Motives and Likelihood of Bribery: An Experimental Study of Managers in Taiwan

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Many studies of bribery acknowledge the important role of bribe-givers, but their true motives remain unclear. We propose that the likelihood of bribery depends on the willingness of an organization to affiliate with local parties or to be successful in a host country, or to have power over local parties. We further argue that different opportunities, either pervasive or arbitrary, facilitate different types of motives that affect the likelihood of bribery. In addition, we investigate the effect of perceived fairness on the likelihood of bribery. We employ a 3 (motives: affiliation vs. achievement vs. power) × 2 (opportunities: pervasiveness vs. arbitrariness) × 2 (perceived fairness: high vs. low) factorial design in experimental settings among Executive MBA students in southern Taiwan. Our findings indicate that, when companies perceive a higher level of distributive fairness, high-achieving organizations are more likely to offer a bribe when the condition is pervasive. When they have a powerful motive, arbitrariness engenders a higher likelihood of bribery. When they perceive less distributive fairness, there are no significant differences between motive and opportunity.

Keywords: motives to bribe, arbitrariness, pervasiveness, perceived distributive fairness, and likelihood of bribery

RESEARCH BACKGROUND

Reports from international institutions and academic studies frequently observe that the enormous volume of bribery negatively affects local economies. According to Daniel Kaufmann, director of the World Bank Institute of Global Governance, a conservative estimate of the total bribery around the world is $1 trillion with a total cost of more than 5% of global GDP ($2.6 trillion). Therefore, because bribery is a threat to civil society (Lambsdorff, 1998), reducing this behavior has become a priority for many national governments, international intergovernmental bodies, nongovernmental organizations, trade associations, and business organizations (Sanyal, 2005).

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Bribery has many pernicious effects. Bribery adds unpredictability, as well as higher costs, to the business environment (X. Wu, 2009). Bribery discourages efficiency because the size of the bribe is used as a parameter to compare the price and quality of the goods and services supplied (Cleveland, Favo, Frecka, & Owens, 2009). As a result, the quality of the products and services supplied may be substandard because the business often has to make up the cost of the bribe by reducing quality. The equity perspective argues that bribery may limit the government's ability to impose fair taxes on small and big businesses (Gray & Kaufmann, 1988). Bribery may also blur the distinction between legal and illegal behavior, and thus undermine the legitimate economy (Cleveland et al., 2009).

Although most studies address bribery from the official perspective (i.e., the demand side), the existence of business practitioners as suppliers of bribes is also important (Sanyal & Guvenli, 2009). For example, following prosecution, the German electrical and electronics conglomerate Siemens identified more than US$2 billion worth of suspicious transactions between 2000 and 2006. The company was fined US$306 million for bribing government officials in Nigeria, Russia, and Libya to win business contracts (Esterl, 2008).

More important, prior studies do not clearly explain why organizations engage in bribery, or investigate their motives in offering bribes. Previous studies propose that motives for organizations to bribe are based on cultural issues, such as *guanxi*—interpersonal connections that create obligations for the continued exchange of favors (e.g., Gao, 2011; Steidlmeier, 1999), collectivism (Mazar & Aggarwal, 2011)—or economic benefits (e.g., Powpaka, 2002; X. Wu, 2009). However, these studies do not clearly relate basic motives to existing motivation theory (Mayer, Faber, & Xu, 2007). We contribute to the bribery literature by using three motives—affiliation, achievement, and power (e.g., Hofer et al., 2010; McClelland, 1987) to examine the underlying motives of organizations for engaging in bribery.

Although motivation is the primary driver for organizations to engage in bribery, MacInnis and Jaworski (1989) propose that the direct effect of motivation depends on the level of opportunity the environment provides. This begs the question of what kind of environment is conducive to facilitating bribery. An environment either pervasive or arbitrary (S.-H. Lee, Oh, & Eden, 2010; Rodriguez, Uhlenbruck, & Eden, 2005) could affect the likelihood to engage in bribery. Further, do pervasive or arbitrary conditions facilitate different bribery motives which will heighten the likelihood of bribery?

In addition, few studies discuss the role of bribe-givers' perception of whether local officials will reciprocate bribes as expected. As noted by Herrera and Rodriguez (2003), firms have a greater tendency to pay bribes when they believe that local officials will deliver the public services promised. According to justice theory (Deutsch, 1985; Greenberg, 1987), the perception that each party exchanges resources and receives rewards as promised represents distributive fairness. Thus, we argue that firms' perception that local officials will reciprocate a bribe payment with the expected services has direct and interactional influences on the likelihood of the organization to offer a bribe.

We contribute to the bribery literature in four areas. First, we address bribery from a motivational perspective. Based on the motivation theory (Atkinson, 1964; McClelland, 1987), we investigate whether firms engage in bribery activities through their agents because they have a strong motivation to do so. Second, previous studies mainly discuss the issue from a public official perspective (e.g., Barr, Lindelow, & Serneels, 2009; Rodriguez et al., 2005) and firm perspective (Martin, Cullen, & Parboteeah, 2007; X. Wu, 2009), without considering the magnitude

of the benefits gained by each side of such transactions. By using justice theory (Deutsch, 1985; Greenberg, 1987), we expect to bring a new perspective to bribery literature. Third, few studies empirically examined bribers' perceptions of whether (e.g., Herrera & Rodriguez, 2003) local public officers will deliver. Finally, we develop new research items of bribery motivation, opportunity, and amount, which could be very useful for future studies when they address similar issues.

LITERATURE REVIEW

Bribery

Bribery is defined as "the offering, promising, or giving of something in order to influence a public official in the execution of his/her official duties" (OECD, 2000). A bribe is a payment, in money or in kind, that involves a reciprocal obligation and aims to induce the unethical behavior of the person receiving the bribe (Rose-Ackerman, 2002). Bribes can take the form of money, other pecuniary advantages (such as a scholarship for a child's college education), or nonpecuniary benefits, such as favorable publicity (Sanyal, 2005). In the international context, bribery involves a firm from Country A offering financial or nonfinancial inducements to officials of County B to obtain commercial benefits.

Steidlmeier (1999) proposed that there are three types of gift giving in the Chinese context— namely, commission, gratuity, and bribery—and bribery emerges as being extremely complex when compared with commission and gratuities. There is no difference in the *means* and *consequences*, but in the *intention* of those who are involved, conditioned by *conscience* and *effective freedom* (Steidlmeier, 1999). Consistent with this view, we assert that bribery occurs because one party expects to gain a particular thing (e.g., a good project in the host country) by offering some reward (financial or nonfinancial) to local public officers.

