

Praise, Pride and Corporate Compliance

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Introduction

The work of Cooley (1922) and Scheff (1990) implies that pride and shame are the primary social emotions. For Scheff, pride is the sign of an intact bond with other human beings, shame of a severed or threatened bond. Scheff & Retzinger (1991: 175) have been critical of Braithwaite's (1989) work on shame and compliance with laws for its neglect of pride. Just as shaming is the practice that engenders shame, praise is the critical practice for engendering pride. In another study we have shown that reintegrative shaming is indeed predictive of improved compliance with nursing home regulatory laws, while stigmatization predicts a deterioration in compliance (Makkai & Braithwaite, n.d.). This paper tests whether praise improves compliance.

In the context of the social control of collectivities, Albert Cohen (1990: 111) has given an account of why pride might be more important than shame in affecting behaviour. Where pride is evident, Cohen points out that one observes a stronger fusion of identities between individuals and the collectivities to which they belong than when shame is evident. So, for example, when the political leaders of a state engage in a shameful act of aggression or incompetence, citizens who see the act as shameful are likely to view it as 'them', the political leadership, who did it. When, in contrast, the nation state does something that elicits pride, "citizens are likely to swell with pride at what they collectively ('we') have done" (Cohen, 1990: 111). If this is right, it follows that praise of collectivities is more likely to flow through to motivate the behaviour of individuals than shaming of collectivities.

Law and society scholarship generally can be criticised for its overwhelming preoccupation with the way negative sanctions effect (or fail to effect) compliance with laws to the exclusion of a consideration of the effects of positive sanctions. Praise can have an effect on compliance for a number of theoretically distinct reasons. First it can be a simple social reward that

fosters instrumental learning. Perhaps more importantly, praise can have cognitive effects on individuals through nurturing law-abiding identities, building cognitive commitments to try harder, encouraging individuals who face adversity not to give up in the face of that adversity and nurturing belief in oneself. The latter is particularly important in the present context because previous research has shown that cognitions of self-efficacy among nursing home managers are predictive of their success in securing compliance with regulatory laws (Jenkins, n.d.). So there are some good theoretical reasons why we should be open to the consideration of radical redesign of regulatory institutions so that they are more praise-driven than punishment-driven.

The Nursing Home Study

In 1987 the Australian government moved to take over the monitoring and enforcement of standards of quality of care in nursing homes from state governments. A major component of this new initiative was the introduction of 31 standards that covered health care, social independence, freedom of choice, privacy and dignity enjoyed by residents, the environment of the nursing home, the variety of experience available to residents and safety (including risks from fire, violence, infection and the use of restraints) [see Braithwaite *et al.* (1991) for a detailed discussion of the standards]. To maintain government funding, nursing homes must comply with the standards and failure to do so can and does result in the Commonwealth withdrawing all funds to the nursing home.

The procedure for inspecting nursing homes is straightforward. A team of not less than two, one of whom is always a trained nurse, visits the nursing home for an average of 6.5 h at the initial visit. The team is required to inspect and rate the home as either met, action required or urgent action required on all 31 standards. Following this there is a compliance meeting between the nursing home and the inspection team where the team discusses its initial ratings with staff. Negotiation over the accuracy of the ratings does occur, sometimes requiring the inspection team to revisit the home to gather further information. In this meeting the appropriate action plans to bring the nursing home into compliance are discussed and are included in the final report. Within 10 days of this compliance meeting the final report is sent to the nursing home and management of the nursing home have 6 weeks in which to object to its contents.

In conjunction with the introduction of this regulatory scheme, the Australian government commissioned an evaluation. The government agreed to inspect a proportionate random sample (stratified by size, type of ownership and level of disability of residents) of 242 nursing homes over a 20 month period. These nursing homes surrounded the four largest metropolitan centres in Australia in which more than two-thirds of all nursing homes in Australia are located. In order to increase sample size, all additional homes

inspected within the sampling regions during this time frame were included in the study ($n = 168$) [1]. The quantitative data used in this paper to examine the impact of praise on regulatory performance is taken from this study.

The Dependent Variable—Corporate Compliance

The inspectors' ratings of the nursing home on the 31 standards provide the objective dependent measure of corporate compliance. Another study has shown that the standards are reliable, valid and comprehensive in their coverage of the medical, personal and social needs of the nursing home's residents (Braithwaite *et al.*, 1991). Most critically, test-retest reliabilities on total compliance scores assessed by independent inspection at the same time as the government inspection obtained reliability coefficients ranging from 0.93–0.96. The standards are summed to form a total measure of compliance ranging from 0 (no compliance) to 31 (absolute compliance) [see Braithwaite *et al.* (1991) for a justification of this procedure]. The inspectors' reports for two inspections are used. The first inspections took place over a 20 month period from May 1988 to March 1990. A second was undertaken of 341 of the initial 410 homes mostly 18–20 months later [2]. The dependent variable effectively uses both the first and second ratings given to the nursing home by the inspection team. Although the dependent variable in the ordinary least square regression model (in Table 2) is the ratings from the second inspection process, the ratings from the first inspection are entered into the model initially. By partialing out the nursing home's initial level of compliance, the other independent variables in the model indicate the effect of those variables on the change in the level of compliance that has occurred between the two inspections.

