy the position and to be involved in manipulations of the red-tape aid through price markups would get this position.

According to a 2015 study by Ernst & Young on Asia Pacific countries (including Indonesia), the majority (78 per cent) of respondents said that they do not want to work for organizations involved in bribery and corruption (Ernst & Young, 2015, p. 4). This suggests that organizations with a corrupt culture may be judged negatively by potential employees especially those with skills and integrity. On the other hand, those who already embrace corruption as part of their mental schemata may be attracted to work at organizations that share similar schemata. In other words, corrupt organizations attract corrupt employees. To prevent corruption from regenerating over time, it is important for public institutions to have transparent recruitment and promotion mechanisms to ensure that only qualified candidates with high integrity will be used or will receive promotions.

Managing societal schemata
Just as individual schemata are influenced by organizational schemata (culture). An organization's way of perceiving its environment is also influenced by the societal schemata (culture). As a construct formed and hardened throughout generations, changing societal schemata is a very difficult task. Unfortunately, in countries such as Indonesia, societal

schemata have been contaminated by corruption normalization (i.e. from the New Order regime) so that people do not see corruption as an aberration but as a norm. For example, based on a study by Transparency International Indonesia in 2012, approximately 50 per cent of the surveyed youths and 51 per cent of the surveyed adults in Indonesia believed that lying is considered wrong unless it is for the purpose of helping families or to get out of tight situations (Transparency International Indonesia, 2013, p. 5). The study demonstrates the low quality of Indonesian people's moral schema. Government can manage societal schemata by means of embedding extensive moral education into the formal education processes in schools and universities. But first, government needs to ensure that education institutions themselves are free of fraud and misconduct. According to Transparency International (2013, pp. 15-20):

> Children who are confronted by corruption and a disregard for human rights in their early childhood and within their schools may not develop an appropriate sense of dignity, integrity and respect for human rights. They may become accustomed to corruption and the disregard of human rights, and consider these practices a natural part of social interaction [. . .] Corruption in education is particularly harmful in that it normalizes and breeds a social acceptance of corruption at the earliest age. As young people rarely have the ability to question the rules of the classroom, they can internalize corrupt views of what it takes to succeed, and carry these forward into society. When this becomes a social norm, its cycle begins anew in each generation.

Instilling sound morality into societal schemata can be carried out through various means other than formal education. For example, in response to rising attacks on the KPK, there have been movements among the Indonesian artists in the forms of exhibitions and performances that convey messages about anti-corruption to support the commission. According to the former Director of the Wollongong City Gallery NSW, Mr Peter O'Neill, in a discussion with the first author, art can be a powerful tool to convey messages to the society (O'Neill, 2015). According to Mr O'Neill, activities such as art exhibitions can serve as a medium for a society to have a "conversation" with itself (O'Neill, 2015). To ensure the effectiveness of such events, strong networking and community participation is essential to the process (O'Neill, 2015).

In terms of raising public awareness on corruption, Smith (2015) argued the publication of the benefits of, and compliance with, anti-corruption policies among the public sector, the business sector and the general public may contribute to the prevention of corruption in a country. To garner public confidence, government must take prompt actions to detect, investigate and prosecute corrupt acts and also publicize the outcomes of the investigations as well as sanctions involved (Smith, 2015). The current state of the Corruption Eradication Commission (KPK) raises concerns among anti-corruption scholars and professionals (Bayuni, 2012; Prabowo, 2015b). In addition to various fierce attacks on the commission and its members, the KPK has always been known to be underfunded and understaffed which makes it very difficult to solely hold the responsibility for eradicating corruption in the country. The South Australian Independent Commissioner Against Corruption, The Hon Bruce Lander QC, in a discussion with first the author, advocated the importance of the support from the government in the form of sufficient funding and staffing to ensure the effectiveness of a country's anti-corruption agency (Lander, 2015)[5]. For future improvement, the Indonesian Government should demonstrate its support of the KPK by arming the commission with sufficient funding and staffing to carry out its duties and responsibilities. Former Vice Chief of Hong Kong's Independent Commission Against Corruption (ICAC), Tony Kwok, said that the attacks on the KPK were part of the process of eradicating corruption in Indonesia, recalling that the ICAC endured similar challenges circa 1977 (Prabowo, 2015b).