MOA Theory and Bribery

MOA (motivation, opportunity, and ability) theory posits that the behavior of individuals depends on three elements: motivation, opportunity, and ability (MacInnis, Moorman, & Jaworski, 1991). MOA theory was originally developed to measure the effectiveness of marketing communication and has been applied in many different contexts, including bribery (W.-Y. Wu & Huang, 2011). Different from that, we manipulate 12 different scenarios of an experiment to indicate the likelihood of an organization to engage in bribery activities based on the developed scenario.

Motivation is a goal-directed arousal (Park & Mittal, 1985). It is generally viewed as being a force that pushes humans toward a goal (MacInnis & Jaworski, 1989; Wayne & MacInnis, 1997). Motivation is defined as a party's willingness (Roberts & Maccoby, 1973) or interest (Celsi & Olson, 1988) to engage in a particular action. Previous studies propose that organizations' motivation to bribe is multidimensional. For example, Sanyal (2005) proposed that bribery is determined by economic and cultural motives. Bribery for economic motives primarily occurs in countries with low per capita income and less disparity in income distribution, whereas bribery for cultural motives exists in high power distance and high masculinity countries. Different from these studies, we adopt motivational theorists' so-called big three motives to bribe (Hofer et al.,

2010), which are being affiliated with local public officials (Ainsworth, Blehar, Waters, & Wall, 1978; McClelland, 1987), being successful in foreign business (achievement; e.g., Atkinson, 1964; McClelland, 1961), and having power over local public organizations (e.g., McClelland & Watson, 1973; Winter, 1973). According to MacDonald (1991) and Winter (1996), these three motives serve to enhance personal survival and reproductive success and are relevant for use in the international business context.

According to McClelland (1987), an affiliation motive is "establishing, restoring, or maintaining a close, warm, friendly relationship with another or others" (p. 346). The desire to form relationships with others is a basic human need (e.g., Ainsworth et al., 1978), expressed in kinship and friendship (e.g., Trinke & Bartholomew, 1997). Consistent with O'Connor and Rosenblood (1996), the affiliation motive may depend more on the person with whom we are affiliated rather than how long we are affiliated. In the context of international business, having a warm and close relationship with local public officials may be dressed up in the guise of *guanxi* (Lovett, Simmons, & Kali, 1999; Su & Littlefield, 2001).

The early development of the achievement motive can be conceptualized as being a unitary disposition within a person, which motivates him or her to face challenges in order to attain success and excellence (e.g., Atkinson, 1964; McClelland, 1961). The concept further identifies the achievement motive as being expressed by behavior such as undertaking a difficult job, facing uncertainty, or being tolerant of ambiguity (Sagie & Elizur, 1999). We adopt the first concept, that the achievement motive is primarily satisfied by an intrinsic sense of success rather than extrinsic rewards (Atkinson, 1964; McClelland, 1961). In the context of international business, successfully conducting business in a foreign country is an example of the achievement motive.

The power motive drives individuals' "desire to impact, control, or have influence over another person, group, or the world at large" (p. 4), and the need to attain a position of social power (Winter, 1973). According to McClelland (1970) and Winter (1973), there are two types of power motives, namely, the socialized (pro-social, socially appropriate) and the personalized (antisocial, profligate, impulsive). When acting from socialized motives, people or organizations tend to engage in more responsible forms of impact seeking to promote the benefit of others, such as holding an office in an organization (McClelland & Boyatzis, 1982) or helping other people to flourish (Hofer, Busch, Chasiotis, Kärtner, & Campos, 2008). By contrast, when acting from personalized motives, people seek to have a socially irresponsible and egoistical impact, such as dominating or exploiting others (Hofer et al., 2010). We focus on the personalized, in which an organization may engage in risky behavior or bribery.

Opportunity

Opportunity is defined as the extent to which a situation is conducive to achieving a desired outcome (Gruen, Osmonbekov, & Czaplewski, 2007) through bribery. MacInnis and Jaworski (1989) outlined several situational factors, such as the time available or weak regulations, all of which can either aid or impede the effectiveness of bribery. According to Rodriguez et al. (2005), there are two key dimensions that differentiate the opportunity to bribe across countries—pervasiveness and arbitrariness. Pervasiveness is the average firm's likelihood of encountering corruption in its normal interactions with state officials (Rodriguez et al., 2005). More than this, pervasiveness captures the degree to which a firm is obliged to consider bribery, because their legitimacy based

on complying with bribery in contexts where it is broadly diffused (Oliver, 1991). Carmichael (1995) also noted that, in certain countries, bribery is part of the normal range of transactions necessary to initiate or complete business activities. Similarly, Sanyal (2005) argued that, even though it is morally wrong, the feeling that "everybody does it" induces firms to bribe local officials.

Arbitrariness is the inherent degree of ambiguity associated with bribery transactions in a given nation or state (Rodriguez et al., 2005). Where bribery is arbitrary, laws and informal policies may be subject to capricious and varied interpretation (Ahlstrom & Bruton, 2001), or overlapping and tenuous jurisdictions may lead to ineffectual bribes (Oldenburg, 1987). Firms are unlikely to achieve legitimacy by engaging government officials in an arbitrarily corrupt environment (Oliver, 1991). As reported by Gray and Kaufmann (1998), weak legal institutions and ambiguous regulations increase the likelihood that firms doing business in Latin America will engage in bribery. Similarly, Cuervo-Cazurra (2008) pointed out that weak and ambiguous laws lead to bribery behavior becoming institutionalized. In summary, pervasiveness and arbitrariness reflect how conducive an environment may be with regard to creating opportunities for foreign firms to engage in bribery.

Distributive Fairness

The field of organizational fairness began to develop in the 1960s, when Adams (1965) introduced his equity theory. This theory posits that people compare their own input/outcome ratio to other people's input/outcome ratio in order to assess what Adams called distributive fairness. If the ratios are unequal, inequity is perceived and people will leave the relationship. According to *fairness heuristics theory* (e.g., Lind, 2001; Lind & Van den Bos, 2002), people use fair judgments as cognitive shortcuts that can help them to decide how to act. The theory stresses the role of information availability, because when information is not available, people will use other information to assess what is fair and how to react to the situation (Van den Bos, 2001). In the context of bribery, the decision of whether to cooperate, and thus engage in bribery, is a crucial one, particularly when the organization has no prior experience. In this situation, the organization will gather all related information, especially from business colleagues who have engaged in bribery, to determine whether they have received fair treatment from local public officers. The perceived distributive fairness formed by a heuristics process guides the organization to decide whether they will engage in bribery. Based on that, we define distributive fairness as the extent to which a focal organization perceives fairness based on the available information to mitigate the outcomes uncertainly delivered by another party.