Observing and Measuring Praise

In addition to the systematic quantitative data, considerable qualitative data has been collected over a 5 year period. The most important part of the qualitative data consisted of observation of 133 nursing home inspections in Australia, the United States and England over a 5 year period [3]. Let us first consider some of the qualitative evidence for the importance of praise that led us to seek to test out the hypothesis in a systematic quantitative way.

One of the recurrent observations related to the apparent impact of praise during regulatory encounters. A typical observation was of an inspector as she finished observing a nurse during her morning round of medication administrations saying: "Mrs Jones, you're a wonderful nurse" and "Mrs Jones" would glow. Another was of nurses informing us: "The rewards of nursing are thanks from your patients. With nursing home patients, they aren't very responsive, sometimes their families are not there, or not encour-

aging. So it is important for the surveyor [the inspector] to give praise." Exit conferences at the end of inspections in the United States and Australia were rituals of shame and/or praise. If the former was the case, tears would sometimes be shed; if the latter, remarkably joyous celebrations after the exit were observed, often involving nursing home management going out for celebratory drinks.

Head nurse of a Chicago hospital aged care unit: "We had an exit with the Sanitarian. He was climbing around everywhere, under everything. We thought it was ridiculous some of the things he was looking at but he was thorough. So we were worried at the exit. But then he really laid on the praise thick at the exit. He said we should be more appreciated, that we work so hard, do so much for the patients. It made me feel good inside. I couldn't wait to tell the staff. The Chief Operating Officer was there and the Administrator who covers this part of the hospital. He told them how good we were."

As participatory events in which more than twenty people can be involved, praise in an exit conference can have multiplier effects that reverberate around the home. An hour and a half after an exit in which there was a lot of praise, a departmental head could be observed stopping the director of nursing in the corridor and patting her on the back, putting his arm around her, almost cuddling her: "Good job." Director of Nursing: "You did a good job too." Department head: "Oh, I didn't do much." Director of Nursing: "The whole staff did this." So we observed self-conscious communicative work to fuse multiple individual prides into corporate pride. At the same time, multiple individual prides were being unpacked from corporate pride.

But even in a nursing home that is generally negatively sanctioned for poor performance, singling out some individual performances for praise can at least be transparently motivating for those individuals, perhaps while also being taken to show that not everything is going wrong collectively:

Inspector (after a lot of criticism): "But I'm really impressed with the progress on roaches. Its miraculous really the way we've seen that problem under control compared to a few months ago."

Administrator (nodding to pest control man): "You've made his day."
Pest Control Man: "You've made my week."

On the other hand, one inspector pointed out something that we observed ourselves many times: "If you say only negative things, you leave there and it looks like everyone has been whipped to death." These repeated observations from the qualitative fieldwork indicated that praise would appear to be an important tool in the inspection process. The remainder of this paper attempts to test this proposition using the quantitative data.

Following the initial inspection, and the finalisation of the report and

procedures for implementing action plans to remedy non-compliance, the director of nursing in each home was interviewed. These interviews were extensive, lasting up to 3 h and into a second sitting in some cases. It is these data which provide one measure of praise. Directors of nursing were asked: "Did the Team give the nursing home and its staff much praise for those things that were being done well? Would you say they gave a great deal of praise, a fair amount of praise, very little or none?" Verbal praise by the team is perceived to be used fairly often by the directors of nursing. From Figure 1, one in five directors indicated that teams used praise a great deal. However, a significant minority indicated that little or no praise was forthcoming from the inspection teams (32%).

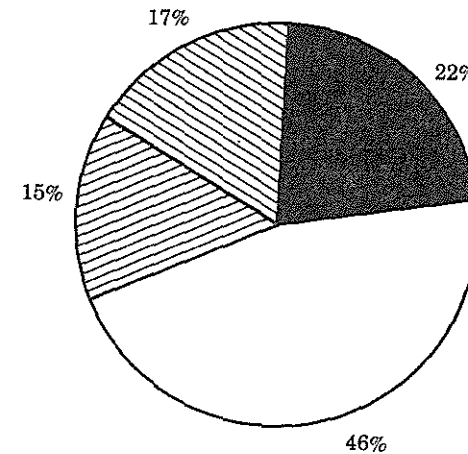


Figure 1. Director of nursing's perception of the use of praise by inspection teams. (■) A great deal of praise, (□) a fair amount of praise, (▨) very little praise, (▩) none.

This measure of praise represents the subjective perceptions of directors of nursing, albeit weakly as it is based on only a single item. The perception that teams have of their strategies may be quite different. To obtain the team's view of their strategies, persons who worked as inspectors between 1987-1990 were posted questionnaires in May 1990; a list of names and addresses for all inspectors was supplied by the Australian government. Two follow-up letters were sent and telephone follow-ups were conducted in September. Two hundred and fifty-eight inspectors were initially contacted. Of these, 14 refused to participate, 32 were returned to sender, 21 failed to return a questionnaire and 191 returned useable schedules. Eighteen of those who returned questionnaires were managers who had no prior experience as inspectors in the monitoring program. Their inspection was a one-off training exercise and they have been excluded from the analyses that follow.

