Organizational approaches against corruption: what are the golden rules?

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Introduction

Corruption is a complex issue, especially the design and implementation of programmes enabling its prevention. As in all short articles on a complex topic, there are limitations and I will try to be as informative and as economical as possible. I will also be frank about a sensitive topic that affects so many people worldwide, conscious that I may run the risk of not addressing all the historical and social causes that underpin the prevalence of corruption in Africa.

Because corruption in Africa often results in human rights abuse, and condemns millions to grinding poverty, I will be solution focused, describing problems without exploring all the causes, and exhorting African leaders to be responsible, act accountably and take control, even though some of the blame for widespread corruption on the continent may lie on the shoulders of others.

The organization as organism

In order to discuss the components of an ethics management programme it is important to clarify how to best understand organizational dynamics.

I do not believe that the mechanical model that is often used to describe organizational dynamics is adequate. While I absolutely support a systematic approach to ethics management and corruption prevention, the image of an organization as a machine greatly hampers our understanding of causes and, thus, limits the remedies we formulate and apply for treating corruption-related ailments.

Mechanistic-model-oriented thinking about combating corruption tends to be very reactive in focus: if some part of the mechanism breaks, then we'll fix that part. This reductionist approach means that we tend to isolate parts of the business process as possible causes of corruption without understanding that what is observed may merely be manifestations, symptoms of a more systemic malaise. The result is that isolated solutions are applied to isolated system components, rarely making such interventions effectual for longer than the initial period of implementation. In other words, when the mechanics leave, the problem returns. The result is that managers keep on running after problems, rather than managing lasting solutions.

This mechanistic model also accounts for the fact that corruption prevention is mostly understood as policy or structure maintenance. The image of servicing a vehicle every so many thousand kilometres is applicable. This limited understanding of prevention means that you do nothing between service intervals to ensure the integrity of the system, and prevention suffers because of a focus on defective parts of the machine, rather than the deviant behaviour of people who are supposed to use it.

The model that I think is more appropriate is a biological one. I am convinced that viewing an organization as an organism, constituted and given identity by both its physical structure and its soul, is better suited to promoting the understanding of causes and effects of problems such as corruption. In terms of the biological model, the

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physical aspects of the organism constitute the policy framework, business systems and processes of an organization. The soul of the organism is the organizational culture moulded by the people that operate and live within the organization.

This means that efforts to prevent corruption must focus on structures and process, as well as the organizational culture created by employees, comprising the soul of the organization. Therefore, sound corruption prevention has a physical and a psychological dimension. The psychological dimension is more powerful than the physical. This means that in terms of policy and process, you may create whatever you like, but if the attitudes of people towards these systems cause them to disrespect those interventions, then your efforts will ultimately not be successful.

The biological model also highlights that the organization must be understood in the context of the environment it operates in. The environment comprises the organizational history, the broader macro-economic and political milieu, and the cultures and attitudes of its major stakeholders.

Enabling change

Combating corruption in organizations is subject to the same conditions that govern all types of change initiatives. These conditions roughly follow a sequential pattern, meaning that you need to address one condition before you can effectively address those that are supposed to follow from it.

Ensure leadership acknowledgement and commitment

To address any problem, there must be high-level recognition that there is a problem concerning corruption, and a commitment to do something about it. This may sound an overly simple principle, but all over the African continent leaders are in denial regarding the state of corruption in their countries and organizations.

Also, very importantly, awareness of a problem does not automatically translate into a desire to do something about it. To create the desire, one often needs the benefits of stakeholder activism, a system recognising political accountability to the people, a robust civil society, and a free and responsible press.

Leaders must openly, and with confidence, declare that corruption is a problem deserving dedicated attention and then act accordingly. Awareness must be coupled with the desire to properly resource those with the skills, courage and mandate to act against the corrupt.

I once met informally with food aid workers who were active in a drought-stricken country. They recounted their frustration at watching people die of starvation because the state did not recognise, or more correctly, was 'officially unaware' of any famine. So often the official line is that everything is fine, with those saying otherwise being labelled unpatriotic or foreign troublemakers. Similar stories are encountered among those raising alarm about corruption in organizations, industries and countries.

