Lancaster University Management School:

Author Accepted Manuscript

James Faulconbridge
Lancaster University Management School
Lancaster, LA1 4YX

TRIPLE-ACCREDITED, WORLD-RANKED

Critical Essay: Inserting professionals and professional organizations in studies of wrongdoing: The nature, antecedents, and consequences of professional misconduct

Claudia Gabbioneta, James R Faulconbridge, Graeme Currie, Ronit Dinovitzer and Daniel Muzio

Abstract

Professional misconduct has become seemingly ubiquitous in recent decades. However, to date there has been little sustained effort to theorize the phenomenon of professional misconduct, how this relates to professional organizations, and how this may contribute to broader patterns of corruption and wrongdoing. In response to this gap, in this contribution we discuss the theoretical and empirical implications of analyses that focus on the nature, antecedents and consequences of professional misconduct. In particular, we discuss how the nature of professional misconduct can be quite variegated and nuanced, how boundaries between and within professions can be either too weak or too strong and lead to professional misconduct, and how the consequence of professional misconduct can be less straightforward than normally assumed. We also illuminate how some important questions about professional misconduct are still pending, including: how we define its different organizational forms; how it is instigated by the changing nature of professional boundaries; and how its consequences are responded to in professional organizations and society more widely.

Keywords

deviance, misconduct, professions, white-collar crime, wrongdoing

Introduction

At the end of 2015, the hidden wealth of some of the world's most prominent leaders, politicians and celebrities was revealed by an unprecedented leak of millions of documents that show how rich individuals can exploit secretive offshore tax regimes. These documents – commonly referred to as the 'Panama Papers' – provide evidence that a number of law firms, tax advisors, and corporate service providers helped wealthy individuals to avoid paying taxes by moving their money from their home countries to off-shore locations. They also reveal the shocking scale of this professionally orchestrated tax avoidance, with around 214,000 companies and 14,000 individuals named in the 'Panama Papers'.

Unfortunately, misdeeds such as those exposed in the 'Panama Papers' are not isolated cases. The media are now full of accounts of professionals and professional services firms engaging in unethical, if not illegal, activities. These cases have fuelled a growing interest in professional misconduct, as testified by the increase in the number of studies on the topic published in the last few years. However, to date there has been little sustained effort to theorize the phenomenon of professional misconduct, its relationship to organizations, and how this may contribute to broader patterns of corruption and wrongdoing (but see Muzio et al., 2016 for an exception).

This is a significant omission in our knowledge both empirically and theoretically. Empirically, because to paraphrase Mitchell and Sikka (2011: 8), if you scratch the surface of any major case of corporate wrongdoing, you will find the invisible hands of several professional occupations and organizations. Most cases of corporate wrongdoing could have not occurred

without the acquiescence if not the active involvement of a range of professional advisers and organizations. Understanding how and why professionals get involved, therefore, may help to curb, if not to prevent, corporate wrongdoing. In the same way, in a different but equally important professional context – that of healthcare – professional misconduct is often associated with the provision of poor services and treatments and, as such, needs to be better understood and theorized if we want to improve the quality of the services offered. Theoretically, the phenomenon of professional misconduct represents a challenge to traditional understandings of professionalism as a distinct occupational principle (Freidson, 2001), to the governance of professional services firms (Sherer & Leblebici, 2015), and more broadly to established approaches to risk management and economic regulation (Coffee, 2006).

In particular, dominant functionalist understandings of the professions are predicated on the notion that these are distinguished from regular businesses and trades by their superior moral fibre (Carr-Saunders & Wilson, 1933; Durkheim, 1957; Parsons, 1954). It is their commitment to quality and public service which underscores a regulative bargain (Cooper et al., 1988) whereby professions are granted labour market privileges like monopolies, restricted practices and self-regulation which would not be tolerated in other sectors of the economy. Similarly, in terms of corporate governance (Mintzberg, 1979; Greenwood & Empson, 2003; Sherer & Leblebici, 2015; Muzio et al., 2016) professional organizations are characterised by high levels of trust and collegiality, responsible autonomy and informal peer control mechanisms. The idea being that quality and integrity depends on the socialization of staff through the professional qualification system rather than on internal controls or any other form of procedural regulation. Finally, for the above reasons, the professions have been assigned a quasi-regulatory role in the broader political economy. For Brint (1994) professions are social trustees to essential skills and competences

which they administer for the benefit of society as whole, whilst for Coffee (2006) they are 'gatekeepers' which guarantee the integrity of key societal institutions such as the delivery of healthcare, the administration of justice and the operation of financial markets.

In this context, recent and historical cases of professional misconduct have severely challenged the view of the professions as inherently good and altruistic, as well as the governance and regulatory frameworks which are predicated on this understanding. High level cases of corporate corruption such as Enron and Parmalat revealed how these were facilitated and sustained by extensive professional networks including auditors, accountants, lawyers, credit/security analysts and management consultants, usually employed in large professional organizations (Coffee, 2005; 2006; Gabbioneta et al., 2013; 2014; Muzio et al., 2016). Similarly, professional misconduct occurs in healthcare settings as well – witness high level inquiries regarding attacks upon children by a nurse (Brown, 2000) and poor quality care for older persons (Francis, 2013) within UK hospitals. The case of high infant mortality, the cover up of a quality problem following heart surgery (Weick & Sutcliffe, 2003), and the recent case of child abuse in the UK health care system (Dixon-Woods et al., 2011), tragically highlight the gap between the taken-for-granted view of doctors as the embodiment of ethical and altruistic values and the reality of professional misconduct. Of course, we should not exclude our own practices and priorities as academics from examination, given the number of high profile cases of academic misconduct which have recently been reported (Honig et al., 2014).

These cases of professional misconduct raise some interesting questions, such as: 'How can we better understand and theorize misconduct by professionals and professional organizations?' 'To what extent does this depart from other forms of misconduct?' 'How and under

what circumstances are professionals more likely to engage in misconduct?' And, 'what are its consequences, including its impact on existing governance and regulatory frameworks?'