Figure 2: Average use of various strategies for getting compliance^a

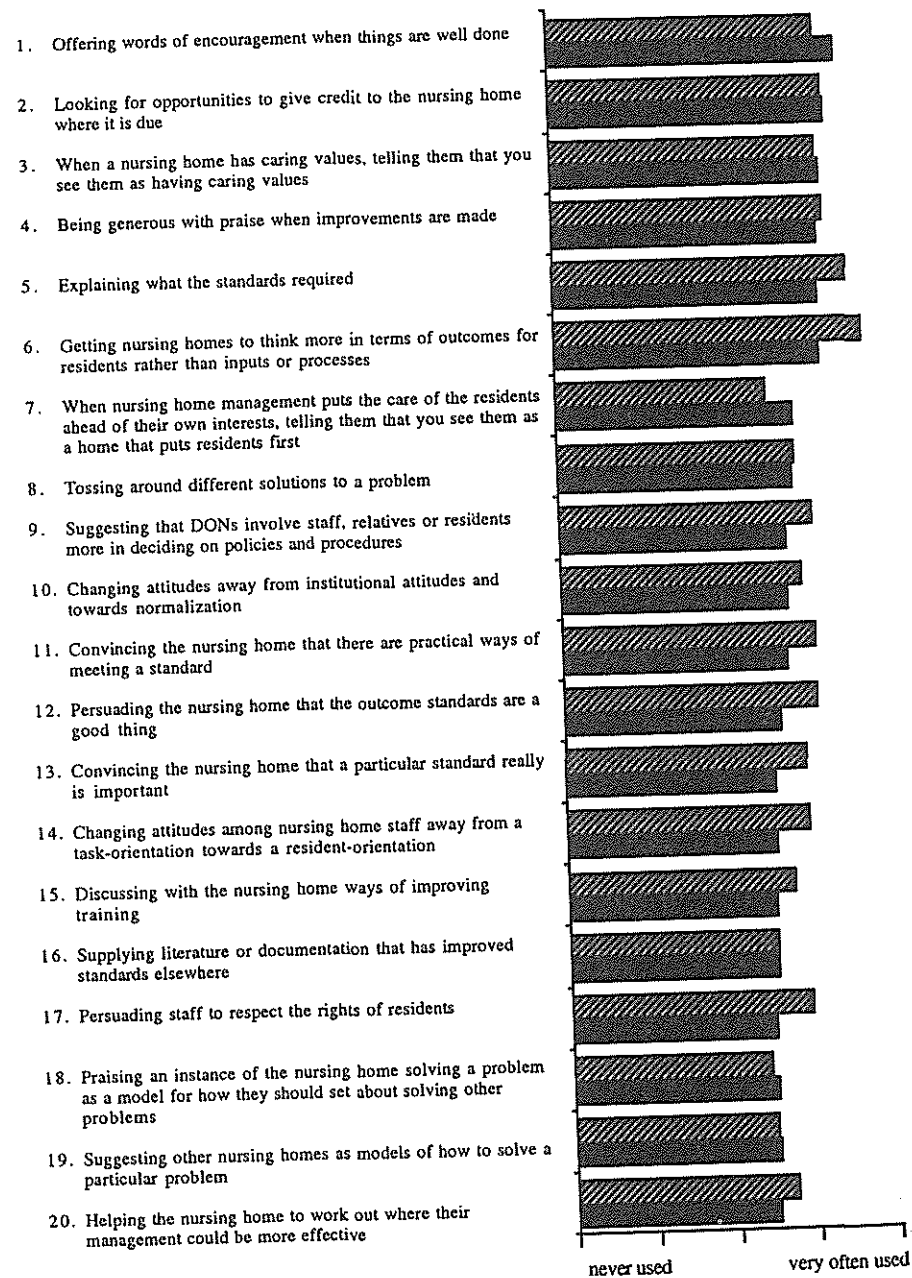
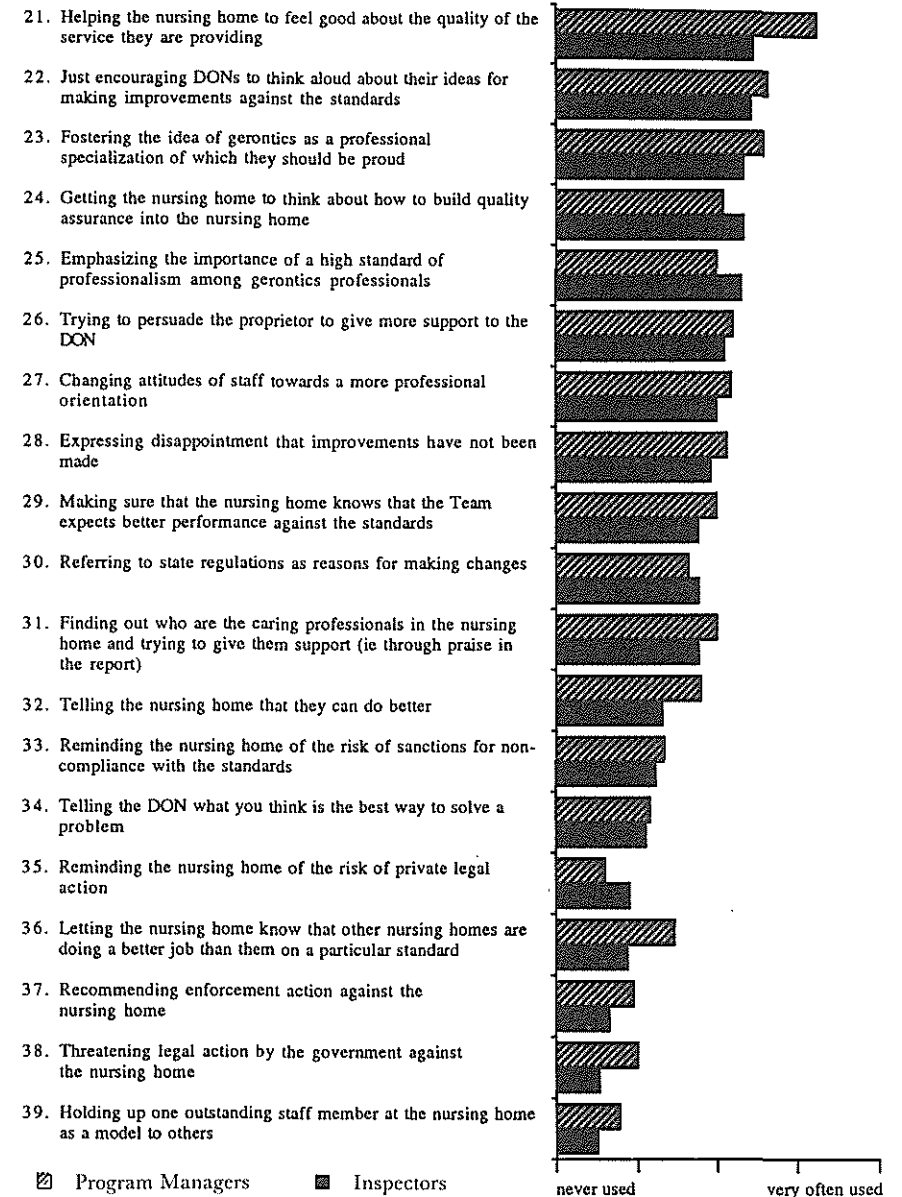


