

Book review

Reconceptualising Corporate Compliance: Responsibility, Freedom and the Law

By Anna Donovan, Harriet Bradley and Geraldine Healy
Series: Contemporary Studies in Corporate Law
Hart Publishing
2021
216 pp.
£85 (eBook)
ISBN 9781509918751
Review DOI
10.1108/CG-11-2022-577

Reconceptualising Corporate Compliance examines issues surrounding corporate compliance through the lens of behavioural psychology. The book focuses on establishing the basis and justification for responsible (or spirited) compliance as well as providing new insights into the understanding of the impact of the existing corporate law framework on compliance. Donovan *et al.* (2021) also point out challenges to reform the current corporate compliance practices and offer solutions to these issues. Arguments and evidence presented in the book advocate the adoption of a responsible standard of compliance in corporations.

The first part of the book focuses on outlining the context and a practical grounding of corporate compliance. In this part, Donovan *et al.* (2021) analyse how creative compliance manifests in practice and examine compliance as a social construct (rather than an absolute standard). This part is effective in setting the background for the rest of the book and helps the readers to understand the interplay between narrative and compliance. The authors did a good job in including classic and familiar examples to stimulate readers' interest in the book.

In the second part of the book, Donovan *et al.* (2021) provide the normative justification for spirited

compliance and examine the relationship between equality and compliance. This part points out the challenges in current approaches to corporate compliance and raises a concern on the undermined legitimacy of creative compliance. The concepts and theories discussed in this part are complicated and could be hard to follow for general readers in their first read.

The third part of the book explores corporate decision-making by looking at the interplay between corporate and personal norms. This part discusses the behavioural impact of the fiduciary ladder on corporate decision-making and how it can justify the profound impact of artificial rules and structures on values of personhood. Drawing upon this argument, this part highlights the need for a change in the current approach to corporate compliance.

The fourth part of the book reflects on the discussions in previous parts and proposes a potential framework to position a holistic approach to corporate compliance. This part suggests the importance of a more responsible adoption of compliance. It would have been interesting to read more about how to strategically implement the reform in practice as the discussion in this part is somewhat too general.

The compliance crisis has been discussed extensively in the book, from the current landscape, explanation, and causes to the solutions. I personally like how this book focuses on the causes of creative compliance rather than its symptoms. The major contribution of the book is how it reconceptualises the common understanding of corporate

The author appreciate helpful comments from Gabriel Eweje (the Editor) and Mia Hang Pham.

compliance. Donovan *et al.* (2021) challenge the widely held understanding that creative compliance practice is aligned with classical liberal thinking and assert that creative compliance is a legitimate course of conduct to pursue.

The book draws upon the insights from company law, sociology and social psychology to analyse and explore corporate compliance. The arguments made in the book are persuasive and are richly illustrated by a wide range of relevant examples from the corporate environment. The use of almost 50 classical legal cases and other law acts in the book is effective in further elaborating its arguments.

With the focus of the book on reframing the corporate compliance issue, it takes theoretical and conceptual approaches with a huge amount of wide-ranging concepts, theories and ideologies being discussed. The eight chapters, however, are well-integrated as each chapter has its own conclusion section

where contents of other chapters are reflected or introduced. My criticism of the book would be the arguments made in the book are sometimes too strong and somewhat subjective, for example, the statement about the misconception of classical liberalism and the (overuse) of the word “ironically”. In addition, I would like to see more discussion on how to implement responsible adoption of compliance as it would suggest a pathway for practical implications.

Overall, the book provides a rich source of information on the timely issues of corporate compliance. It offers a new perspective in approaching the compliance crisis and the implications from the book can be of interest to both academics and practitioners and policymakers. It is well written and well-structured with sharp arguments and is a pleasant reading.

Harvey Nguyen

Harvey Nguyen is based at the School of Economics and Finance, Massey Business School, Massey University, Auckland, New Zealand.