Answering these questions is important for a range of debates. First, it may contribute to the literature on professions as it helps to understand why professional misconduct persists in spite of increasing regulation and efforts by professional associations and organizations, and how this problem could be addressed. Second, it makes an important contribution to the broader literature on organizational wrongdoing as it focuses our attention on how professionals and professional organizations may enable, and even encourage, wrongdoing in both private and public sector organizations. By doing that, it may help us to develop more holistic governance and regulatory frameworks to better manage, and possibly prevent, the risks associated with organizational wrongdoing. Finally, it may help to bring together debates across a number of specialist literatures, such as law, business ethics, accountancy, healthcare, and finance where cases of professional misconduct are located but organizational considerations often under-emphasized.

In this contribution, we draw attention to some of the key theoretical and empirical insights emerging from research that has analysed professional misconduct and that has paved the way for future research in this area. Although illustrative rather than exhaustive, we believe that our initial selection of empirical and conceptual studies on professional misconduct allows us to develop a more advanced understanding of this phenomenon.

Emerging theoretical and empirical insights from research on professional misconduct

In this section we discuss emerging theoretical and empirical insights within research on professional misconduct grouping them into three broader areas of investigation: insights on the nature of professional misconduct, insights on the antecedents of professional misconduct, and

insights on the consequences of professional misconduct. Then, building on these insights, we suggest some possible directions for future research.

The nature of professional misconduct

A research agenda on professional misconduct should recognise misconduct itself is a heterogeneous phenomenon. A view of misconduct as a continuum of instances that range from actions that are illegal (prohibited by criminal and civil laws) to actions that are unprofessional (against professional codes of conduct and protocols) or unethical (contrary to societal norms and expectations) or opens up the possibility of theorising the different factors at play in a range of examples of misconduct.

The functionalist perspective offers some insight into the nature of professional misconduct, as it entails conceptions of professionalism that emphasise a sense of internalised moral responsibility that transcends individual or organizational self-interest and shows itself in a sentiment of care for the client and society at large (Carr-Saunders & Wilson, 1933; Parsons, 1954). From this viewpoint, professions have a normative value that comes from the role they exercise for the benefit of society. As such, their members are duty-bound and constrained by occupational rather than organizational loyalty from engaging in unethical or illegal acts. From this lens, professional misconduct encompasses actions that deviate from the benefit they are supposed to provide for the client and society at large.

The studies reported in this special issue illustrate the complex nature of professional misconduct. Harrington (XXXX; this issue) shows how misconduct manifests at the institutional level when "practitioners acquire the moral justification necessary to perpetuate misconduct" (Harrington: 32). Professionals re-categorise tax avoidance so that it does not now constitute

professional misconduct but a sensible and entirely rational corporate practice. This case can be defined as professional misconduct since it appears to *counter wider public interest*, and hence undermines the normative basis of professionalism. Further examples of this type of misconduct are also found in a healthcare context. For instance, the prescription of 'branded' rather than 'generic' medicines in exchange for financial rewards by pharmaceutical companies (Singh & Jayanti, 2013) is an example of a behaviour that, while not violating the law, runs counter to the expectation that healthcare professionals should act in their patients' rather than in their own best interest. Another case from the private sector (Kershaw & Moorhead, 2013: 51) exemplifies how professional services firms crossed jurisdiction to find more favourable regulations to support their clients' activities. In this specific case global law firm Linklaters drew on English rather than USA law to provide a favourable assessment of the Lehman Brothers' plans to remove liabilities from its balance sheet through a particular accounting transaction (Repo 105); this ultimately played a very important role in its bankruptcy and in the broader financial crisis. In these cases, professionals are not acting illegally but may be acting unethically as they are not considering how technically and legally sound advice may have unintended consequences and raise undue risks. This clearly runs counter to public interest or social trusteeship understandings of professionalism.

To emphasise our point, professional misconduct needs to be understood in its context. As Roulet (XXXX; this issue) highlights in his study of media accounts of misconduct in the banking industry, professional misconduct can be defined or not by the alignment of professional's actions with accepted norms. Similar to Harrington, professional misconduct may not be regarded as such by professionals where it has been re-categorised as legitimate behaviour. Nevertheless, others may view it differently. Hence we need to ask the question, 'from whose perspective do we define professional misconduct?'

Professional misconduct can also be judged by its *divergence* from what is formally required by governance structures and processes. Even when operating within legal or regulatory boundaries, professional misconduct can be derived from a violation of professional codes of conduct. Examples of this type of behaviour in a healthcare setting is poor care for patients, of the kind practiced at Mid-Staffordshire Hospital where some patients were left unwashed for up to a month, or pain relief was delivered late, even as the regulatory body assessed the quality of care as acceptable (Francis, 2013). In the case of Enron, the failure of lawyers to elevate issues beyond the manager with whom they were working to more senior officers of the corporation is a stark example of the ways in which the lack of compliance with professional codes of conduct can lead to serious consequences. These examples highlight the importance of examining whether professional misconduct is only defined against formal governance or regulatory demands. As evident in the studies within this special issue, the answer is 'no'. Professional misconduct can be defined at an institutional level, organizational level or individual behavioural level, which reflects the 'bad cellars, bad barrels, or bad apples" hypotheses (see below, and Muzio et al., 2016), even where formal governance or regulatory demands have not been transgressed.

In considering what represents professional misconduct, we might turn the question around to ask, 'what represents professional conduct?' A number of studies in this special issue encourage us to re-invigorate notions and definitions of professional conduct, which are widespread and all pervasive, as well as professional misconduct, which, arguably, while increasingly reported in the media, represent a more isolated phenomenon.

Radaelli and colleagues (XXXX; this issue) cause us to further broaden the definition of professional misconduct. Their study highlights how professionals, specifically university academics and managers, are captured by outside interests, namely organized crime. As a result,

unsuitable doctors are not just trained, but also placed in the public healthcare system. This draws our attention to the need for a contextualised understanding of professional misconduct and its features, such as autonomy and social trusteeship in specific settings, which give rise to professional misconduct. As a final question, we thus need to interrogate variance across settings and ask, 'what represents professional misconduct in any specific context?'