Figure 2. Average use of various strategies for getting compliance. (▨) program managers, (■) inspectors.



Exact wording of the question was "Different approaches will work under different circumstances in getting nursing homes to comply with government standards. How often have you used each of the following approaches to encourage compliance with the standards?" Responses: "never used", "rarely used", "sometimes used", "quite often used" and "very often used".

These individual team members were asked: "Different approaches will work under different circumstances in getting nursing homes to comply with government standards. How often have you used each of the following approaches to encourage compliance with the standards? Very often used, Quite often used, Sometimes used, rarely used and never used?" In all, inspectors were presented with 39 possible strategies ranging from modelling to appeals to professionalism. Figure 2 shows that praise-based strategies were among the most widely used approaches to gaining compliance. Eight of these items were used to form a scale measuring the extent to which inspectors used praise as a compliance strategy. The actual wording of each item, the percent who indicated "very often used" and the item-total correlation are presented in Table 1.

Table 1. Items used to form team's praise scale ($n = 173$)

| Items | Percent who "very often used" | Item-total correlation |
|---|-------------------------------|------------------------|
| When a nursing home has caring values, telling them that you see them as having caring values | 45 | 0.65 |
| When nursing home management puts care of the residents ahead of their own interests, telling them, that you see them as a home that puts residents first | 40 | 0.53 |
| Looking for opportunities to give credit to the nursing home where it is due | 45 | 0.52 |
| Helping the nursing home feel good about the quality of the service they are providing | 41 | 0.51 |
| Being generous with praise when improvements are made | 44 | 0.50 |
| Offering words of encouragement when things are well done | 59 | 0.49 |
| Praising an instance of the nursing home solving a problem as a model for how they should set about solving other problems | 17 | 0.48 |
| Finding out who are the caring professionals in the nursing home and trying to give them support (e.g. through praise in the report) | 8 | 0.39 |
| (Cronbach Alpha) | | (0.80) |

The item-total correlations range from 0.39 to 0.65 with an overall reliability of 0.80. The perceptions that individual inspectors have is one of using praise strategies quite often. This is most aptly demonstrated by graphing the overall use of praise strategies. If inspectors indicated that they never used a strategy they were assigned a score of zero, rarely used a strategy a

score of 1, sometimes used a score of 2, quite often used a score of 3 and very often used a score of 4. In summing these items the scale could range from a low of 0 (never used any of the strategies) to 32 (used every strategy very often). To ensure that no one item dominates the scale yet still preserve the relative mean differences between the items, each item was divided by its standard deviation prior to summing. As the scale has no natural metric, the scale was transformed so that it ranged from zero to 10. The scale mean is 5.61 with a standard deviation of 2.43. A graphical presentation in Figure 3 groups the data into five categories.