HYPOTHESES DEVELOPMENT

To maintain friendships and reduce hostility, many organizations have engaged in bribery by giving something the recipient will appreciate (Steidlmeier, 1999). This motive is initially based on reciprocal favors and gift giving (Steidlmeier, 1999), and the gift giving may then evolve into a more complicated relationship that facilitates bribery. This behavior has been observed in the public sector in China, where bribes to predatory officials may be dressed in the guise of *guanxi* (Lovett et al., 1999; Su & Littlefield, 2001).

Striving for achievement is expressed by behavior such as making a difficult decision or facing uncertainty (Epstein & Harackiewicz, 1992; C. Lee, 1992). In the context of international business, an organization with the motive of achievement has greater satisfaction when it operates successfully in the foreign market, regardless of the unethical behavior it may engage in (Rose-Ackerman, 1999). Its strong achievement orientation and the need to be praised for what it has achieved induces some organizations to engage in bribery (Rosenfeld & Messner, 1997).

Organizations with money have power over others (Srivastava, Locke, & Bartol, 2001), and this power is exchanged when they pay bribes to predatory officials. As reported by Powpaka (2002), firms pay bribes in order to overcome local pressures (Atkinson, 1957), and to obtain commercial benefits (Sanyal, 2005). Similarly, Rose-Ackerman (2002) also reported that paying bribes is an effective way to influence local officials, as well as reduce pressure on a firm's foreign business. In both cases, firms obtain power from officials by paying bribes to strengthen their position in the local market.

Although each of the three motives contributes to the organizational likelihood of bribery, we further argue that the affiliation motive generates a lower likelihood. The need to affiliate is no more than organizational initiatives to develop new relationships or maintain existing ones (Gao, 2011; Su & Littlefield, 2001). Consequently, the level of likelihood of bribery is not as high as the two other motives. By contrast, having a motive to achieve could induce an organization to engage in bribery because it places more value on the level of success (Rose-Ackerman, 1999). Moreover, when a firm realizes that being successful in a foreign country involves costs, and greater future profits could minimize the risk of engaging in bribery activities (Svensson, 2003). Similarly, the need to influence officials increases organizations' likelihood of bribery because they have greater tendency to engage in risk-seeking behavior (e.g., McClelland & Watson, 1973; Winter, 1973). Therefore,

H1: The likelihood of bribery is higher when the organization has achievement and power motives rather than affiliation.

Sanyal (2005) argued that, even though it is morally wrong, the feeling that "everybody does it" induces firms to bribe local officials. Firms may achieve legitimacy by complying with bribery in contexts where it is broadly diffused (Oliver, 1991). Moreover, X. Wu (2009) also argued that firms often have no choice but to make unofficial payments to local officials for their services. In general, pervasiveness is an externally driven condition, which may induce an organization to engage in bribery. In the case of arbitrariness, weak legal institutions and ambiguous regulations increase the likelihood that firms doing business in Latin America will engage in bribery (Gray & Kaufmann, 1998). Similarly, Cuervo-Cazurra (2008) pointed out that weak and ambiguous laws lead bribery to become institutionalized. According to Rose-Ackerman (1996), officials may create favorable regulations and rules that may facilitate particular organizations to operate smoothly in their country. In this context, an organization has various incentives to pay bribes, including for rapid approval of registration permits or licenses (X. Wu, 2009).

We argue that there is greater incentive to bribe under arbitrary conditions than under pervasive conditions. When "everybody does it" (Sanyal, 2005), an organization tends to bribe to fulfill business norms in a particular country. Thus, the likelihood of bribery is more or less average. However, when an organization realizes that it can get fast approval or win governmental bidding due to ambiguous regulations, its likelihood of bribery is even higher because of the high level of certainty that it will receive what it has paid for. Therefore,

H2: The likelihood to engage in bribery activities is greater when the company perceives the environment is arbitrary rather than pervasive.

According to the fairness heuristics theory (e.g., Lind, 2001; Lind & Van den Bos, 2002), an organization has a greater tendency to bribe when available information indicates that the other party (officials) will reciprocate its bribery fairly. Empirical evidence gathered by Herrera and Rodriguez (2003) indicates that an organization is highly likely to pay a bribe when it knows the size of the bribe in advance and believes that the service for which the bribe is offered will be delivered when the bribe has been paid. Similarly, Abbink, Irlenbusch, and Renner (2002) indicated that the frequency and amount of bribery depends on how the briber perceives the recipients' willingness to reciprocate. On this basis, we argue that an organization's likelihood of bribery is greater when it perceives greater distributive fairness. Thus,

H3: The higher perceived distributive fairness with regard to the bribe, the greater the likelihood to engage in bribery activities.

The previous discussion indicates that achievement and power motives generate greater likelihood for an organization to bribe. We further argue that different environmental opportunities will interact with different motives. For an organization with an achievement motive to be successful, it needs to follow social norms (Sanyal, 2005) and gain legitimacy similar to others (Oliver, 1991). Consequently, an achievement-driven organization has a greater tendency to engage in bribery when "everybody does it" (Sanyal, 2005). Despite the fact that it has no choice but to make unofficial payments to predatory officials (X. Wu, 2009), it will have opportunities equal to those of other organizations that already engage in bribery. Similarly, when it perceives that the other party will reciprocate its bribe fairly, an organization with an achievement motive tends to be more likely to bribe.

By contrast, a power-oriented organization is highly likely to engage in risk-seeking behavior (e.g., McClelland & Watson, 1973; Winter, 1973), such as reinterpreting existing regulations because of the interpretatory power of predatory officials (Rodriguez et al., 2005). Because there is no standard interpretation of available regulations, the desire to impact and influence others will be realized when it has the ability to reinterpret based on its own interests. In a similar manner, an organization with a power motive tends to increase its likelihood of bribery when all the available information indicates that officials will reciprocate its bribery fairly. Therefore,

H4: An organizational motive interacts with perceived opportunities. Specifically, the likelihood of bribery is greater when the condition is pervasive and the organization has an achievement motive. On the contrary, arbitrary conditions lead a company with power motives to increase its likelihood of bribery compared to other conditions.