The antecedents of professional misconduct

Those studies that have investigated the antecedents of professional misconduct have traditionally adopted either a 'bad apple' or a 'bad barrel' perspective to the study of misconduct. The 'bad apple' hypothesis conceives of professional misconduct as the result of the actions of rogue individuals, who act in their own personal interest at the expense of their employers, clients or patients (see, for example, Abdolmohammadi et al., 2003; Lord & DeZoort, 2001; Patterson, 2001). The obvious example of a bad apple is that of Harold Shipman – a British doctor who killed over 200 of his patients before his arrest in 1998 and that, according to the commission which investigated his case, was "addicted to killing" – or of any other professional who harms their patients/clients in the pursuit of their own interests. The 'bad barrel' hypothesis provides a very different understanding of professional misconduct. According to this perspective, professional misconduct originates from more systemic causes including dysfunctional cultures, practices and structures. A clear example is misaligned incentive systems in organizations (Coffee, 2005; Covaleski et al., 1998; Grey, 2003) which reward undue risk taking and lessen fiduciary obligations. Similarly, the development of strong corporate cultures predicated on mythologies of excellence, success and prestige generate processes of 'structural assurance' (Grey 2003; Wilson et al., 2008; Smets et al., 2012) whereby individual practitioners become detached from broader

deontological frameworks and come to believe in the infallibility of their organizations. As cases such as Enron and the Panama Papers debacle indicate, this can result in the prioritizing of commercial objectives such as revenue growth and profitability at the expense of broader concerns with public service and social trusteeship and are, therefore, likely to facilitate cases of wrongdoing.

More recently, however, drawing upon the sociology of boundaries (Lamont & Molnár, 2002; Abbott, 1995) and on Abbott's (2005) linked ecologies perspective, a third hypothesis (Muzio et al., 2016) has emerged that connects professional misconduct with the design and management of set of *boundaries* separating different communities and their respective interests. This perspective considers three set of boundaries as being particularly important. These include jurisdictional boundaries separating different occupational communities such as lawyers and accountants; geo-political boundaries, separating different national and regional contexts; and ecological boundaries separating professionals from a range of stakeholders such as clients, employers and increasingly investors. The design and management of these boundaries may precipitate the possibility of professionals becoming, wittingly or unwittingly, involved in cases of wrongdoing in a number of ways. There are, however, two important conceptual challenges in relation to theorising professional misconduct from a boundaries perspective.

First, as Lamont and Molnár (2002: 169) highlight, boundaries can be understood in symbolic and social terms. The latter understanding has dominated in work on the professions. Social boundaries are conceptualised as a means of resource differentiation, with inclusion and exclusion being the key mechanisms for controlling resources. Like much of the work on the sociology of the professions, work on social boundaries is informed by neo-Weberian perspectives – as best captured by work on occupational closure (Larson, 1977; Parkin, 1979; Murphy, 1984).

In terms of professional misconduct, this has resulted in a focus on whether the increasingly multidisciplinary and multinational nature of professional expertise results in social boundaries being weakened, revealed as too strong, or ambiguous. For example, Gabbioneta et al. (2014) show that boundaries between accountants, law firms and credit rating agencies are often too strong, as despite their interdependency and interaction, they fail to scrutinise each-others' judgements because of their closed jurisdictional realms. This was partly implicated in the misconduct associated with the demise of Parmalat. Conversely, when boundaries are too weak they fail to keep different groups apart. Crotty (2009) illustrates this with the example of investment bankers and credit rating agencies, the latter being paid by the former to rate their products and thus blurring the boundary between the two groups and compromising the fiduciary role of rating agencies. Boundaries are too ambiguous when they create liminal spaces in which there is uncertainty with regards to applicable rule and standards and in which possibilities for intentional arbitrage emerge, as evidence by cases of tax evasion (Sikka & Hampton, 2005). It is, then, important to further interrogate how social boundaries influence the nature, antecedents and consequences of professional misconduct. However, a focus on social boundaries, as the predominant preoccupation of existing literatures, is insufficient and in need of further extension.

A focus on social boundaries underestimates the growing significance of symbolic boundaries in professional misconduct. Symbolic boundaries take the form of categorisations that are struggled over, that evolve, and that produce distinctions. They are different from social boundaries in that they are not associated with mechanisms of formalised control which institutionalize resource inequalities, such as closure in the case of the professions. For example, in the professions there are important symbolic boundaries between elite and non-elite firms (Greenwood & Suddaby, 2006) or within and across professional services firms with regards to

how individual professionals understand and enact their roles (Singh & Jayanti, 2013; Morehead et al., 2016).

For questions of professional misconduct, the role of symbolic boundaries matters because of the way they can prevent or enable misconduct, and even create contradictions when compared to what social boundaries prescribe, prevent or enable. For example, Singh and Jayanti (2013) describe how in the pharmaceutical profession important symbolic boundaries exist between the 'closer' and 'consultant' roles of professionals when they are employed in commercial drug organisations such as Pfizer. The former role relates to the closing of deals for drugs sales, the latter to acting as an advisor to patients and serving their best interests. Singh and Jayanti (2013) document the way that these symbolic boundaries were compromised at Pfizer, and as a result drugs were prescribed inappropriately. Similarly, Moorhead and Cahill-O'Callaghan (2016) reveal that the ecological boundary between professionals and clients is, in the case of in-house lawyers, very much a symbolic boundary. In-house lawyers need to draw on symbolic distinctions between what they are required to do in their role as advisors to their employers and what they are required to do in their role of professionals with fiduciary responsibilities. This requires a 'moral compass' (Moorhead et al., 2016) which can be disorientated by the weakening of these symbolic boundaries and in turn may lead to misconduct.

There are, then, a series of important questions about the types of boundaries that propagate or prevent professional misconduct. 'What factors render social and symbolic boundaries more or less important, interdependent and effective or ineffective in professional misconduct?' 'Are there new symbolic boundaries that need to be taken account of and why?' Multiple papers in the special issue develop our understanding of these issues.

A particularly strong theme in the special issue papers is that of symbolic boundary weakening. Both Harrington (XXXX; this issue) and Roulet (XXXX; this issue) provide examples of how the symbolic boundary between professional and client is increasingly dissolved and the logics of the two groups fused. For Harrington this relates to the category editing process, a process through which the definition of 'wealth management professional' (the category in question) is revised (edited) by members of the professions to justify their behaviour, whilst for Roulet this relates to a co-produced understanding of professional logics. Harrington also reveals how the weakening of symbolic boundaries is interdependent with the transgression of social boundaries. The wealth management professionals she studies enable misconduct because of the way category editing justifies arbitrage and the crossing of different professional and regulatory boundaries in pursuit of tax minimisation benefits. The paper by Lander et al. (XXXX; this issue) highlights instead the importance of considering symbolic boundaries previously underestimated in terms of their significance for misconduct. They show that the symbolic boundaries between junior and senior, tenured and untenured professionals play important roles in determining who commits misconduct and why. Their work also engages with governance practices that encourage or discourage boundaries within an organization. Specifically, they find that informal governance, which relies on informal and peer control practices in fact *increases* misconduct.