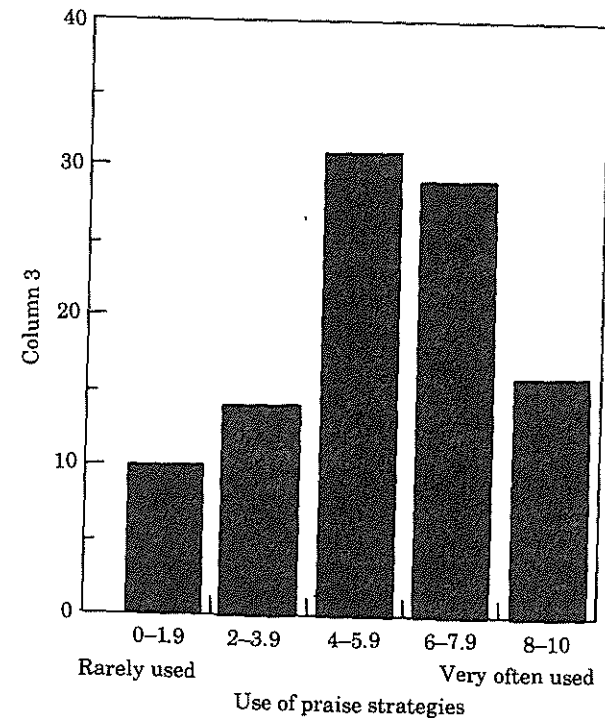


Figure 3. Extent to which inspectors use praise strategies.

This scale is based on the responses of individual inspectors, yet the inspection process is a team exercise with teams being comprised of not less than two members. Two is the modal size of inspection teams in practice. However, three person teams are common, teams of four or more rare. To determine whether individual team members' views affect change in compliance at the nursing home level, individual inspectors must be matched to each nursing home they inspected. To do this, praise scores were averaged across the multi-person teams and then matched to the nursing home that

the team inspected. While the response rate for individual inspectors was good, missing data causes special problems with team inspections.

There were 397 homes or inspections for which information for at least one member of the team had been obtained. These homes can in turn be broken down into those where we had individual questionnaires for all team members ($n = 187$) and those where we had returned questionnaires on 50% or more of the team members ($n = 169$). Missing data obviously can become a serious source of error where data are available for only one member of a two person team. A series of analyses were undertaken between those homes where complete information for the team was available and those homes where information for only some of the team members was available (see Braithwaite *et al.*, 1993). These indicated that homes where complete data for the team was available were more likely to be located in Victoria and less likely to be in the South Australian sample. Restricting the analysis to only those homes with complete information on all team members would effectively bias the sample so that it reflected the Victoria region. On this basis, all available information was used and a control for whether or not there was full data available for the team was included in the model. Table 2 shows that when a control in the relevant regressions is entered from having data for the full team (no missing data), this has no effect on the model.

The inspector's use of praise strategies is largely a measure of their verbal interaction with the nursing home staff. However, on completion of an inspection the team sends a written report to the nursing home. This report is supposed to detail both the good and bad points noted by the team. Its purpose is more to highlight where the nursing home is failing to meet standards than to provide the staff with a written record of the good work they are accomplishing. Copies were obtained of all the inspection reports following the first inspection. These reports were read and any 'special efforts' in the report to offer praise about things being done well in the nursing home were noted. Three percent of reports used a lot of praise and a further 36% used some praise; the majority, 64% of reports, did not make any special effort to praise the nursing home.

Qualitative fieldwork observing 58 Australian inspection events revealed that inspectors often used verbal praise in an unambiguously positive way in their encounters with the nursing home staff. However, when praise was used in the written reports, it was often to cushion highly critical assessments of performance. The fact that special efforts at praise in reports is often an attempt to temper criticism is a source of error of this rating as a measure of praise pure and simple.

These different measures of praise would seem to indicate that the majority of directors of nursing perceive that inspection teams use praise verbally in the nursing home; that the majority of individual inspectors report that they use praise as a strategy; but the majority of inspection reports do not make a special effort to praise the nursing home. The intercor-

relations between these three measures are all positive and significant. The correlation between the inspector's use of praise and the use of praise in the reports is the weakest (0.12). The correlation between the director of nursing's perception and the inspectors' perceptions is higher at 0.20 and between the director of nursing's perception of praise and praise in the report 0.19. What this suggests is that there is some overlap in directors' and inspectors' perceptions of the use of praise and that directors of nursing do recognise when praise is included in the report.

Control Variables

Before examining the effects of these different praise measures on improving compliance, it is necessary to control for a number of possible confounding effects. The addition of the first inspection ratings has the effect of controlling for a variety of factors that have been shown in previous work to affect corporate compliance amongst nursing homes (see Braithwaite & Makkai, 1991; Makkai & Braithwaite, n.d.). These factors include the type of ownership, size and age of the nursing home and the nursing home resident profile. As there is no theoretical rationale as to why these factors should also affect change in the level of compliance, the model posited here assumes that initial compliance captures all of these effects.