For decades, the ICAC has been considered as a success story in corruption eradication. Various studies have shown how it has transformed a corrupt nation into one of the cleanest societies in the world (Gong and Wang, 2013; Snell and Herndon, 2000; de Sousa, 2010; Matei and Matei, 2011). This success has often been attributed to the ICAC's ability to investigate and to bring corrupt officials to justice. However, the authors believe that ICAC's true achievement was its success in changing the Hong Kong public's attitude toward corruption (Prabowo, 2015b). A study by Gong and Wang (2013), for example, revealed that university students in Hong Kong generally had a low level of tolerance for corruption, which is consistent with the region's image as a clean society. Young people's low tolerance of corruption will reduce the chance for corrupt leaders to emerge in the future (Prabowo, 2015b). With extensive collaboration with public institutions, the ICAC has been able to make corruption repugnant and irrational in the eyes of the people, thus creating a hostile environment for the offenders (Prabowo, 2015b). Learning from the experience of the ICAC, the KPK may seek to improve its performance by prioritizing not only investigation and prosecution but also efforts to ensure that corruption will not regenerate over time by empowering and mobilizing the public in its corruption-eradication initiatives.

Do it right, do it "SMART"

Combating corruption is a long journey on an uphill slope. However, even the longest journey needs a destination to look forward to. In the world of corruption eradication, having a means to measure our progress is essential for evaluating and refining our current strategies. In a discussion with the first the author, Smith argued data management is essential in combating crimes including corruption (Smith, 2015). According to Smith, Australian public institutions have an administrative culture that values the importance of data management which enables various evaluations regarding their performance to be carried out more accurately (Smith, 2015). Just as with other projects, corruption eradication must be conducted in a specific, measurable, attainable, relevant and timely (SMART) way (Whited, 2008; Subrt and Brozova, 2012; Prabowo, 2013). "Specific" means there is a clear goal for every corruption eradication initiative (Prabowo, 2013). The initiatives must also be "measurable" so that we know whether or not the predetermined objectives have been achieved (Whited, 2008; Subrt and Brozova, 2012; Prabowo, 2013). With regard to the existing resources and limitations, each program must be formulated with a goal that is "attainable" to those who will execute it (Whited, 2008; Subrt and Brozova, 2012; Prabowo, 2013). "Relevant" means each anti-corruption initiative is related or connected to the current situation or problems so that it will not end up as a waste of resources. Finally, there should be a clear "timeline" for the achievement of every anti-corruption objective (Whited, 2008; Subrt and Brozova, 2012; Prabowo, 2013).

Directions for further studies

So far as behavioral science development is concerned, we are still far from truly understanding the schemata transformation that sustains the growth of corruption in a country. As discussed above, the three decades of schemata engineering during the New Order era resulted in a corrupt culture seemingly resilient to changes. The discussion in this paper addresses various behavioral issues of corruption from the perspectives of the Schemata Theory, the Corruption Normalization Theory and the Moral Development Theory. The discussion in this paper offers a new perspective in understanding corruption in the Indonesian public sector by highlighting the behavioral roots of the problem. Future studies will be conducted to establish a solid

foundation for designing effective anti-corruption measures capable of gradually changing even a three-decade-old societal schema. Among the important issues worthy of exploration in future studies include:

- Methods used by various public institutions in Indonesia to embed corruption into their structure and formal procedures and how to neutralize them in the long run.
- Social, cultural and historical factors underlining the various types of denials used by civil servants and public officials in Indonesia and the effective ways to diminish their negative impacts on societal, organizational and individual schemata.
- Human interactions within public institutions and their impacts on organization members' perception toward corruption.
- Methods to educate young generations to prevent corruption from residing within their individual schemata.
- The roles of each society group in bringing down the normalized corruption in Indonesia.
- Formalized and agreed upon methods to evaluate schemata oriented anti-corruption measures.

Most of these issues require in-depth investigation into the day-to-day activities and interactions within public institutions in which researchers may face challenges in seeking to protect the confidentiality of informants but at the same time gaining in-depth knowledge on their behavior and social interactions. Therefore, collaboration between academics and practitioners may help to provide access to relevant sources of information for research purposes whose outputs can then be used to formulate problem oriented policies and strategies.

Conclusion

Corruption is a global problem, and no country is immune to it. What differentiates one country from another is the level of prevalence of corruption and the readiness in eradicating it (Ochulor, 2011, p. 223). As a centuries-old, complex and multidimensional problem, corruption requires a multidimensional approach to address its eradication. With its secrecy and the lack of immediate visible victims, detection and prosecution can be a challenging task (Palmier, 2006, p. 147). As portrayed by the Transparency International's Corruption Perception Index and other studies, corruption in Indonesia remains pervasive throughout governments. Part of the failure to effectively address the problem is the lack of awareness of the multidimensional nature of corruption. As a consequence, resources allocated for investigations and prosecutions see little or no success in preventing the continued flourishing of corruption in the country. By using three behavioral lenses (the Schemata Theory, the Corruption Normalization Theory and the Moral Development Theory), this paper discusses potential means to address the corruption problem especially within Indonesian public institutions.