Together, then, the papers in the special issue reveal the importance of further questioning the nature, dynamics and interactions of different social and symbolic boundaries. In particular, they show that there is a need to move beyond the much debated professional versus commercial logics that are often seen as key symbolic boundaries associated with misconduct. Such boundaries persist and matter, but are no more important than other symbolic boundaries that both encompass

the professional/commercial divide (e.g. the professional/client boundary) but also transcend it and introduce new concerns (e.g. junior/senior and professional/non-professional boundaries).

A second conceptual challenge arises from the increasingly complex role and relationships of professions in the twenty-first century. In outlining the 'linked ecologies' between different professions, as well as between professions and other groups, Abbott (2005) focuses on 'ligations' – relationships connecting different actors and sites. These 'ligations' result from the way professions compete over jurisdictions, but also cooperate in 'linked ecologies' as complex problems – ranging from cross-border corporate financing to low human fertility – bring the same professions from different countries, previously unconnected professions, and professions and other actors (banks, regulators etc.) into interaction and interdependency.

The importance in contemporary professional work of 'linked ecologies' and 'ligations' creates epistemological challenges in the study of boundaries. Studies have predominantly adopted what Lamont and Molnár (2002: 171, original emphasis) describe as "*content* and *interpretative* dimensions". Such an approach emphasizes how boundaries are accomplished through specific claims and interpretations. For the professions this usually relates to the claims of expertise made to justify closure. Whilst content and interpretative approaches are useful, the growing significance of 'ligations' calls for a focus on what Lamont and Molnár (2002: 171) describe as the "intra-individual processes" – i.e. the relationships of those operating within and seeking to define, challenge, reproduce or maintain boundaries as part of interactions with other actors. Liu (2018: 1) applies such thinking specifically to the professions and calls for a "processual theory of action that examines the interactions among professionals and other actors over, within, and across boundaries". Such an approach is needed because 'ligations' mean professionals are "not lone

rangers working in their protected territories. They are embedded in complex social networks and their actions always involve exchange with other social actors" (Liu, 2018: 8).

In terms of professional misconduct, a focus on 'intra-individual processes' demands that we consider the way a multitude of relationships within, between and outside of professional groupings potentially challenge, reproduce, or create new boundaries that propagate or prevent misconduct. For example, Radcliffe et al. (2018: 46) analyse the way that tax professionals responded to the complexity of providing transnational corporate tax advice and conclude that relationships between different groups of tax professionals (e.g. in-house, external advisors, etc.) as well as across borders leads to the redefinition of the category of tax professional and associated rules of the game. This allows the negotiation of a new interpretation of what is moral behaviour, in ways that heighten the likelihood of the kinds of misconduct associated with the Panama Papers scandal. However, in order to fully understand the way particular types of relationships between professionals and others can be the antecedents for misconduct, the boundaries perspective needs a more micro-scale approach than its ecological beginnings have provided. This is central to addressing questions such as: 'Who do professionals interact with, and how do these interactions influence the nature, antecedents and consequences of professional misconduct?' 'How do interactions lead to the renegotiation of existing or production of new boundaries?' 'How do different professionals with different relationships experience the same boundaries, and what explains this differentiation?' The papers in the special issue provide a number of important answers to such questions.

A clear theme across the articles in this special issue is boundary crossing through 'intra-individual processes'. For Radaelli et al. (XXXX; this issue) this relates to the way relationships between university professors and the mafia developed that permeated the social boundaries

designed to protect professionals from pressures that may lead to misconduct. Understanding the emergence of such 'intra-individual processes', through deviant behaviour as is the case in Radaelli et al.'s analysis but also through the wider effects of linked ecologies, is crucial in making sense of the mechanisms that generate the potential for misconduct. Indeed, for Roulet (XXXX; this issue) a key concern is the intensity of relationships between professionals and other actors such as banks. The compact between these groups results in the dissolving of boundaries noted above, and highlights the importance of developing a fully relational analysis in which the interactions and interdependencies between professionals, and between professionals and other actors, are laid bare and used to understand where risks of misconduct arise. For Lander et al. (XXXX; this issue) the boundary between junior and senior professionals is arguably too strong in some cases, and contributes to misconduct by discouraging individual interaction and communication across the professional hierarchy.

The special issue papers reveal, then, that there are multiple dynamics in 'intra-individual processes', including too intense and too weak relational connections that contribute to professional misconduct. Moreover, they suggest that in seeking to avoid the limitations of the 'bad apple' approach research should not completely ignore the role of the individual. The focus on 'intra-individual' processes described here suggests analyses should, therefore, firstly consider how individuals respond to, exploit and are captured by their relationships. This implies considering both what determines their responses, something which may be informed by 'bad apple' approaches, but also considering the way the relational topologies (i.e. the array of other individuals the subject is drawn into interdependency with) co-constructs responses. I.e., the 'intra-individual' approach suggests 'bad apples' do not exist in isolation with only psychological factors mattering in explaining misconduct. Second, the 'intra-individual' approach also reveals the value

of mapping relational topologies as part of an extension of ecological approaches to professional misconduct. As the complexities of professional practice have increased, for example as 'ligations' develop between accountants, lawyers, consultants and financiers involved in corporate activities tied into international financial markets (Boussebaa and Faulconbridge, 2016, 2018), the relational topologies of professionals have been altered and rendered more intricate. We do not yet fully understand these intricacies and the implications for misconduct.