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Nothing creates more cynicism than leaders talking the anti-corruption walk, but not walking the talk.

Build a regulatory framework

To translate the formal acknowledgement and desire of leaders to combat corruption into action, a legal framework (in a country) and a policy framework (in an organization) need to be drawn up. This framework should always reflect ethical standards with universal appeal, such as honesty, fairness and responsibility.

Laws greatly assist in the investigation and prosecution of those involved in corruption, but rarely assist in the prevention of corruption. The simple reason is that the corrupt fear detection more than prosecution.

Think about it, what do you consider more important when robbing a bank: what you are going to tell the authorities when you are caught, or how you can avoid being caught in the first place? This suggests that organizations may best benefit from anti-corruption programmes that are designed to increase the likelihood of proactively detecting such activities.

On an organizational level, the policies in place reflect the formal position of the organization: what leadership says or should be saying. This is valuable, for it acts as a benchmark to measure consistency of application and transparency of process. Yet, just as laws have their limitations, so policies suffer from similar factors that inhibit their ability to promote responsible conduct.

The common refrain in many of our client organizations is that over the years of trying to combat corruption, they have built an enormous but ineffectual policy framework in attempting to fix people-related problems with more policies.

My brief analysis of the limitations of the regulatory framework does not mean that it is unimportant. It is a vital step in translating leadership commitment to combating corruption into real action. But the establishment of a proper regulatory framework is not an end, it is just the beginning of walking the talk.

Drive institutionalization

To sustainably combat corruption, the ethical values that informed the creation of the regulatory framework must be made part of the organizational culture. Its culture is the soul of the organization, and is created by the attitudes and prejudices of the people that work in and with the organization.

The good effect of a regulatory framework is significantly hampered in an organization with a bad (unethical) culture, because that culture is more powerful in directing human behaviour than a regulatory framework can be.

In practice, this means that you may write whatever policy you like to combat corruption, but if corruption is part of the organizational culture – the way business is done – it will have little positive effect. Conversely, a poor regulatory framework will still have a positive effect among those influenced by a good (ethical) organizational culture.

In other words, building an ethical organizational culture is the only sustainable way to prevent corruption by making people intolerant of it and more likely to report observed incidences of misconduct. Changing organizational culture is not an instant affair. It usually requires between two and five years of consistent application of a number of processes and disciplines, including:

Be an ethical leader

Most important of all, leadership must adopt a strong and visible formal position on the need to combat corruption, setting a clear example in their everyday actions. The fish rots from the head. It is important to remember that the abbreviation CEO stands for both chief executive officer and chief ethics officer. Act accountably, even if others are responsible for many of the problems you face. Leaders who play the blame game often do so to escape accountability, because victims by default have far more rights than duties. Avoid at all costs glorifying victimhood. Africa has seen enough victims. Responsible, principle-driven leadership is what Africa requires most.

Be an ethical role model

You may ask whether leadership and role modelling are not one and the same. They may be, but usually they are not. A leader may be the top person in a country or organization, but such a person mostly has little influence on the day-to-day activities of the bulk of citizens and employees. Role modelling is most active up to two employment tiers above your own tier. Those in line management influence your daily work experience directly, more so than top management does.

They may also set agendas that differ from the official top position. These agendas you may usually ignore at your peril. In all organizations there are formal designated leaders, and there are informal leaders. The informal leaders are usually more powerful

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role models than the formal leaders. If they are corrupt, you will be under severe pressure if you wish to avoid becoming part of that criminal web.

Build internal ethics management capacity

One of the most common mistakes that clients' organizations make is to place too many expectations on the shoulders of external consultants. Without a proper home in an organization and a sound internal custodian, all initiatives proposed by consultants will ultimately lose momentum and fail. When clients do attempt to give the initiative a home, they then make the mistake of associating corruption prevention with forensics, internal audit or human resources. All of these are important in combating corruption, but none should own it.

Forensic officers are investigators, possibly lacking the skills to influence the values and mindset of organizational leaders and employees alike. While forensic officers play a vital part, they must not be the drivers of such programmes.

Internal audit works best when focused on monitoring and control of processes, including a corruption prevention initiative, or ethics management programme. If the programme resides within internal audit, who then audits the auditors?