H5: An organizational motive interacts with perceived distributive fairness. Specifically, the likelihood of bribery is greater when the organization perceives fairness, and at the same time, it has either an achievement or power motive.

When everyone engages in bribery, there is no big difference whether an organization perceives more or less fairness in return for the bribe it has paid. By delivering the bribe, at least it complies with social norms when the bribery is broadly diffused (Oliver, 1991). Whether it is fair is not important, because the consequences are indispensable. On the contrary, when the regulation can be broken via bribery, the willingness to bribe will depend heavily on the organization's

perception of distributive fairness. Although predatory officials may interpret regulations in favor of the organization (Rose-Ackerman, 1996), when the information available from business colleagues indicates that the reciprocity of the invested bribery is less fair, the organization could reduce its tendency to bribe. When available information indicates the opposite perception, then the likelihood of bribery is even greater because the benefits of bribing appear to be promising. Thus,

> H6: An organization's perception of distributive fairness interacts with available opportunities. The likelihood of bribery is greater when the condition is arbitrary and the organization perceives greater fairness than any other condition.

When the organization perceives that there is high distributive fairness, the interaction between organizational motives and opportunities is similar to the previous discussion. When the organization has an achievement motive, it tends to maintain its equal opportunities (Sanyal, 2005) and generate similar legitimacy (Oliver, 1991) by paying bribes, as its competitors do. When an organization has power orientation, it will engage in risky behavior (e.g., McClelland & Watson, 1973; Winter, 1973), such as bribery, to obtain favorable treatment from its official counterparts (Rodriguez et al., 2005). Conversely, when an organization perceives less distributive fairness, there is no significant difference in the interaction between organizational motives and opportunities. This is because organizations generally tend to avoid bribery when they perceive it may not be fairly reciprocated; thus, there is no incentive to increase the likelihood of a bribe. Therefore,

> H7: There are interactions between organizational motives, opportunities, and perceived distributive fairness on the likelihood of bribery. Specifically, the likelihood of bribery is greater when the condition is pervasive, the organization has an achievement motive, and it perceives higher distributive fairness. Conversely, an arbitrary condition leads companies with power motives to increase their likelihood of bribery compared to other conditions, and at the same time, they perceive higher distributive fairness.

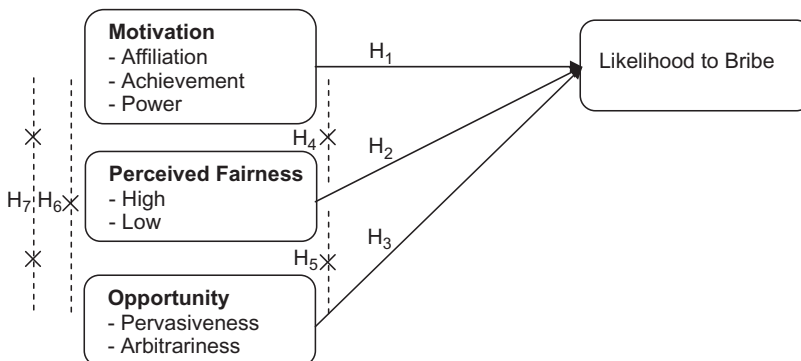Figure 1 depicts the research framework of this study.

FIGURE 1 Proposed research framework.

RESEARCH METHODS

As previously discussed, bribery issues may induce greater social desirability bias due to sensitive issues. Therefore, following many studies (e.g., Abbink et al., 2002; Barr & Serra, 2009; Barr et al., 2009), we employ an experimental methodology. It uses a factorial design involving 3 (motives: achievement, affiliation, and power) × 2 (opportunities: pervasiveness and arbitrariness) × 2 (perceived distributive fairness: high and low fairness). Prior to developing the scenarios for our study, we reviewed several bribery cases from various magazines and newspapers and discussed them with business practitioners to reflect the real conditions and experiences that they have faced. We then consulted with two professors in the field of business ethics and international business to verify that our first version of bribery scenarios was consistent with research variables that we used, and revisions were made based on their feedback. We also pretested the developed scenarios on 58 Executive MBA (EMBA) students from a public university in southern Taiwan, and the results are consistent with our expectations. Thus, we used the scenarios in Table 1 for our main study.

To check the manipulation variables, we develop six new items for each motive based on Sokolowski, Schmalt, Langens, and Puca (2000) and bribery studies (Lovett et al., 1999; Millington, Eberhardt, & Wilkinson, 2005; Sanyal, 2005; Steidlmeier, 1999). The opportunity items are developed based on Rodriguez et al. (2005) and S.-H. Lee et al. (2010), and each dimension also has six items. Finally, we develop nine items to assess the manipulation for perceived distributive fairness based on the study of Abbink et al. (2002). To measure the likelihood of bribery, we adopt five items from a World Business Environment Survey (2000) and Martin et al. (2007). These items are assessed by using 7-point Likert scales.

As discussed by Feldman and Lynch (1988), respondents may use retrieved answers to earlier survey questions as inputs to respond to later questions. Thus, to reduce the effect of self-generated validity, we follow the procedure of Podsakoff, MacKenzie, Lee, and Podsakoff (2003) by adopting a *counterbalancing question order*, with the survey questions arranged out of sequence. To maximize functional and conceptual equivalence during the translation process, the questionnaire was presented in both English and Chinese by using a double-back translation method.

ANALYSIS

The participants in this study consist of 430 EMBA students from three big universities in southern Taiwan. EMBA students appear to be appropriate participants for a bribery study because they have a minimum of 5 years of work experience and most are middle to top level managers. Our experiment employs between-subject design for exchange of an ethnic souvenir and was tested in groups ranging from 15 to 30 participants. Before they read the assigned bribery scenario, they were asked to sign a standard consent letter. After they voluntarily agreed to participate, they read the bribery scenario and gave responses on the survey items we used.