The consequences and implications of professional misconduct

While scholars have extensively investigated the consequences of organizational misconduct for the organizations involved in it (e.g., Frooman, 1997; Jensen, 2006; Sullivan et al., 2007) and for 'by stander' organizations that are similar to those involved (e.g., Kang, 2008; Jonsson et al., 2009; Paruchuri & Misangyi, 2015; Piazza & Jourdan, 2018), academic research on the *consequences* of professional misconduct is much more limited. In addition, the few studies that have examined the consequences of professional misconduct have yielded mixed results (Arnold & Hagan, 1992; Graffin et al., 2013; Assadi & von Nordenflycht, 2018; Palmer et al., 2018). While in a study of British Members of Parliament (MPs), Graffin et al. (2013) found that those MPs that had been involved in misconduct were more likely to experience career interruptions than those members that had not, other studies have obtained different results. In their analysis of misconduct complaints against lawyers in a Canadian province, Arnold and Hagan (1992) provided evidence that sole practitioners were more prone to prosecution than lawyers working in law firms because of social conceptions and lay theories about lawyer misconduct, perceived threats to the profession's public image, and the relative powerlessness of these lawyers to defend themselves. Similarly, Assadi and von Nordenflycht (2018) found that the negative

consequences accruing to Wall Street brokers involved in misconduct varied from broker to broker, depending on the broker's tenure and gender, and on whether the misconduct was customer- or regulator-initiated. And, in the context of professional road cycling, Palmer et al. (2018) documented how only some of the athletes that tested positive to performance enhancing drugs were disqualified, while others were allowed to continue racing. These studies suggest that the consequences accruing to those involved in professional misconduct may be less clear-cut than originally assumed. Thus we may ask ourselves: 'Why are the consequences of misconduct more severe for some professionals and professional organizations, whilst others seem to suffer much milder penalties, or even get away with their misconduct?' 'Under what circumstances are professionals and professional organizations more likely to suffer the consequences of their misconduct?' And, 'what role does the context in which misconduct happens play in affecting its consequences of misconduct for the professionals involved?'

Roulet (XXXX; this issue) provide an answer to some of these questions by showing that media exposure of misconduct is not necessarily associated with negative consequences and that, quite surprisingly, it may even benefit professionals. In their study of investment banks, they found that those banks that had featured more prominently in the media in relation to misconduct were more likely to be invited to join IPO syndicates than other banks, ultimately benefitting from 'bad' publicity. Roulet's study is interesting for a number of reasons. First, it shows that professional norms can be at odds with societal norms, so that behaviours that are perceived as unethical or illegal by the general public are acceptable – and even desirable – within a professional context and thus have few negative or even positive consequences. Second, it helps to explain why professional misconduct may persist despite media scrutiny, although media as 'social-control agents' (Greve et al., 2010) are supposed to increase the likelihood of sanctions being applied to

the organizations involved in misconduct. Finally, and importantly, it challenges the taken-for-granted assumption that other organizations (in this case other banks) will refrain from doing business with an organization associated with misconduct because of fears of being tainted by association (Anteby, 2010). Future research might build on these important insights and study whether professionals may face different consequences in fields dominated by different logics, and whether the negative consequences that professional misconduct brings about in one field may perhaps be counter-balanced by positive consequences in another field. Another possibility refers to status or reputation and how these affect both the likelihood that organizations and individuals may engage in professional misconduct and the consequences of such behaviour. Thus Radaelli et al. (XXXX; this issue) suggest how the organization that was targeted for infiltration was chosen because its comparatively lower status meant that it was further away from the public gaze and, in this case at least, already compromised by relatively lax forms of behaviour. Similarly, Lander et al. (XXXX; this issue) show that senior associates working for highly reputed law firms were less likely that senior associates working for lower reputed law firms to engage in professional-client misconduct, lending additional support to the idea that an organization's reputation affects the likelihood that its members engage in professional misconduct. Future research should continue this line of inquiry by investigating how the status and reputation of individual professionals, professional organizations, and networks of professional organizations combine in affecting the likelihood that professionals and organizations engage in misconduct, as well as how they jointly influence its consequences.

In a related stream of research, some scholars have investigated the *implications* for regulators and policy makers of different instances of professional misconduct and how effective their response was in curbing misconduct. The idea behind this type of research is that

documenting professional misconduct highlights deficiencies in or problems with existing norms and regulations which prompts regulators and policy makers to take corrective actions. Early research within this line of inquiry (e.g., Dewing & Russell, 2004; Rama & Read, 2006; Early et al., 2008; DeFond & Lennox, 2011; Öhman & Wallerstedt, 2012) has provided evidence consistent with the idea that changes in existing norms and regulations in response to professional misconduct reduce its future occurrence. Dewing and Russell (2004: 114, emphasis added), for example, advocate for a corporate governance regulation in the UK that resembles that of the financial industry, as "in the light of empirical evidence and recent events, especially post-Enron, an *appropriate* structure for regulation of corporate governance might better be based on that of financial services rather than accounting and audit". And Rama and Read (2006: 97) show how "auditors are much more conservative in the post-Enron/SOX period than in the immediately preceding period", suggesting that the Sarbanes-Oxley Act (the 'SOX') has helped to curb improper behaviours. Later research (e.g., Feldman & Read, 2010; Holm & Zaman, 2012; Knechel & Sharma, 2012), however, has cast doubts on this overly optimistic view and explored the conditions under which new norms and regulations are more likely to prevent professional misconduct. Feldman and Read (2010: 267), for example, provide evidence that auditors' conservatism after the SOX was short-lived, and that it "increases sharply in 2002–2003 compared to 2000–2001, it declines in the periods that follow, ultimately returning to its pre-Enron level". And Knechel and Sharma (2012: 85) argue that despite the fact that "the Sarbanes-Oxley Act of 2002 (SOX) effectively bars an auditor from providing nonaudit services to an audit client based on the belief that the resulting economic bonding undermines the auditor's independence and quality of the audit…there is some merit to the profession's argument that auditor-provided nonaudit services benefit clients without leading to a loss of audit effectiveness".

The study by Lander et al. (XXXX; this issue) contributes to this more recent set of studies by suggesting that the effectiveness of the governance practices in professional service firms in reducing professional-client misconduct depends upon the career stage of the professionals employed. More precisely, the authors found that informal behavioural practices are more effective for senior (non-tenured) lawyers, whereas formal outcome-based governance practices are more effective for junior lawyers. By providing evidence that 'one solution does not fit all', and that the effectiveness of firm-level governance practices in preventing misconduct is subordinate to the career stage of the professional employed, this study challenges the 'orthodox' distinction between informal behavioural and formal outcome-based governance practices, as well as the notion that the former are more effective than the latter in curbing misconduct (Sharma, 1997). More disturbingly perhaps, the study by Radaelli et al. (XXXX; this issue) shows that the very same governance mechanisms that were originally intended to prevent misconduct were actually exploited by a mafia clan in its 'misconduct project'. In particular, the authors document how affiliates to the clan and 'pre-disposed' professors were able to infiltrate and control the governing bodies of the university that should have – at least in theory – been responsible for its internal and external accountability and to turn existing systems, practices and procedures which paradoxically were intended to maintain the independence and integrity of professionalism as a societal institution, to support illegitimate ends. It is the use of these pervasive mechanisms that enabled misconduct to go undetected – or, better, unpunished – for over 30 years.