Using the analogy of the Greek mythology of Hercules, corruption can be seen as the multi-headed monster, the Hydra, which was eventually slain by the hero. Killing the Hydra was anything but easy even for the mighty Hercules as each time one of its heads was cut off two grew in its place, making it virtually impossible to kill the monster using conventional means. Hercules was finally able to kill the monster after Ioalus helped him by burning

Hydra's headless tendons to prevent its heads from regenerating. In combating the Hydra-like corruption in Indonesia, despite the existing anti-corruption laws and an anti-corruption commission (KPK), it is going to take all of the people in the country to keep the monster from growing its heads back. An understanding of how societal, organizational and individual schemata work in Indonesia is a fundamental basis for formulating an effective strategy to eradicate corruption by removing its "regenerative healing factor". Once corruption loses its ability to regenerate, it will become "killable" and with sufficient efforts, eradicating it will only be a matter of time. Support from all elements of society is indispensable in ensuring that corrupt acts are no longer accepted as a norm but as an aberration that needs to be contained and eradicated.

Notes

1. Prabowo and Cooper (2017). Re-Understanding Corruption in the Indonesian Public Sector through Three Behavioral Lenses. *Journal of Financial Crime.*

2. In an organization, an individual may find his or her identity to answer the question of "Who am I?" (Ashforth & Mael, 1989, p. 22). Nevertheless, an individual's social identity is derived not only from his or her workplace but also from other environments such as family, union, lunch group, age cohort, fast-track group, just to name a few (Ashforth & Mael, 1989, p. 22). Referring to the concept of "particularism and universalism", an individual may deliberately compartmentalize their identities so as to be able to fit well in different environments (Ashforth & Anand, 2003; Ashforth & Mael, 1989; Settles *et al*., 2002). This apparently extends to their attitude toward fraud which explains why some people appear honest in one environment (e.g. family) but are condoning fraudulent acts in another (e.g. workplace).

3. With regard to the rampaging corruption in the New Order era, the authors believe that the problem was not on the Javanese culture itself but rather on Suharto's way of interpreting it. For example, Irawanto *et al*. (2011, p. 129) argued that the Javanese believe strongly that it is wrong to focus life only on materialistic objectives. This is somewhat contradictory to Suharto's quest for power and wealth throughout his life. In second the author's experience as a Javanese, the traditional Javanese culture is full of noble teachings (e.g. loyalty, honesty, responsibility, humility) about being a good person that, if properly practiced, will actually promote a corruption-free society. Sutarto (2006, p. 39) was of the opinion that being a true Javanese means being someone who is *berbudi bawa leksana lan ngudi sejatining becik* (being wise and continually striving to do good in life). The authors believe that whereas Suharto demonstrated obedience to the Javanese tradition on matters related to power accumulation, he appeared to have abandoned other parts of the tradition related to being an honest and accountable person. The ideology of a peaceful life as the core of Javanese values (Geertz, 1956; Irawanto *et al*., 2011), for example, have been misunderstood and misapplied by Suharto by curbing criticism to the New Order regime by unlawful means to create an impression that people were living a peaceful life.

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About the authors
Hendi Yogi Prabowo is the Director of the Centre for Forensic Accounting Studies (CFAS) at the Islamic University of Indonesia Yogyakarta. He obtained his Masters and PhD in Forensic Accounting from the University of Wollongong Australia. Hendi Yogi Prabowo is corresponding author and can be contacted at: hendi_prabowo@yahoo.com

Kathie Cooper is an Associate Professor at the School of Accounting, Economics and Finance, University of Wollongong Australia. She is the Coordinator of the Master of Forensic Accounting program at the University of Wollongong Australia. She obtained her PhD in accounting from the University of Wollongong Australia.

Jaka Sriyana is a Lecturer at the School of Economics, Islamic University of Indonesia. He obtained his PhD in Economics from the Universiti Kebangsaan Malaysia (UKM).

Muhammad Syamsudin is a Lecturer at the Faculty of Law, Islamic University of Indonesia. He obtained his Doctorate in law from the Diponegoro University, Semarang, Indonesia.