Lastly, human resources, in our experience, struggle with the legal concepts and processes that accompany corruption prevention. Unfortunately human resource practitioners often allegedly cannot keep secrets, mostly because the human resource-related requirement for confidentiality is not perceived to carry the same weight as it does in corruption prevention programmes.

The proper custodian for corruption prevention initiatives is a separate ethics office.

The proper custodian for corruption prevention initiatives is a separate ethics office. This office, headed up by an ethics officer (a full- or part-time function) coordinates all ethics initiatives, follows up cases sent to human resources and forensics for action, and reports to the board on the organization's ethics progress and related risks.

Over seven years of doing this type of work, we have seen this model work where others fail. The ethics officer may need some adminstrative support, especially in large organizations, but in many cases he or she is a facilitator who brings together the right people and processes, possibly already in existence.

Measure your risks

Leaders and role models have a direct influence on the organizational culture. They set the tone, so to speak. To understand what this

tone is, the informal culture must be measured, along with the effectiveness of the organization's formal standards. This is done to identify risks and opportunities, and inform appropriate management responses where problems or concerns are greatest.

Discongruence between the formal statements of leadership and the way that people, especially role models, really act severely undermines efforts to combat corruption.

You must be able to measure if you are to manage the prevention of corruption. Yet many organizations expect management to perform against benchmarks that have not been established. Using a biological model again, prescription before diagnosis is malpractice.

For leadership to simply go around and ask what the issues are seldom works. Most employees find such an approach too confrontational and intimidating. Their response may be to remain quiet, or to misinform, usually because of an organizational culture that requires employees and middle managment to tell senior leaders exactly what they believe they want to hear.

Best practice entails periodic independent assessment by a suitably experienced service provider who is external to the organization that is to be measured.

Set your organizational standards

An organization, like a country, needs a statement of ethical intent – a constitition – to inform and guide all other policies and process. The purpose is to set the ground rules governing the manner in which the vision and mission of the organization are pursued. A code containing only values has little operational meaning, for people invariably attach multiple definitions to undefined concepts. In contrast, a code containing only detailed rules is usually so dry, unappealing and sterile that it is little used in daily interactions.

A proper code of ethics should contain the organization's values and the most salient of its rules. The code of ethics acts as policy reference point – a mother of all policies - with which all other policy initiatives need to be aligned.

Sanitize your organizational standards

With a good code of ethics in place, organizations may confidently tackle what may be a vast body of policies that have lost organizational relevance or contradict one another. This process is called policy sanitization, and entails the whole body of policies being re-evaluated for relevance. If necessary, they will be rewritten to fit the salient prescriptions in the code of ethics. It is not uncommon

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for an organization to reduce 20,000 pages of policies to 150, using the code of ethics as a guide. The result is greater compliance and increased relevance.

Alternatively, a good code of ethics may be used to identify the gaps in a policy framework for organizations.

Communicate on your organizational standards

You may possess the best of intentions and a concise and relevant set of standards. Yet, if you do not communicate them to stakeholders, you cannot expect consistent compliance. The difficulty of communicating on organizational standards should not be underestimated.

Effective communication requires constant application and as wide an array of communication media as possible. Although simplicity of content is always desirable, using different platforms is one case where less is not more. The most effective method of communication remains one to one, person to person, but presents a number of logistical and cost challenges.

It is critical to time your communication initiatives correctly. For instance, communicating a requirement to employees to acknowledge that they have understood a code of ethics before they have even received it breeds unnecessary resistance to an ethics programme component that might otherwise have been readily accepted.

Communicating good content to the wrong audience also undermines credibility. Intensity, simplicity, aim and timing are the guiding principles for good communication strategies.

Train on your organizational standards

Training is very useful to increase awareness, desire and knowledge of the need to institute a corruption prevention programme. These elements may be vital potential points of resistance in attempts to build an ethical culture intolerant of corruption. In many cases people do not question corrupt informal practices in their organization because they believe that this is the only way that things are done. With knowledge comes increased awareness and, if well directed by leadership, desire for change.

Among more senior decision makers it is vital that this desire for culture change should be supplemented with structured knowledge of what an ethics management programme entails. Knowledge and desire on this level allow an ethics officer to garner the neccessary skills and resources to maintain an effective ethics office.