The papers thus open up the way for future research about how professional organizations, regulators, and policy makers should respond to misconduct in more differentiated ways and which are not restricted to adaptations to existing regulations and governance regimes. For example, future research might investigate under which conditions – and in which contexts – a certain

regulation or corporate governance regime is more likely to be effective in reducing professional misconduct and help design and implement *ad hoc* regulations and norms that can more effectively curb professional misconduct within and by organizations. As Radaelli et al. show, future research should be particularly mindful of the danger posed by organizational affordances whereby existing contradictions and ambiguities within certain practices and systems makes them amenable to being manipulated to support rather than prevent misconduct. Future research might also be directed towards understanding the normative and practical implications of applying different norms and regulations to different settings, and who should be responsible for the design, implementation, and enforcement of such norms and regulations. It is an open question whether the responsibility of regulating professional conduct should reside within the professions themselves or be granted externally, and in the latter case to whom.

Conclusions

In this essay, we argued that research on professions and organizations could benefit from a better understanding of professional misconduct, with particular reference to its nature, antecedents, implications and consequences. To substantiate our claim, we discussed the most important theoretical and empirical insights that emerged from research conducted in this field of investigation and showed that, despite the merits of this research, there are still issues that deserve closer examination. We have highlighted how papers in this special issue help advance understanding of a range of issues. Table 1 outlines the themes and research questions we identified along with the contributions of the special issue papers to addressing these questions. We hope that future research will further develop understanding of the themes and questions outlined in

Table 1 and shed new light on professional misconduct, given its theoretical and practical relevance.

Insert Table 1 about here

Funding

References

Abbott, A. 1995. Boundaries of social work or social work of boundaries? *Social Service Review*, 69: 545–562.

Abbott, A. 2005. Linked ecologies: States and universities as environments for professions. *Sociological Theory*, 23: 245–274.

Abdolmohammadi, M. J., Read, W. J., Scarbrough, D. P. 2003. Does Selection-Socialization Help to Explain Accountants' Weak Ethical Reasoning? *Journal of Business Ethics*, 42(1): 71–81.

Anteby, M. 2010. Markets, morals, and practices of trade: Jurisdictional disputes in the U.S. commerce in cadavers. *Administrative Science Quarterly*, 55(4): 606-638.

Arnold, B. and Hagan, J. 1992. Careers of misconduct: The structure of prosecuted professional deviance among lawyers. *American Sociological Review*, 57(6), 771-780.

Assadi, P. and von Nordenflycht, A. 2018. Punishment for misconduct on Wall Street. Working Paper.

Brint, S. G. 1994. *In an Age of Experts: The Changing Role of Professionals in Politics and Public Life*. Princeton, USA: Princeton University Press.

Boussebaa, M. Faulconbridge, JR (2018) Professional service firms as agents of economic globalization: a political perspective. *Journal of Professions and Organization*

Boussebaa, M. Faulconbridge, JR. (2016) The work of global professional service firms. In Wilkinson, A. Hislop, D. Coupland, C. (Eds) *Perspectives on contemporary professional work. Challenges and experiences*. Edward Elgar, Cheltenham, 105-122.

Brown, A. D. 2000. Making Sense of Inquiry Sensemaking. *Journal of Management Studies*, 37(1): 45-75.

Carr-Saunders, A. M., and Wilson, P. A. 1933. *The Professions*. Oxford, UK: Clarendon Press.

Coffee, J. C. 2005. *A Theory of Corporate Scandals: Why the U.S. and Europe Differ*. Columbia Law and Economics Working Paper No. 274.

Coffee, J. C. 2006. *Gatekeepers: The Professions and Corporate Governance*. Oxford, UK: Oxford University Press.

Cooper, D., Lowe, A., Puxty, A., Robson, K., and Willmott, H. 1988. *Regulating the UK Accountancy Profession: Episodes in the Relation Between the Profession and the State.* Paper presented at the Economic and Social Research Council Conference on Corporatism at the Policy Studies Institute, London, January.

Covaleski, M., Dirsmith, M., Heian, J., and Samuel, S. 1998. The Calculated and the avowed: Techniques of discipline and struggles over identity in big six public accounting firms. *Administrative Science Quarterly*, 43(2), 293-327.

Crotty, J. 2009. Structural causes of the global financial crisis: A critical assessment of the 'new financial architecture. *Cambridge Journal of Economics* 33: 563–580.

DeFond, M. L. and Lennox, C. S. 2011. The effect of SOX on small auditor exits and audit quality. *Journal of Accounting and Economics*, 52: 21–40.

Department of Health. 1994. The Allitti Inquiry: Independent inquiry relating to deaths and injuries on the children's ward at Grantham and Kesteven General Hospital February –April 1991. London: Stationary Office.

Dewing, I. P. and Russell, P. O. 2004. Regulation of UK Corporate Governance: lessons from accounting, audit and financial services. *Corporate Governance: An International Review*, 12(1): 107-115.

Dixon-Woods, M., Yeung, K., Bosk, C. 2011. Why is UK medicine no longer a self-regulating profession? The role of scandals involving "bad apple" doctors. *Social Science & Medicine*, 73: 1452-1459.

Durkheim, E. 1957. *Professional Ethics and Civic Morals*. London, UK: Routledge and Kegan Paul.

Earley, C. E., Hoffman, V. B., and Joe, J. R. 2008. Reducing management's influence on auditors' judgments: An experimental investigation of SOX 404 assessments. *The Accounting Review*, 83(6): 1461-1485.

Feldmann, D. A. and Read, W. J. 2010. Auditor conservatism after Enron. *Auditing: A Journal of Practice & Theory*, 29(1): 267-278.

Francis, R. 2013. *Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry*. London: Stationary Office.