The characteristics of the respondents and the companies for which they work are as follows: There are 268 male respondents (62.20%) and 167 female (37.80%). Most are married (66.80%), are between 36 to 45 years of age (45.60%), and have obtained or are currently obtaining a master's degree (51.00%). The majority of the respondents have been working for more

TABLE 1
Scenarios for Experiment

Motives

Achievement	*Affiliation*	*Power*
Firm A, which operates in the telecommunications industry, just opened a new subsidiary in X country. As a regional leader in northeast Asia, the country manager has been targeted by the head office to be the number one player in the host country in a short time. By doing so, they will be the number one telecommunications provider in Asia.	Firm A, which operates in the telecommunications industry, just opened a new subsidiary in A country. As a new entrant, the country manager has been directed by the head office to establish as many business connections in the host country as possible in a short time. By doing so, they will have many business connections that will supply important information about conducting business in the host country.	Firm A, which operates in the telecommunications industry, just opened a new subsidiary in A country. For smoother operation, the head office has strongly suggested that the country manager have as many connections as possible with powerful officials in a short time. By doing so, they will have easier operations due to the support provided by these powerful people.

Opportunities

Pervasiveness	*Arbitrariness*
According to the information that you read in the news and from your colleagues, many foreign firms engaged in bribery of the local officials in this country. Your own observation also supports this notion, in which bribery of local officials is a normal business practice in this country.	According to the information that you read in the news and from your colleagues, many regulations are ambiguous and local officials have wide latitude for interpretation. The proportion of regulations which overlap each other is large. On top of that, it is unclear whether unofficial payments to local officials are categorized as bribery based on local regulations.

Perceived Distributive Fairness

High Fairness	*Low Fairness*
Based on information and stories that I gathered from managers of foreign companies, the outcome of unofficial payments to local public officials is fair enough. They further described to me that the officials well understood their responsibility to deliver when they receive unofficial payments.	Based on some information and stories that I gathered from managers of foreign companies, the outcome of unofficial payments to local public officials is far below expectations. They further described to me that officials do not fully reciprocate the unofficial payments. They treat receiving it as part of a gift-giving culture, but the expected favors are never delivered.

than 10 years (62.60%), in positions such as mid-level managers (36.20%) and top managers (20.20%). Two hundred fifty respondents are working in ordinary industries, whereas 140 of them are employed in high-tech industries. The majority of the companies for which they are working had been established more than 15 years ago (49.70%) and have annual sales of more than NT$250 million a year (47.30%). Two hundred twenty-five of the respondents work in companies with less than 500 employees (53.40%), whereas 192 respondents work in companies with 501 to 5,000 employees (43.30%). All the respondents' companies operate abroad, with the biggest proportion (56.30%) operating in fewer than five countries, followed by 25.80% operating in more than 10 countries and 17.90% in six to 10 countries.

The results of the factor and reliability analyses are presented in Table 2. These indicate that the manipulation check items for motives, opportunities, and perceived distributive fairness have factor loadings above 0.600 with Cronbach's alpha above 0.800. Similar results also indicate that perceived distributive fairness and likelihood of bribery has a factor loading above 0.600 with a Cronbach's alpha above 0.800. This indicates that the items used in this study are valid and reliable.

Manipulation Checks

The participants ranked the three motivations differently ($F = 70.331$, $p = .000$), with the achievement motive ($M = 5.420$) having a higher mean than the affiliation ($M = 3.911$) and power motives ($M = 4.233$) for the achievement scenario. The affiliation motive had a significantly higher mean value ($M = 5.313$) than the achievement ($M = 4.540$) and power motives ($M = 4.472$, $F = 43.030$, $p = .000$) for the affiliation scenario. Participants indicated a difference between the three motives ($F = 34.536$, $p = .000$), of which power is the highest ($M = 5.240$) compared to the achievement ($M = 4.568$) and affiliation motives ($M = 4.341$).

A similar analysis was also performed to analyze whether the participants recognized the difference between scenarios that reflected pervasiveness and arbitrariness conditions. The participants had a higher perception of the pervasiveness scenario ($M = 5.137$) than the arbitrary scenario ($M = 4.625$), and the F value was also significantly different ($F = 21.033$, $p = .000$). The results of the arbitrary scenario indicated that the participants had a higher perception ($M = 4.880$) than the pervasiveness scenario ($M = 4.366$) with a significantly different F value ($F = 25.824$, $p = .000$). Last, manipulation for perceived fairness was also tested by an analysis of variance. Results indicate that participants had a higher perception of the fair ($M = 4.697$) than the unfair scenario ($M = 4.181$), with a significantly different F value ($F = 22.046$, $p = .000$).

We employed a one-way analysis of covariance (ANCOVA) to test Hypotheses 1, 2, and 3. Gender was used as covariate because many studies indicate that gender might have influence on ethical decisions (e.g., Loe, Ferrell, & Mansfield, 2000; O'Fallon & Butterfield, 2005). Hypothesis 1 predicts that an achievement motive generates a greater likelihood of bribery than other motives. The results indicate that the achievement motive has a greater likelihood of bribery ($M = 5.037$), whereas affiliation and power motives are almost the same ($\underline{M} = 4.811$, $M = 4.808$), although the difference is not significant ($F = 1.602$, $p = .202$). Thus, Hypothesis 1 is not supported. The F value for gender was also not significant ($F = 2.012$, $p = .179$). The second hypothesis posits that foreign companies which operate in a highly arbitrary environment are more likely to bribe compared to those which operate in conditions where bribery is pervasive. The results support the notion ($F = 4.397$, $p = .039$) that they are less likely to bribe in a pervasive condition ($M = 4.753$) than in an arbitrary condition ($M = 5.012$). Therefore, Hypothesis 2 is supported. The F value of gender was not significant ($F = 2.205$, $p = .169$). Hypothesis 3 predicts that, when companies perceive that their bribe receiver will exchange fairly, the likelihood of bribery will be heightened. The ANCOVA results indicate that, when perceived fairness is high, the likelihood of bribery is greater ($M = 5.035$) compared to less fair ($M = 4.659$) in a significant manner ($F = 10.123$, $p < .001$). Thus, Hypothesis 3 is supported. Similarly, the F value of gender was also not significant ($F = 2.785$, $p = .126$).

