

## **ORGANIZATIONAL CORRUPTION**

### **GOALS**

1. To provide an understanding of the origin and general nature of organized corruption.
2. To provide an understanding of the common types of organizational corruption.
3. To emphasize the negative impact of corruption on an organization.
4. To provide the “secrets” to prevent and overcome organizational corruption.

### **KEYWORDS FOR APPLICATION**

1. Corruption
2. Anti-corruption
3. Bullying
4. Leadership
5. Organization
6. Constituent(s)
7. Chief Executive Officer (CEO)
8. Philosophy
9. Mission
10. Goals
11. Objectives
12. Policies
13. Rules
14. Job Descriptions/Performance Standards/Code of Conduct
15. Entropy
16. Shared Governance
17. Standards of Performance
18. Cognitive Intellect
19. Psychomotor Behavior
20. Affective (attitudinal) Behavior

Dishonest, fraudulent, abusive, criminal, morally offensive, or inappropriate acts of thoughtlessness toward organizational constituents through behavior or attitude are recognized as “organizational corruption.” Organizational corruption encompasses the pursuit of illicit organizational enhancements for personal gain. The undercurrent of divisive thought and sharing of demeaning verbal comments (bullying) complete the organizational diagnosis of “corruption.” The outcome of corruption is persistent divisive constituent behaviors within an organization. However, if organizational uncorrupt “happiness” throughout an organization is a possibility, consider the incorporation of the “secrets” within this document.

## **THE OBSERVERS**

Not only are organizational corruptive behaviors and attitudes observed and experienced by its constituents, but it is also obviously known and observed by outsiders (non-constituents). The outcome of supposed authority/observers/outside responders to overt organizational corruption can be similar to a “hot iron unwilling to be touched.” Consequently, the lack of desired involvement or helpful solutions or involvement does not exist. Some unassociated organizational observers are amazed at active constituents’ apparent acceptance of the existing organizational/administrative corruption.

The evidence of an organization free from corruption is a recognition of adequate leadership. The leader directs the constituents’ groups/boards in determining the exact wording of the organizational standards through a democratic process known as Shared Governance. Also, leaders use the democratic concepts of Shared Governance with their constituents, groups/boards to periodically update the organizational standards and job descriptions/performance standards/code of ethics.

Every organization is indeed unique. However, once corruptive behaviors are recognized by an organization’s constituents, and an effective leader is in place to insist on the mutual democratic determination and updating of all organizational standards (including job descriptions), the corruptive behaviors subside. A true leader knows—it takes an increase in effort and more time to undo the observed harm from corruptive organizational behaviors than it is to prevent organizational corruption. Therefore, the need for a leader who understands and performs effective constituent leadership democratic Shared Governance behaviors is crucial.

## **ORIGIN OF ORGANIZATIONAL CORRUPTION**

Corruption doesn’t “just happen”—it always has a human origin resulting, often, in a decision by a supposed leader(s) to act and think in a given manner for personal gain or comfort. Corrupt leaders have learned from their past experiences of successes and failures how to quietly manipulate others to gain a personally desired outcome with its associated and resultant personal power. Corruption is “human-made” and a product of human choice.

The human response of the constituents who observe and are the recipients of organizational corruption is frustration, anger, and often the refusal of constituent organizational compliance. Some organizational constituents merely grant a leadership role as an outcome of a constituent’s leadership-seeking desires. Passivity in selecting an appropriate leader leaves organizational corruption to fester and an appearance to some constituents and outsiders to condone corruption atrocities.

Once a negative corruptive history precedes an attempt by constituents to undo existing corruption, it takes a significant increase in organizational leadership effort and constituent time and patience to heal the residual harm. The undoing of remembrances by non-constituents who observed past organizational corruption is far more difficult to eradicate—bad memories seem to linger!

As effective leaders know, everything has a cause and ultimate effect/outcome. If the reason for leadership is democratic and supportive of positive constituent involvement, the effect/outcome is most likely to result in less chance of corruption. The refusal of constituents to not accept corrupt behaviors and attitudes and otherwise encourage organizational leaders toward democratic alliances is admirable.