The model does control for eight other factors. The first and most important is the geographical location of the nursing home. The factor was shown to be important in predicting first wave compliance and as our fieldwork has shown that changes in regulatory styles vary across the states, this will also impact on change in compliance. Three dummy variables are used to capture the four geographical regions—Queensland, Victoria, New South Wales and South Australia. South Australia has been chosen as the excluded category as nursing homes located in this state had significantly lower levels of compliance than the nursing homes in the other three states. The second control variable is whether or not the nursing home had been selected as part of the original random sample. The third control variable is the time lapse between the first and second inspections and the final variable controls for whether or not the director of nursing had changed between the first and second inspections.

The next three controls are for the characteristics of the team. The first is the gender composition of the team inspecting the home. The second characteristic was an indicator of experience based on the average number of visits across team members [4]. The third control is for whether data are available for all members of the team as discussed in the last section. Appendix A Table 1A provides descriptive statistics on the control variables.

We have argued elsewhere that inspectors are able to pick good homes that are about to go bad. The data showed that these inspectors have a capacity to predict time 2 compliance over and beyond the predictive capacity

afforded by time 1 compliance (Braithwaite *et al.*, 1992). This is again confirmed here with a significant effect in Table 2. A positive association between praise and compliance could be an artifact of good (praiseworthy, compliant) homes being praised because they are good homes. The good homes on which praise is selectively bestowed at time 1 are more likely to continue to be good homes at time 2. Hence, it is necessary to test for the effect of praise on compliance at time 2 controlling for how good the home was at time 1. This is accomplished by controlling for compliance at time 1 and also including the team's assessment of the need for intervention in the nursing home. The latter in effect allows us to assess the effect of praise on improvement in compliance controlling for how 'praiseworthy' the home is perceived to be.

The measure of need for intervention is based on whether or not the team assessed that: (a) they needed to get tough with the nursing home, (b) the home needed a lot of management advice, (c) the home needed a lot of educating as to what the standards meant and (d) the home needed a lot of persuading that the standards were in the best interests of their residents. Teams assessed each of these strategies on a one to seven scale ranging from the strategy being seen as needed through to not needed. These four strategies are highly inter-correlated, with coefficients ranging from 0.56 to 0.80. Given the high inter-correlations, the four strategies have been combined into a single measure of the team's assessment of the need for intervention in that nursing home. The Cronbach Alpha is 0.89. The same procedures as were used to construct the praise scale were employed in developing the need for intervention.

Does Praise Improve Compliance?

The data in Table 2 focus on the hypothesis that praise is a successful strategy that inspectors use in their encounters with nursing home staff. Praise effectively improves compliance with the law. In these data there are three avenues whereby we can measure the effect of praise—the effect of inspectors' perceptions of their use of praise; the effect of the director of nursing's perception of the team's use of praise and the written report provided to the management of the nursing home following the inspection. Table 2 presents the results from this model.

Given that the dependent variable is continuous, ordinary least squares is the method used to estimate the effects. This method assumes that the relationships are both additive and linear (Hanuscheck & Jackson, 1977). The table provides both the standardized and unstandardized coefficients. Of the three praise variables, only one has a significant effect, although all three have a positive impact on compliance. Thus the more the use (or perceived use) of praise increases, the more likely the nursing home is to have improved in compliance between the first and second inspections.

Table 2. The effects of praise on change in corporate compliance ($n = 329$)

| | b | (beta) |
|--|--------|--------|
| Control measures | | |
| Compliance at time 1 | | |
| Queensland home | 0.20** | 0.19** |
| Victorian home | 2.55** | 0.22** |
| New South Wales home | -0.04 | -0.00 |
| Sample home | 2.63** | 0.29** |
| Change in director of nursing | -0.75 | -0.08 |
| Length of time between first and second inspection | -0.99* | -0.10* |
| Gender composition of the team | -0.07 | -0.08 |
| Team's experience | 0.48 | 0.05 |
| Full team | 0.02 | 0.07 |
| Team's assessment of need for intervention | 0.35 | 0.04 |
| | 0.23* | 0.13* |
| Praise variables | | |
| Team's reported use of praise | | |
| Team's use of praise in written reports | 0.36* | 0.14* |
| Director of nursing's perception of team's use of praise | 0.71 | 0.08 |
| | 0.07 | 0.01 |
| Constant | 15.52 | |
| Adj R-square | 0.30 | |

Significant at * $p < 0.05$, ** $p < 0.01$, two-tailed.

The analysis shows that it is the average level of the team's reported use of praise that is significantly associated with the change in compliance. When regulators use praise strategies, compliance is more likely to improve. This improvement is above and beyond the effects of the different regulatory styles that operate in the different states, whether or not the nursing home's director has changed between the two inspections and the other variables implicitly controlled by the addition of time 1 compliance to the model. More importantly, this effect is net of the team's ability to predict the need for intervention in a particular nursing home (the nursing home's 'praiseworthiness').