TABLE 2
Validity and Reliability Analysis

Code	Research Items	Factor Loading	Eigen-value	% of Variance	Item-Total Correlation	Cronbach's α
Motives						
Achievement motive						
Acm1	Firm A is confident it can obtain its business goals in this country through bribery	0.707	3.944	65.738	0.605	0.893
Acm2	Firm A believes that they need help from local officials to be success in this country	0.785			0.702	
Acm3	Firm A needs help from local officials to smoothly operate a business in this country	0.845			0.757	
Acm4	Firm A needs help from local officials to optimize its competencies for doing business in this country	0.847			0.755	
Acm5	Firm A needs help from local officials to operate business on schedule	0.872			0.789	
Acm6	Firm A established a new business in this country to expand their business	0.798			0.691	
Affiliation motive						
Aff1	The orientation of Firm A is developing business partnerships as many as they can	0.726	3.367	56.111	0.596	0.843
Aff2	Firm A always maintain our contact with local officials	0.748			0.621	
Aff3	Firm A is often afraid to be rejected in this country	0.770			0.645	
Aff4	Firm A is often afraid to be left by their business partners	0.767			0.643	
Aff5	Firm A is often afraid to be left by our contacts of local officials	0.763			0.640	
Aff6	Firm A always finds any possibilities to have new business partners	0.719			0.589	
Power motive						
Pow1	Firm A is afraid of being empowered by other firms	0.670	3.234	53.897	0.526	0.826
Pow2	Firm A is afraid of being empowered by local officials	0.746			0.617	
Pow3	Firm A always finds any possibilities to influence local firms	0.716			0.573	
Pow4	Firm A has full efforts to impress local government	0.773			0.640	
Pow5	Business activities of Firm A set up to have good reputation in this country	0.767			0.636	
Pow6	Firm A always find any possibilities to influence local officials	0.728			0.589	
Opportunities						
Pervasiveness						
Perv1	Many foreign firms engaged in bribery of the local officials in country X	0.732	4.104	68.405	0.630	0.908
Perv2	Bribery of local officials is a normal business practice in country X	0.833			0.753	
Perv3	In country X, there is an implicit rule that foreign firms should provide "unofficial payments" to local officials	0.866			0.795	
Perv4	Many foreign firms have local officials who will help to "ease" their activities	0.838			0.757	
Perv5	Some regulations can be "softened" when additional payments are given to local officials	0.853			0.777	
Perv6	As far as I know, bribery of local officials is widespread in country X	0.832			0.751	

(continued)

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TABLE 2
(*Continued*)

Code	Research Items	Factor Loading	Eigen-value	% of Variance	Item-Total Correlation	Cronbach's α
Arbitrariness						
Arb1	It is not necessary to identify a clear target for unofficial payments to get things done in country X	0.738	3.464	57.735	0.610	0.852
Arb2	In country X, many regulations are ambiguous and local officials can interpret them on their own	0.804			0.697	
Arb3	In country X, there is no exact amount of money for unofficial payments to local officials	0.755			0.631	
Arb4	In country X, unofficial payments to local officials are unpredictable	0.793			0.681	
Arb5	Legally, it is unclear whether unofficial payments to local officials are categorized as bribery	0.768			0.649	
Arb6	Country X has many regulations that overlap one other	0.696			0.563	
Perceived Distributive Fairness						
Pdj1	Firm A thinks that the outcome of our unofficial payments to local officials is fair in view of the amount of money we paid	0.691	5.488	73.978	0.613	0.918
Pdj2	Firm A thinks the outcome of our unofficial payments to local officials is fair in view of their commitment to cooperate	0.710			0.639	
Pdj3	Firm A thinks the outcome of our unofficial payments to local officials reflects well the level of responsibility each party has in their cooperation	0.874			0.822	
Pdj4	Firm A thinks the outcome of our unofficial payments to local officials reflects well the amount of effort each party puts into their cooperation	0.875			0.823	
Pdj5	Almost all the promises made by local officials before unofficial payments have been kept so far	0.817			0.753	
Pdj6	Firm A feels that local officials has come through in fulfilling their promises made to us	0.858			0.803	
Pdj7	So far local officials has done an excellent job fulfilling its promises to Firm A	0.774			0.710	
Pdj8	Firm A has not received everything promised to us in exchange for unofficial payments	0.731			0.659	
Pdj9	Local officials in this country have broken many of their promises even though we have made unofficial payments	0.662			0.580	
Likelihood of Bribery						
Do firms like Firm A typically need to make extra, unofficial payments to public officials for any of the following?						
Ltb1	To get connected to public services	0.698	3.452	70.842	0.573	0.895
Ltb2	To get licenses and permits	0.871			0.790	
Ltb3	To deal with taxes and tax collection	0.897			0.823	
Ltb4	To gain government contracts	0.877			0.787	
Ltb5	When dealing with customs/imports	0.851			0.744	

We employed a two-way ANCOVA to test Hypotheses 4, 5, and 6. Hypothesis 4 posits that, when a company has an achievement motive, the likelihood of bribery is greater when the conditions are pervasive. Conversely, an arbitrary condition leads a company with power motives to increase its likelihood of bribery compared to a pervasive condition. The results indicate that companies with an achievement motive exhibit a greater likelihood of bribery when the condition is pervasive ($M = 5.197$) than when it is arbitrary ($M = 4.967$). On the other hand, when a company has a power motive, an arbitrary condition leads it to have a greater likelihood of bribery ($M = 5.101$) than a pervasive one ($M = 4.492$). When a company has an affiliation motive, the difference between the two conditions is small (pervasive, $M = 4.698$; arbitrary, $M = 4.956$). The F value indicates that the variance among various conditions is significantly different ($F = 3.068$, $p = .050$); thus, Hypothesis 4 is supported. The F value for gender was not significant ($F = 1.561$, $p = .210$). See Figure 2.

Hypothesis 5 posits that the likelihood of bribery is the greatest when a company has an achievement motive and, at the same time, perceives that the bribed official will be fair. The results indicate that companies with an achievement motive exhibit a greater likelihood of bribery when their perception of bribery fairness is high ($M = 5.348$) than low ($M = 4.697$). Similarly, for achievement (high fairness, $M = 4.897$ vs. low fairness, $M = 4.656$) and power motives (high fairness, $M = 4.905$ vs. low fairness, $M = 4.698$). However, the F value indicates that the variance among various conditions is not significantly different ($F = 1.345$, $p = .257$); thus, Hypothesis 5 is not supported. Similarly, the F value of gender was not significant ($F = 1.915$, $p = .149$).