Know this--leaders (CEOs) can learn if they have the desire and positive attitude about learning and constituent support. It involves constituent groups/boards in collective decision-making and democratic processes. No one says such constituent-responsible confrontation about the need and expectations for leadership improvement is easy. However, it is to say that leadership diplomacy by constituents to improve democratic processes to diminish the possibility of corruption is worth it!

The five most common types of organizational corruption are:

1. Supply-side corruption (active corruption) offers an illicit payment, undue commodity, or service advantage.
2. Demand-side corruption (passive corruption) relates to accepting, soliciting, or paying for an advantage.
3. Conventional corruption occurs when any official illegitimately receives or accumulates an undue advantage for personal use, disregarding constituent interest.
4. Constituent corruption involves a constituent official(s) as a party to a corrupt action.
5. Systemic corruption exists where corruption is pervasive or entrenched in a business, community, or society.

## **IMPACT OF CORRUPTION**

The following negative outcomes occur in an organization with obvious corruption:

1. Financial loss of property and resources.
2. Morale decreases, causing community withdrawal of desired involvement and support.
3. Reputation decreases as to leadership, living conditions, and positive relationships.
4. Decrease in focus and resources related to community needs.
5. Potential and actual funds are thwarted and not available.
6. Loss of goods, services, governmental support, and appreciation of efforts are decreased due to inept leadership and negative attitude.
7. Decrease in constituent confidence.
8. Decrease in governmental involvement and contracts.
9. Increase in criminal and preferential charges.
10. Decrease in reputation.
11. Diversion of focus and resources.
12. Increased scrutiny.
13. Increase in potential disciplinary actions.
14. Increase in criminal charges.
15. Decrease in community relationships and trust.
16. Decrease in public authority trust.
17. Decrease in governmental contracts.

## SECRETS TO PREVENT CORRUPTION

Specific intellectual knowledge and understanding of the cause of corruption will help to prevent recognized corruption. The following “secrets” are universal to the success of a democratic and non-corrupt organization. The common-sense secrets of corruption prevention are to encourage ongoing anti-corrupt behaviors and organizational accountability. The secrets are process-oriented and always performed by the organization’s human constituency.

### Secret Number 1: Determining and Approving a Leader--CEO:

The leader has the power of a Chief Executive Officer (CEO) with authority to require and guide group/board behaviors toward collective legal and democratic group/board consensus. Even though the outcome results from a democratic group/board process, the CEO has the responsibility and authority to approve or disapprove of democratic group/board outcomes. The CEO must be an intellectually astute leader, recognize attempted manipulation from constituents, and have the fortitude to thwart negativity and maintain a conscientious effort toward positive non-corrupt outcomes. The final “Buck” stops with the CEO, and it is a powerful position requiring a determined person with no emotional or inappropriately committed organizational ties to the group/board constituents. Intelligence, common sense over other impinging factors and inability to be manipulated by constituents are required! The CEO is the accepted “keeper” of the organization’s standards that maintain the existence of the non-corrupt organization.

### Secret Number 2: Understanding and Applying the Concept of Entropy:

Entropy says everything changes, corrupts and moves toward randomness. As an outcome: Standards belonging to any organization are initially developed and regularly reviewed for accuracy and currency by the group/board—not when convenient, but on a specific timetable due to Entropy.

### Secret Number 3: Developing the Standards of an Organization:

All organizational behaviors are to protect and maintain organizational standards. Organizational standards are the following that require consistent review, updating, signing, and dating by constituents on a regular schedule due to the need to prevent potential Entropy:

- Philosophy identifies an attitude that acts as a guiding principle of the organization.
- Purpose/Mission Statement identifies why the organization exists.
- Long-Term Goals state what the group/board is trying to attain ultimately.
- Short-Term Objectives identify the incremental happening/steps that will eventually meet the Long-Term Goals.
- Policies define a course of action under certain circumstances.
- Job Descriptions/Performance Standards/Code of Conduct specify required cognitive/intellectual knowledge, psychomotor/physical activities, and the attitude the person will exhibit while performing all expected behaviors.