It would appear that the two measures of praise that relate to the specific encounter with the inspection team (director of nursing's perception of the team's use of praise and the use of praise in the written reports) are not as important as the general ideology that governs the way in which the inspection team approaches the inspection process. Inspection teams which profess a high use of praise are significantly more likely to engender a positive improvement in compliance than those teams that profess a low use of praise as one of their compliance strategies. On the other hand, the superior predictive power of the team's ideology may simply reflect the measurement superi-

ority of this eight item scale with a Cronbach Alpha of 0.80 compared to the two single item measures. With praise in the report, there is also the worry that praise is used to temper criticism, thus attenuating its validity as a measure of the total praise that is communicated. Even so, the praise in reports measure is significant at the 0.05 level with a one-tailed test, which is defensible since there is no good theoretical reason for hypothesizing that praise would reduce compliance and prior empirical evidence that it would increase it. Overall, we take the results to support the hypothesis that praise increases compliance.

Praise and the Pathologies of Regulation

Many scholars have attacked American business regulation as being preoccupied with the dispensation of negative sanctions to the neglect of positive sanctions (Ayres & Braithwaite, 1992; Bardach & Kagan, 1982; Vogel, 1986). A further problem is that when American regulatory agencies do turn their attention to positive sanctions, they think in a utilitarian, economistic or instrumental learning way about them. They think of positive sanctions as rewards which are the obverse of punishments. So we have seen state nursing home regulators in Illinois, Michigan, Massachusetts and some other states pay financial bonuses to nursing homes that achieve particularly good inspection results. Unfortunately, such vulgar economism can have counter-productive effects. It can actually undercut pride in caring with a bottom-line cynicism; staff can acquire the attitude that the reason they do the right thing is to get the bonuses, not because they care and dedicate themselves to the residents. A now substantial psychological literature shows just this; that motivating with extrinsic rewards can cause cognitive devaluation of the intrinsic motives for compliance (Dix & Grusec, 1983; Hoffman, 1983; Lepper, 1973, 1981, 1983). This is why it is bad parenting to offer children financial rewards for good school results.

As has been documented elsewhere (Braithwaite, 1993), economistic regulatory cultures also pose a risk of ritualism, wherein energies are devoted to securing rewarded inputs in a way that loses sight of the outcomes that matter. The Illinois Quality Incentive Program (QUIP) won an award from the Ford Foundation and Harvard University for innovative state and local government programs. It pays Medicaid bonuses to nursing homes which achieve certain outcomes. One of these is a home-like environment. But a program that awards extra money to some and denies it to others must have an 'objective' basis in a nation as litigious as the United States. So there must be an objective indicator of the home-like environment outcome. One of these with the Illinois QUIP program was the number of pictures on the walls of residents' rooms. As a result, we observed staff at Chicago nursing homes before inspections to tear page after page out of glossy magazines slapping them up along the walls of the nursing home. One wonders how

much it caused residents to feel that their environment was 'home-like' to have a health care professional choose a picture to slap above their bed. Hence, instrumentalism in the design of positive regulatory incentives can actually erode pride about securing the outcomes that matter.

The positive incentives that we have shown in this paper to improve regulatory outcomes are informal and social rather than economic. A word of praise does not have to be legally defensible on the basis of objective performance indicators. Like a smile, it is supererogatory. Gratuitous praise, however, is something that some U.S. state and federal regulators actively seek to crush because they see it as compromising the inspector's capacity to fulfil their role as a 'law enforcer'. Among other things, they worry that any informal praise might be used as a defence against any subsequent enforcement action by the nursing home. One of us observed a Californian inspection in a nursing home that had some serious problems. At the pre-exit discussion among the inspection team the consensus was clearly expressed that while there were still some quite significant violations, there had been substantial improvement since the last inspection. At the exit itself, the violations were soberly read out, one after the other. After undertaking to get moving on fixing these problems, the Administrator of the facility then said: "Would you have any comment on whether we have improved since last year?" Team leader (uncomfortably): "No we couldn't comment on this at this stage." When we questioned the team leader about this later, pointing out that they had agreed at the pre-exit discussion among themselves that substantial improvement had been made on many fronts, she said: "I don't know. We're not allowed to." Her supervisor, who had joined us for this debriefing, then chimed in: "We're here in an enforcement role. If Mary says you've done a great job, the Administrator will say to another evaluator that Mary says we are great. It makes our job harder. We're here in an enforcement role, not to massage their ego."

On the basis of the evidence in this paper, nursing home residents could be the losers from such policies, which are not uncommon in U.S. nursing home inspectorates, though they are far from universal. Ironically, it is in the U.S. much more than in England or Australia that the most extraordinary efforts to go the extra mile to communicate praise were found. Some states present 'Superior facility' awards or five and six star rating certificates that one finds hanging conspicuously in the lobbies of nursing homes. In Illinois, for all its economism about positive rewards, there are also Governor's awards for "Excellence in the Field of Long Term Care" and one sees framed in the lobby letters of congratulation sent from local members of Congress to nursing homes that have performed outstandingly during inspections. The State of New York Department of Health puts out a press release each quarter listing the nursing homes found to have no deficiencies. Outside of New York City, it is not uncommon for local newspapers to pick up these press releases to run a story about a nursing home that is providing exemplary care.