Freidson, E. 2001. *Professionalism: The Third Logic*. Chicago, USA: University of Chicago Press.

Frooman, J. 1997. Socially irresponsible and illegal behavior and shareholder wealth. *Business and Society*, 36(3): 221-249.

Gabbioneta, C., Greenwood, R., Mazzola, P., and Minoja, M. 2013. The influence of the institutional context on corporate illegality. *Accounting, Organizations and Society*, 38: 484–504.

Gabbioneta, C., Prakash, R., and Greenwood, R. 2014. Sustained corporate corruption and processes of institutional ascription within professional networks. *Journal of Professions and Organization*, 1: 16–32.

Graffin, S. D., Bundy, J., Porac, J. F., Wade, J. B. and Quinn, D. P. 2013. Falls from Grace and the Hazards of High Status. The 2009 British MP Expense Scandal and Its Impact on Parliamentary Elites. *Administrative Science Quarterly*, 58(3): 313-345.

Greenwood, R. and Empson, L. 2003. The professional partnership: Relic or exemplary form of governance? Organization Studies, 24: 909–933.

Greenwood, R. and Suddaby, R. 2005. Institutional entrepreneurship in mature fields: The Big Five accounting firms. *Academy of Management Journal*, 49(1): 27-48.

Greve, H. R., Palmer, D., and Pozner, J. E. 2010. Organizations gone wild: The causes, processes, and consequences of organizational misconduct. *Academy of Management Annals*, 4: 53–107.

Grey, C. 2003. The Real World of Enron's Auditors. *Organization*, 10(3): 572-576.

Harrington, B. 2018. Turning vice into virtue: Institutional work and professional misconduct. *Human Relations*, forthcoming.

Holm, C. and Zaman, M. 2012. Regulating audit quality: Restoring trust and legitimacy. *Accounting Forum*, 36(1): 51-61.

Honig, B., Lampel, J., Siegel, D., and Drnevich, P. 2014. Ethics in the Production and Dissemination of Management Research: Institutional Failure or Individual Fallibility? *Journal of Management Studies*, 51(1): 118-142.

Jensen, M. 2006. Should we stay or should we go? Accountability, status anxiety, and client defections. *Administrative Science Quarterly*, 51(1): 97-128.

Jonsson, S., Greve, H.R. and Fujiwara-Greve, T. 2009. Lost without deserving: The spread of legitimacy loss in response to reported deviance. *Administrative Science Quarterly*, 54(2), 195–228.

Kang, E. 2008. Director interlocks and spillover effects of reputational penalties from financial reporting fraud. *Academy of Management Journal*, 51(3): 537–555.

Knechel, W. R. and Sharma, D. S. 2012. Auditor-provided nonaudit services and audit effectiveness and efficiency: Evidence from pre- and post-SOX audit report lags. *Auditing: A Journal of Practice & Theory*, 31(4): 85-114.

Lamont, M. and Molnár, V. 2002. The study of boundaries in the social sciences. *Annual Review of Sociology*, 28(1): 167-195.

Lander, M., Van Oosterhout H, Heugens P and Pruijssers JL 2018. Career stage dependent effects of law firm governance: A multilevel study of professional-client misconduct. *Human Relations*, forthcoming.

Larson, M. S. 1977. *The Rise of Professionalism: A Sociological Analysis*. Barkley, USA: The University of California Press.

Liu, S. 2018. Boundaries and professions: Toward a processual theory of action. *Journal of Professions and Organization*, 5(1): 45–57.

Lord, A. T. and DeZoort, F. T. 2001. The impact of commitment and moral reasoning on auditors' responses to social influence pressure. *Accounting, Organizations and Society*, 26(3): 215-235.

Mintzberg, H. 1979. *The Structuring of Organization: A Synthesis of the Research*. Englewood Cliffs, USA: Prentice-Hall.

Mitchell, A. and Sikka, P. 2011. *The Pin-Stripe Mafia: How Accounting Firms Destroy Societies*. Basildon, UK: Association for Accountancy & Business Affairs.

Moorhead R, Vaughan S, Mayson S, Godinho C, Gilbert P (2016) Mapping the Moral Compass The relationships between in-house lawyers' role, professional orientations, team cultures,

organisational pressures, ethical infrastructure and ethical inclination. Report - http://discovery.ucl.ac.uk/1497048/

Moorhead, R. and Cahill-O'Callaghan, R. 2016. False friends? Testing commercial lawyers on the claim that zealous advocacy is founded in benevolence towards clients rather than lawyers' personal interest. *Legal Ethics*, 19(1): 30-49.

Moorhead, R. and D. Kershaw, (2013) Consequential Responsibility for Client Wrongs: Lehman Brothers and the Regulation of the Legal Profession. *Modern Law Review* 76(11), 26-61

Murphy, R. 1984. The structure of closure: A critique and development of the theories of Weber, Collins, and Parkin. *The British Journal of Sociology*, 35(4), 547-567.

Muzio, D., Faulconbridge, J., Gabbioneta, C., and Greenwood R. 2016. Bad apples, bad barrels and bad cellars: a 'boundaries' perspective on professional misconduct. In: Palmer, D.; Smith-Crowe, K.; Greenwood, R. (eds.). *Organizational Wrongdoing*. Cambridge, UK: Cambridge University Press, 2016, pp.141-175.

Öhman, P. and Wallerstedt, E. 2012. Audit regulation and the development of the auditing profession: The case of Sweden. *Accounting History*, 17(2): 241-257.

Palmer, D., Yenkey, C., and Haraway, S .2018. The consequences of detected misconduct in and by organizations: Evidence from the sport of professional road cycling. Working paper.

Parkin, F. 1979. *The Marxist Theory of Class: A Bourgeois Critique. London*, UK: Tavistock.

Parsons, T. 1954. Professional and Social Structure. In: *Essays in Sociological Theory*. Glencoe, IL: Free Press.

Paruchuri, S. and Misangyi, V.F. 2015. Investor perceptions of financial misconduct: The heterogeneous contamination of bystander firms. *Academy of Management Journal*, 58(1): 169-194.

Patterson, D. M. 2001. Causal Effects of Regulatory, Organizational and Personal Factors on Ethical Sensitivity. *Journal of Business Ethics*, 30(2): 123–159.