Hypothesis 6 predicts that the likelihood of bribery is the greatest when the condition is highly arbitrary and, at the same time, the company perceives that the bribed official will be fair. The results indicate that arbitrariness generates a greater likelihood of bribery ($M = 5.356$) than pervasiveness ($M = 4.826$), although companies similarly perceive that their bribed official is fair. When they perceive less fairness, the likelihood of bribery is similar ($M = 4.687$). The F value also indicates that the variance among these conditions is significantly different ($F = 4.909$, $p = .028$); thus, Hypothesis 6 is supported. Again, the F value of gender was also insignificant
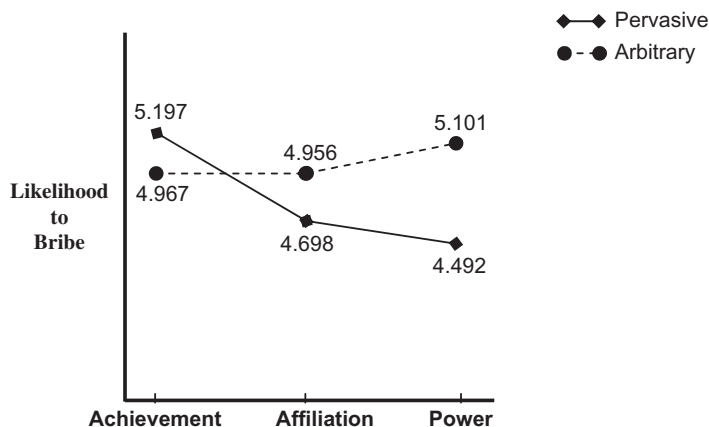

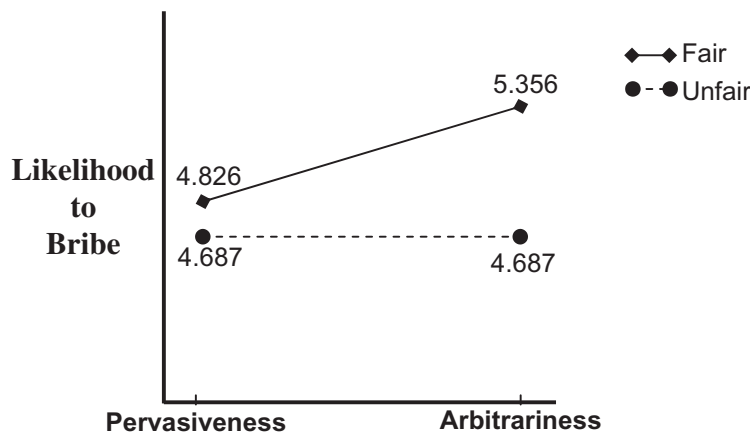FIGURE 2 Interaction between motivation and opportunity.

FIGURE 3 Interaction between opportunity and perceived fairness.

($F = 0.246$, $p = .620$). Figure 3 illustrates the interaction between the condition and perceived fairness of the focal company.

Hypothesis 7 posits that the interaction effect between motivation and opportunity on the likelihood of bribery is stronger when the company perceives a greater level of fairness. The results of a three-way ANCOVA indicate that, when a company perceives less fairness, the difference between the three motivations and opportunities is not significant, ranging from $M = 4.599$ to $M = 4.823$. When a company perceives more fairness from its bribed official counterpart, the likelihood of bribery is stronger when the company's motive is achievement and, at the same time, bribery practices are pervasive in the host country ($M = 5.501$). When the condition is arbitrary, companies with a power motive tend to have the greater likelihood of bribery ($M = 5.457$). Of interest, the lowest level of likelihood of bribery occurs when a company has a stronger power motive and, at the same time, bribery practices are pervasive ($M = 4.398$). The F value is significant ($F = 3.096$, $p = .047$), thus, Hypothesis 7 is supported, whereas the F value of gender was not significant ($F = 0.164$, $p = .686$). Figure 4 depicts the interaction between motivation, opportunity, and perceived fairness.

DISCUSSION

This article offers a new perspective on bribery activities in the international business context by investigating the specific motives of firms for engaging in bribery behavior. The findings indicate that there are no significant differences between different motives on the likelihood of bribery. Although the results are not as expected, that is, that a power motive is more dominant than the other motives, the findings indicate that these motives do exist in business. This finding is consistent with previous studies (Brand & Slater, 2003; Chen, Yasar, & Rejesus, 2008) which found that cultivating business relationships with local officials, known as *guanxi* in Chinese, is important in the management of international business. Giving something the recipient will appreciate (e.g., a bribe) could maintain friendships and reduce hostility (Steidlmeier, 1999), thus

High Perceived Fairness

Low Perceived Fairness

Pervasive

Arbitrary

Likelihood
to
Bribe

5.501

5.357

5.457

5.242

4.703

4.398

4.823

4.727

4.649

4.731

4.691

4.599

Achievement   Affiliation   Power
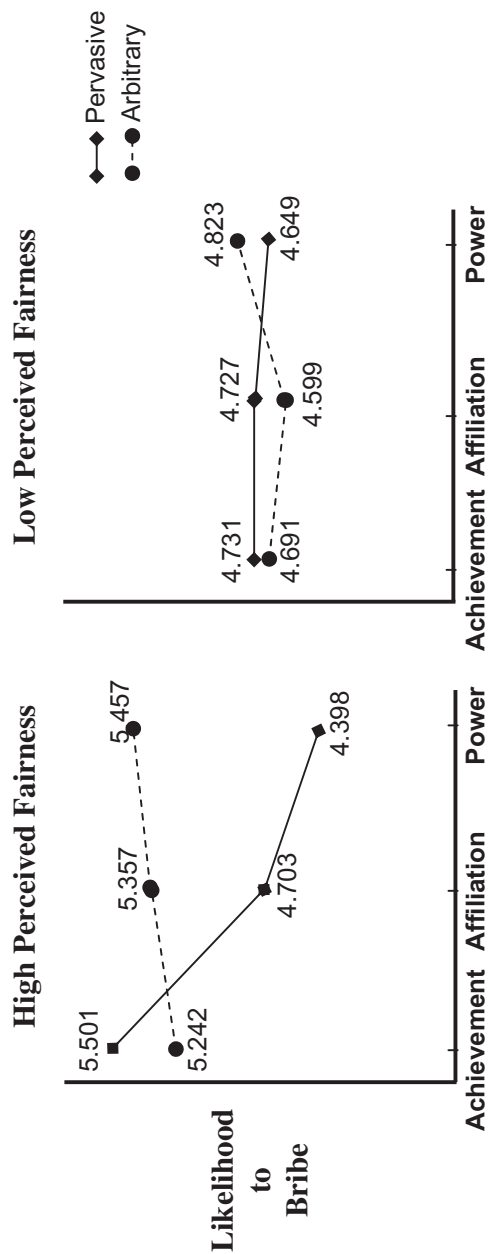
Achievement   Affiliation   Power

FIGURE 4 Interaction between motivations, opportunity and perceived fairness.