Secret Number 4: Performing Shared Governance:

Shared Governance is when an organization's constituents democratically and collectively identify the wording and content of their agreed-upon Organizational Standards in writing. It involves using a black/white writing board and a group/board constituent process to input and approve content. Required timely updates might require adding or subtracting words or scope to update the initial standards—all due to possible Entropy. Standards are discussed, edited, approved, signed, and dated by all group/board constituents upon each scheduled review as a legal and constituent-accountable document. It is a reminder of the importance of knowing and the required compliance to agreed-upon organizational standards.

Secret Number 5: Notifying Community/Business Constituents:

The community is notified of approved standards by the constituent group/board with an expected return and signed receipt of understanding and acceptance. Any questions about the standards or suggestions for improvement should be encouraged in writing as a part of the required constituent's returned signature of approval and understanding. All questions and suggestions for improvement are discussed with the constituent group/board, the response(s) are documented in the minutes, and a letter is sent to the community constituent fully answering the question(s). A signature of understanding is to be returned to the group/board to confirm agreement and understanding by community constituents.

Secret Number 6: Development of Job Performance Commitments:

Develop written Job Descriptions/Performance Standards/Performance Commitments/Codes of Conduct as a Shared Governance activity. Identify in each specific job performance commitment the following three categories:

Cognitive information (knowledge) the person must possess to do the job.

Psychomotor Behaviors (activities) the person must do to perform the job.

Affective Behaviors (attitude) the person must have to complete the job successfully.

Require a signature and date of understanding and agreement by each person granted a job performance commitment. Everyone acting on behalf of the organization, on a committee, group/board, etc., must have a signed job performance commitment. Each job performance commitment is a legal document regularly reviewed to prevent unwanted Entropy, updated if needed, signed, and dated.

Be sure to include disciplinary actions on each job performance commitment when/if job performance commitments are not met.

## **IN CLOSING**

Do not mistake effective Shared Government leadership for autocratic leadership control! A Shared Government that represents a democratic process with accountability is the goal. The statements of unfortunate and recognized corruption of the organization exist due to the leader's lack of existing checks and balances related to organizational standards, behaviors, and attitudes. When organizational constituents (business, community, or groups/boards) determine and update appropriate standards through the Shared Government process under effective leadership, the group becomes eligible for

constituent non-corrupt rewards and behaviors of support. The associated behaviors of responsible Shared Government behaviors instigated and consistently held firmly in place by an astute leader will provide a check on all potentially corrupt behaviors.

Corruptive power is managed by establishing with the constituents of a business, community members, or a group/board the basic standards for which governing will occur. That is an agreement on the philosophy, purpose/mission, long-term goal(s), and short-term objectives to meet the organization's philosophy and mission. Then—the astute leader (CEO) can proceed and hold standards, systems, and processes in place without a personal need to use inappropriate corruptive power in behavior or attitude. The organizational constituent's initial involvement and agreement to their standards require only the enforcement of what the constituents have placed upon themselves as reasonable organizational standards. No leadership corruption exists when a leader uses effective Shared Governmental leadership principles and enforces the existing and approved standards of conduct.

Leadership astuteness requires relentless effort—and is not for everybody! If a leader (CEO) is too committed to personal desires/needs, the leadership position to halt the perception of corruption is not a good fit for that person. The leader must be committed to consistent follow-through with the stated secrets in this article—and be smarter than the average bear (so says Yogi, the bear).

The leader who accepts the assignment to curb organizational corruption must be mentally/intellectually/physically “present.” What is it they say? Something like—“If you (as a leader/CEO) cannot perform responsible leadership behaviors (the stated “secrets”) and accept the “heat” as a CEO required to minimize organizational corruption---stay out of the kitchen.”

References: Author's supporting articles:

Bullying (Article on the [leadershippoweronline.com](http://leadershippoweronline.com) website)

Manipulation & Gaslighting (Article on the [leadershippoweronline.com](http://leadershippoweronline.com) website)

Shared-Governance (Article on the [leadershippoweronline.com](http://leadershippoweronline.com) website)

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