Piazza, A. and Jourdan, J. 2018. When the dust settles: The consequences of scandals for organizational competition. *Academy of Management Journal*, 61(1): 165-190.

Radaelli, G., Guerci, M., Cabras, F., and Della Chiesa, N. 2018. How are professionals recruited by external agents in misconduct projects? The infiltration of organized crime in a university. *Human Relations*, forthcoming.

Radcliffe, V. S., Spence, C., Stein, M. and Wilkinson, B. 2018. Professional repositioning during times of institutional change: The case of tax practitioners and changing moral boundaries. *Accounting, Organizations and Society*, 66: 45-59.

Rama, D. V. and Read, W. J. 2006. Resignations by the Big 4 and the market for audit services. *Accounting Horizons*, 20(2): 97-109.

Roulet, T. 2018. Sins for some, virtues for others: Media coverage of investment banks' misconducts and adherence to professional norms during the financial crisis. *Human Relations*, forthcoming.

Seabrooke, L. and Tsingou, E. 2015. Professional emergence on transnational issues: Linked ecologies on demographic change. *Journal of Professions and Organization*, 2(1): 1–18.

Sharma, A. 1997. Professional as agent: Knowledge asymmetry in agency exchange. *Academy of Management Review*, 22(3): 758-798.

Sherer, P. D., and Leblebici, H. 2015. Governance in professional service firms: From structural and cultural to legal normative views. In: Empson, L., Muzio, D., Broschak, J., and Hinings, B. (eds.), The Oxford Handbook of Professional Service Firms. Oxford, UK: Oxford University Press.

Sikka, P. and Hampton, M. P. 2005. The role of accountancy firms in tax avoidance: Some evidence and issues. *Accounting Forum*, 29(3): 325-343.

Singh, J. and Jayanti, R. K. 2013. Institutional work backfires. *Journal of Management Studies*, 50: 900-929.

Smets, M., Morris, T., and Greenwood, R. 2012. From practice to field: A multilevel model of practice-driven institutional change. *Academy of Management Journal*, 55: 877–904.

Smith J. 2003. The Shipman Inquiry. London: HMSO.

Sullivan, B.N., Haunschild, P. and Page, K. 2007. Organizations non gratae? The impact of unethical corporate acts on interorganizational networks. *Organization Science*, 18(1): 55-70.

Weick, K. E. and Sutcliffe, K. M. 2003. Hospitals as cultures of entrapment. *California Management Review*, 45(2): 73-84.

Wilson, J. M., O'Leary, M. B., Metiu, A., and Jett, Q. R. 2008. Perceived proximity in virtual work: Explaining the paradox of far-but-close. *Organization Studies*, 29(7): 979-1002.

Table 1: Key themes and research questions relating to professional misconduct and contributions of special issue papers

Theme	Questions	Special issue paper contributions
The nature of professional misconduct	From whose perspective do we define professional misconduct?	Harrington (XXXX; this issue) – professionals redefining misconduct to legitimize their practices Roulet et al. (XXXX; this issue) – professionals having a different view to others of what constitutes misconduct
	Is professional misconduct only defined against formal governance or regulatory demands?	Harrington (XXXX; this issue) – With category distancing, practitioners detach their work from the people and purposes it serves, calling attention instead to professionals' traditional duty to wield knowledge impartially. In this way, tax avoidance can be characterized as a form of expertise with no inherent moral valence, good or bad
	What represents professional misconduct in any specific context?	Lander et al. (XXXX; this issue) – differences according to careers stage create heterogeneous understandings Radaelli et al. (XXXX; this issue) – the specificities of misconduct in any particular setting (in their case medical education) complicate singular definitions
The antecedents of professional misconduct	What factors render social and symbolic boundaries more or less important, interdependent and effective or ineffective in professional misconduct?	Harrington (XXXX; this issue) and Roulet et al. (XXXX; this issue) – the boundaries between clients and professionals are dissolved in ways that encourage misconduct
	Are there new symbolic boundaries that need to be taken account of and why?	Lander et al. (XXXX; this issue) – the symbolic boundary between junior and senior professionals affects the likelihood of misconduct
	Who do professionals interact with, and how do these interactions influence the nature, antecedents and consequences of professional misconduct?	Radaelli et al. (XXXX; this issue) – professionals' interactions crossing boundaries and created new interdependencies (with organized crime) that instigate misconduct
	How do interactions lead to the renegotiation of existing or production of new boundaries?	Roulet et al. (XXXX; this issue) relationships that are too intense renegotiate settlements between different groups

	How do different professionals with different relationships experience the same boundaries, and what explains this differentiation?	Lander et al. (XXXX; this issue) – junior and senior professionals have different relationships that can affect misconduct, and the intensity of relationships between the two groups can determine the likelihood of misconduct
The consequences and implications of professional misconduct	Are the consequences of misconduct severe for some professionals, whilst others may suffer much milder penalties, or even get away with their misconduct?	Roulet et al. (XXXX; this issue) – some professionals gain benefits from misconduct which are more significant than any penalties
	Are existing corporate governance regimes and regulations effective in preventing professional misconduct?	Radaelli et al. (XXXX; this issue) – mafia affiliated and 'pre-disposed' professors were able to infiltrate and take control of the governing bodies of Troy University. Existing regulations, systems and practices were 'turned' to help to conceal wrongdoing
	Would stricter, standardized rules and regulations alone be effective in curbing professional misconduct?	Lander et al. (XXXX; this issue) – different corporate governance regimes are effective in curbing professional misconduct by employees at different stages of their career, and under different circumstances

Corresponding Author:

Claudia Gabbioneta

Newcastle University

Business School, 5 Barrack Road, Newcastle upon Tyne, NE1 4SE, UK

claudia.gabbioneta@newcastle.ac.uk

Other Author(s):

James R Faulconbridge

Lancaster University

Lancaster, UK

j.faulconbridge@lancaster.ac.uk

Graeme Currie

http://orcid.org/0000-0002-4825-9711

University or Warwick

Warwick Business School, Warwick, CV4 7AL, UK

graeme.currie@wbs.ac.uk

Ronit Dinovitzer

University of Toronto

Toronto, Ontario M5S 1A1, Canada

ronit.dinovitzer@utoronto.ca

Daniel Muzio

University of York

The York Management School, Freboys Lane, York, YO10 5DD, UK

Daniel.muzio@york.ac.uk