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creating long-term obligations (Millington et al., 2005). This could ensure the success of a firm's foreign business. A further finding is that firms' interest in influencing local public officials also has a positive relationship with their bribery activities. This finding supports the notion of Sanyal (2005) that commercial benefits can be gained when foreign firms can influence local officers who receive bribes. Moreover, bribery payments can reduce pressure from local officers with regard to regulations that should be imposed (Powpaka, 2002; Rose-Ackerman, 2002). In other words, firms are able to influence local officials when they deliver bribes.

The second finding indicates that, when the regulations are ambiguous, this environment increases the likelihood of firms to bribe. This finding is consistent with the institutional theory (DiMaggio & Powell, 1983) and the proposition of Rodriguez et al. (2005) that arbitrariness has a greater effect on inducing firms to engage in bribery practices. When local officials have no common interpretation of the regulations they need to impose or there is weak law enforcement, bribery will be significant (Cuervo-Cazurra, 2008; Gray & Kaufmann, 1998).

The third finding is that firms' perception that their bribe will be reciprocated fairly by local officials generates a greater likelihood of bribery. As described by Rose-Ackerman (2002), bribery involves a reciprocal obligation; thus, when the giver perceives that the recipient will reciprocate the bribe fairly, the likelihood of bribery will be high. This finding is consistent with the theory of fairness (Luo, 2007, 2008) which states that bribery will be facilitated and occur more regularly when both parties (briber and recipient) perceive that rewards and the exchange are fair. This is also consistent with the findings of Herrera and Rodriguez (2003) and Abbink et al. (2002) that perceived fairness has a positive relationship with firms' bribery behavior.

The fourth finding shows that, when companies perceive a greater distributive fairness, those with affiliation and power motives are more likely to bribe when the environment is arbitrary. When they perceive less distributive fairness, there is no significant difference between motives and environments. The interaction between motive, opportunity, and perceived distributive fairness simulates realistic conditions that are difficult to access in a real-world situation because surveys on bribery activities tends to increase social desirability bias among respondents. Finally, we employed gender as covariate because many studies indicate that gender might have influence on ethical decisions (e.g., Guvenli & Sanyal, 2012; O'Fallon & Butterfield, 2005). However, the results indicate that there is no gender difference on the likelihood of bribery, consistent with the results of previous studies (Ford & Richardson, 1994; Loe et al., 2000). The results indicate that gender per se might not have direct influence on ethical decisions due to female individuals' greater tendency to respond in a socially desirable fashion, as is often argued (Dalton & Ortegren, 2011).

The findings suggest that both government and business practitioners have a role to play in combating bribery. For governments, bribery can be reduced by targeting areas where firms are prone to engage in such practices, such as improving the integrity of the court system, business licensing requirements, quality of government service delivery, and taxation (X. Wu, 2009). Moreover, imposing strong internal regulations, such as capital punishment for public officials who take bribes, as in China, could also reduce bribery. For business practitioners, being aware that success in a particular country does not necessarily depend on having an affiliation or influence with local officials could be beneficial in reducing bribery activities. This awareness can occur when governments also proactively liberate markets by reducing their level of intervention. In addition, the massive Chinese population both within and outside of the People's Republic of China, including Taiwan, is heavily influenced by Confucianism. Non-Chinese people, such as Japanese or Koreans, are influenced by Confucianism in their business practices (Chan, 2008).

The former prime minister of Singapore, Lee Kuan Yew, attributed the success of East Asian economies (such as Japan, South Korea, Taiwan, and Hong Kong) to Confucianism. Business people in Asia are heavily influenced by Confucianism, and the findings of this article may be generalizable to these countries. Moreover, the rising influence of China's economy also implies a significant increase in the presence of Chinese people in the international business sphere. Therefore, knowledge of bribery issues in Asia may enable Western business people to understand the potential practices of businessmen from East Asian Confucian societies. Further, this article offers a perspective on business ethics as practiced in East Asian Confucian societies, which could eventually find its way into the mainstream business ethics texts. In addition, this study was designed to empirically test the underlying motivations of how Taiwanese businessmen respond to specific conditions (in this study we employed two categories, pervasiveness and arbitrariness). These conditions may apply elsewhere in the world, as proposed by Martin et al. (2007).

The findings of this study also have several academic implications. First, we discuss bribery from the perspective of MOA (MacInnis & Jaworksi, 1989). Second, we further discuss organizational motives using the big three motives of affiliation, achievement, and power (Hofer et al., 2010). The use of these three motives is relevant to the context of bribery, because they serve to enhance organizational survival and success abroad. Third, we extend the concept of opportunity based on the two dimensions of Rodriguez et al. (2005), pervasiveness and arbitrariness, and show that pervasiveness coaligns with an achievement motive, whereas arbitrariness coaligns with a power motive, to generate a greater likelihood of bribery. Fourth, we extend the concept of fairness into the bribery setting, particularly in terms of the *fairness heuristics theory* (e.g., Lind, 2001; Lind & Van den Bos, 2002). Most previous studies tend to neglect the perception of fairness of the bribe supplier, which in fact is seriously considered by organizations when seeking information from other businesses who have bribed before.

Although the results of the present study are compelling, it has several limitations that also suggest directions for further research. The experimental research design and the composition of the sample all serve to temper the results of this work, and several extensions would be beneficial. First, although the experimental design can reduce social desirability bias by presenting imaginative scenarios, real-world situations are more complex. Therefore, validating the findings by using other methods, either qualitative or quantitative, is highly recommended. Second, although we can increase the internal validity by using EMBA students as experienced participants, the external validity is limited. Therefore, expanding the range of participants from different countries and industries could increase the generalizability of the findings. Third, we focus on the perception of participants who are representatives of parent companies in the host country. Combining the perception data and macrolevel data from sources such as the World Business Environment (Martin et al., 2007; X. Wu, 2009) would also be fruitful. Finally, we develop scales of the motivation, opportunity, and bribery to address unethical behavior related to bribery. Although the validity and reliability of the scales have been satisfactorily verified, they could be extended in future studies.

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