Those responsible for training programmes may find that the use of trainers who are external to the organization works best when engaging senior managers or particularly resistant groups. An external trainer is not subject to organizational politics or hierarchy issues, and can often be a lot more frank about the weaknesses of an organization than an internal trainer. Internal trainers work best when engaging employees from similar or lower hierarchies to themselves.

Advise on your organizational standards

Part of the function of the ethics office is to provide employees with advice on ethics and on resolving ethical dilemmas. In this regard, the ethics officer may rely on line management as a first port of call, or on what may be termed 'ethics champions'.

Ethics champions are interested and respected employees that have received special training on key policies such as the code of ethics and on resolving ethical dilemmas. A good network of ethics champions becomes a vital extension of the ethics office and a good point of peer-to-peer advice on ethical issues.

Appoint according to your organizational standards

Surprisingly, many organizations conduct very basic vetting procedures or none, even when appointing staff to high-risk positions. The competency of an individual, rather than race, gender, political affiliation or ethnicity, should determine whether a person is suitable for consideration.

We also recommend that candidates should be subjected, at a minimum, to CV and criminal record checks. Do not assume that when people who are applying for positions, especially senior positions, state their qualifications that these may all be true. For certain positions and in certain industries, psychometric examination, polygraphy and voice stress analysis may also be required.

Discipline and reward based on your organizational standards

Ensure that you integrate your ethical standards into performance evaluations and disciplinary processes. Better than any type of communication strategy, this will ensure high levels of awareness and the desire to adopt proper organizational standards.

What is also relevant, in terms of reporting, is that employees are far less likely to tolerate or remain indifferent to others abusing these standards. An important condition is consistency of application. Apply similar standards to similar situations, and to all employees, irrespective of hierarchy.

I am personally sceptical of using remote learning platforms as a primary learning mode. Devices such as Internet- or intranet-based learning seem to work best when they supplement face-to-face training in groups up to 30, led by a skilled facilitator.

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Report on deviations from standards

Ultimately, if all these components are in place and well managed, you will probably convince employees that they should report incidences of unethical conduct such as corruption. This is sometimes referred to as whistleblowing.

Detection is vital in combating fraud and corruption, for these are usually hidden or enveloped in a culture of silence. Many people may know about the activity, but will not report it, for fear of victimization, out of apathy, or because of receiving direct or indirect benefit from the acts of corruption.

Provided that the reporting facility is well managed – reports being properly actioned and followed up – and makes provision for confidential and anonymous reporting, the likelihood of creating enough momemtum to shatter this culture of silence is greatly increased. Experience indicates that the most trusted reporting facilities are operated by private contractors independently of the organization. Apart from South Africa, to my knowledge this service is not offered in other African countries.

Revert to your standards in times of crisis

At some stage all organizations go through a crisis. When this happens, leadership should always be guided by stated organizational standards, even though these standards may point towards making unpopular and expensive decisions.

History has shown that organizations that remain committed to their stated values in times of crisis usually survive the crisis with the ability to repair their dented, but not destroyed reputations. Depart from your values in time of crisis, and you run the risk of turning trauma into disaster. Everybody will know that when the heat is on, all that stuff in the code of ethics is empty talk.

Conclusion

There are no easy solutions to creating an ethical culture in organizations. Even if you succeed, there will always be those who ignore your efforts. For this reason, good forensic capacity in all organizations will remain important. With successful implemention of the points described above, you will probably be able to satisfy five components required for organizational change to take place:

- You will have built *awareness* for the need for change
- You will have increased the *desire* for change

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- You will have established the *knowledge* required to support the change

- You will have developed the *ability* of those tasked to drive the change

- You will have put in place the mechanism required to constantly and consistently *re-inforce* the need for culture change[1]

The key to the success of this approach is the establishment of internal capacity, an ethics office, responsible for driving and coordinating ethics promotion and corruption prevention in organizations.

Many aspects could not be discussed here, but I trust I have provided leaders with basic considerations when setting out to build a culture intolerant of unethical conduct such as corruption.

Note

1   Hiatt M Jeffrey, *ADKAR, A Model for Change in Business, Government and our Community*, Loveland, Colorado: Prosci Research, 2006.