Conclusion

Nursing home inspectors who often use praise as a strategy for improving compliance with quality of care standards do better at increasing compliance net of the effect of the initial performance, 'praiseworthiness' of the home and other controls. An advantage of praise as a strategy for changing the practices of collectivities is that when collectivities are praised, all involved individuals want to share in the credit and when individual members of collectivities are praised, the collectivity claims a share of the individual praise. In contrast, when collectivities are blamed or punished, each involved individual tends to believe it is someone other than them who is responsible; when individuals are blamed, collectivities tend to disown them. This raises the question of fundamental redesign of institutions of corporate regulation to exploit the possibilities for fusion, as opposed to fragmentation, of law-abiding individual and corporate identities.

These data do not provide evidence of whether compliance can be further improved by laudatory press releases, awards for excellence and advising local members of legislatures of outstanding performances by institutions within their electorates. But such measures would seem to be the logical way of building upon what appears from these data to be the success of informal inspector praise in improving corporate compliance with regulatory laws. The more public praise and shame are, the greater their potential for affecting change by building corporate consciences and showing what is worthy of emulation (Rees, n.d.).

Finally, it must be said that we have observed praise being used in obviously counterproductive ways. This includes praise that is undeserved, or worse, praise for performance that should be admonished. Previous research has shown that inspectors who are consistently tolerant and understanding ('captured') no matter how bad the performance of the nursing home, cause a deterioration in the compliance of the facilities they visit (Makkai & Braithwaite, n.d.). We can only assume that inspectors who actually praise poor performance have even more disastrous effects on compliance. Even though some of the praise measured in this study is of this counterproductive sort, the fact that there is a significant praise effect overall suggests that praise must have powerful motivating effects when it is used with wisdom. Specifying the contexts where wisdom requires praise or shame or punishment or studious indifference is a challenging agenda for future regulatory research.

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Notes

- 1 The random and supplementary sample were compared on a range of factors (see Braithwaite *et al.*, 1990). There were no substantial differences between these two groups of homes in terms of geographical and organisational characteristics of the nursing home, the socio-demographic characteristics and attitudes of the directors of nursing and the nursing home's compliance ratings. On this basis the two groups have been combined, however, the models include a control variable indicating whether or not the nursing home was part of the random sample.
- 2 See Braithwaite *et al.* (1993) for a detailed discussion of the response rates for the study. Although preliminary data analyses indicated that the time between the first and second inspections did not significantly affect compliance, the time between the two inspections has been included in the model as a control variable. Analysis was undertaken to determine if there were any significant differences between homes which had, and had not, been visited by an inspection team. Out of seven characteristics of the director of nursing, four characteristics of the nursing home and three characteristics of the proprietor only one characteristic of the director of nursing was found to significantly differ ($p < 0.01$) (Braithwaite *et al.*, 1993).
- 3 For a detailed discussion of the qualitative fieldwork see Appendix A: Data and Methods (Braithwaite *et al.*, 1993). The fieldwork reported upon here was primarily undertaken by the second author.
- 4 Respondents were asked approximately how many inspections they had been on. The response categories were: never been on a visit, 1-5 inspections, 6-10 inspections, 11-20 inspections, 21-30 inspections, 31-40 inspections, 41-50 inspections and over 50 inspections. Of the total sample, 36% had been on 1-5 inspections, 14% on 6-10 inspections, 21% on 11-20 inspections, 11% on 21-30 inspections, 6% on 31-40 inspections, 3% on 41-50 inspections and 9% on over 50 inspections. Respondent answers were rescored to the middle category and then the average number of inspections was calculated for the team members.

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Appendix A

Table 1A. Definitions, means and standard deviations for control variables (n = 328)

| Variables | Definition | Mean | (S.D.) |
|--|--|-------|---------|
| Queensland home | 1 = yes, 0 = other | 0.17 | (0.38) |
| Victoria home | 1 = yes, 0 = other | 0.27 | (0.44) |
| New South Wales home | 1 = yes, 0 = other | 0.44 | (0.50) |
| Sample home | 1 = yes, 0 = no | 0.59 | (0.49) |
| Change in director of nursing | 1 = yes, 0 = no | 0.30 | (0.46) |
| Length of time between first and second inspection | months | 21.80 | (5.52) |
| Compliance at time 1 | 0 = no compliance, 31 = absolute compliance | 26.44 | (4.12) |
| Gender composition of the team | 1 = all females, 0 = other | 0.49 | (0.50) |
| Team's formal qualifications | 1 = some qualifications, 0 = no qualifications | 0.50 | (0.50) |
| Team's experience | Average number of visits per team | 39.27 | (13.05) |
| Team's assessment of the home's trustworthiness | 0 = low level of trust, 10 = high level of trust | 6.75 | (2.60) |
| Full team | 1 = full team, 0 = other | 0.49 | (0.50) |