Innovative leadership against corruption in the public sector
The case for South Africa

E Mantzaris
Anti-Corruption Centre for Education and Research (ACCERUS)
Stellenbosch University

ABSTRACT

The article will identify and analyse the significance of creativity and innovation as essential aspects of innovative leadership in the public sector. Innovation denotes the synthesis of different leadership styles that influence employees to produce creative ideas, products, services and solutions. In this process the role of the innovative leader and his/her creative planning and initiatives is indispensable as he/she shapes the nature and success of creative efforts within the organisation. The article posits that innovation has some similarities with creativity, a concept that denotes a new synthesis of ideas that might or not be put in practice. Innovation leadership is quite a complex concept that denotes the strategic and visionary role of the leader in shaping organisational roles and different modes of planning, design, decision-making, implementation, assessment and monitoring of outputs that aspire to be innovative both in theory and practice. Innovation leadership’s connection to creativity is directly related in many ways to organisational encouragement that allows strategic tactical and organisational renewal based on well-thought plans that permeate the whole spectrum of the organisation. The article further pinpoints the significance for an innovative leader to guide a public organisation in shaping, adjusting strategies and tactics against corruption at all operational levels.

INTRODUCTION

Creativity and innovation as essential aspects of innovative leadership in the public sector cannot be seen as abstract concepts. They need to be located and understood in the context of specific work and organisational environments. Innovative approaches to leadership with the active participation of all involved can only carry the organisation to a higher level of performance and effective service delivery.

Innovation involves the synthesis of different leadership styles. It is synonymous with the production of creative ideas, products, services and solutions by all members of a public
entity or organisation. Innovation leadership is the key element to guiding and directing the nature and success of creative efforts within the organisation. Innovation leadership’s connection to creativity is directly related to collective encouragement, that is, cooperation, coordination, synergy and idea generation at all levels of management. Since a leader of a public sector organisation is obligated to follow and comply with legislation, rules and regulations, as well as a wide array of statutory frameworks, innovation is thus a virtue of leadership that is important in shaping the success of such entities.

CONCEPTUAL INTERPOLATIONS OF INNOVATIVE AND TRANSFORMATIVE LEADERSHIP

A wide variety of theories on leadership and organisation development has evolved over decades in an attempt by the private and the public sectors to achieve expected and projected effectiveness and efficiency of the services offered. There has been conservative, middle of the road, progressive, concrete and speculative attempts in the conceptual understanding and applicability of innovative leadership (Nielsen 2004:12-14; DuBrin 2010:2–5).

Innovation leadership denotes the creative combination of various leadership styles that enhances an organisation’s performance and development in order to achieve its mission or vision in an ever-changing social, economic and technological environment. Its realisation demands a new focus on the role of leaders in shaping the nature and success of creative efforts that has a significant influence on the achievement of the organisation’s mission and vision (McEntire and Greene-Shortridge 2011; Sarros, & et al. 2008; Shipton, et al. 2005).

In a globalised world where its technological innovations have not only opened new paths and processes of human interaction, innovation and transformation, creativity and risk taking have acquired new meanings. The challenges of profit maximisation and competitiveness in the private sector and effectiveness, efficiency and service delivery in the public sector have brought upon management and leadership new challenges that need to be faced by leaders at all levels of the organisational landscape.

The seminal contribution of Sarros et al. (2008:145-158), on building a climate for innovation through transformational leadership and organisational culture, pinpointed that research has called for public organisations to be more flexible, adaptive and innovative in meeting the changing demands of today’s environment. The research signified that appropriate leadership is required to effect such change. However, there is limited empirical analysis of the theoretical relationships among the key components that make up such change strategy, including transformational leadership, organisational culture and organisational innovation (Shipton et al. 2005:118–128).

Mumford and Licuanan (2004:163–171) and Mumford et al. (2002:705–750), have conclusively shown that the need for innovation in organisations has resulted in a new focus on the role of leaders in shaping the nature and success of creative efforts and in the absence of innovation leadership, public organisations face the danger of failure. The call for innovation and transformational leadership is a serious paradigm shift in comparison with predominantly backward institutional functions and structures that are inimical to innovative thinking activities and behaviour. Instead, there is a shift towards encouraging innovative
thinking as a “potentially powerful influence on organizational performance” (Mumford and Licuanan 2004:167).

Transformational leaders base their organisational behaviour on motivational inspiration, intellectual stimulation and consideration for people they work with (Waldman et al. 2004; Nemanich & Keller 2007). Through their behaviour they are instrumental in reducing the effects of uncertainty and change that comes with new leaders. Hence, they are instrumental in enhancing innovation within an organisation.

According to Kouzes and Posner (2007) the development of a workable leadership style is/or should be based on fearlessness, creativity and collaboration that combine transformational and innovative leadership. These transformational characteristics show that leaders have the confidence in themselves to enable others to act with precision and according to their designated duties and responsibilities. The key to successful leadership is the ability to engender innovative approaches to carry the organisation to a higher level.

A forward looking leader who inspires those around him/her and who is competent, inspires belief amongst the staff to the values of the institution. Hence, the key issue at stake is that leaders forge and not force unity. This arises because an innovative leader envisions the future and enlists others to join in that shared vision. In addition, a good leader is always interested in new ideas and ways of doing things. Leaders take risks and learn from their mistakes (Sarros et al. 2008:151).

Daft and Marcic (2009:427–8) suggest that one of the most crucial organisational aspects of success is the leadership effort to install amongst employees at all levels of the organisational hierarchy the sense of dedication to work ethic combined with elements of intrinsic satisfaction at all levels.

When the leader convinces the people around him/her that the vision and mission of the organisation relies on their understanding of the mission, vision and aims and objectives of the entity, the inevitable result is the creation of a feeling of trust and ultimately integrity throughout the entity. In the organisational sense, such innovative and transformative leadership is about utilising creativity through an incremental but continuous process of change and transformation systematically, until it reaches the whole organisation.

The key components of such leadership is the charisma of the leader, his/her confidence and commitment, the engendering of respect and admiration from their followers (Daft & Marcic 2009:427), inspirational motivation to others through challenges at all levels of the organisational ladder and by setting achievable goals connected to organisational goals and objectives (Wright & Pandey 2010:75).

While intellectual stimulation encourages creative thinking and risk taking, participation at an intellectual level enables followers to challenge their own assumptions. Individualised consideration is indicative of the leader’s special concern for workers’ growth and development that occurs through mentoring, empowering, encouraging and being in frequent contact.

The creation of an appropriate organisational culture is instrumental for innovation in the workplace through creativity and transformational leadership, which is instrumental in fostering innovative ideas and action (Mumford & Licuanan 2004).

Having briefly examined the theories above, the discussion now encapsulates the practical sphere.
CORRUPTION REALITY AND INNOVATIVE LEADERSHIP IN ACTION

A comparative perusal of three internationally acknowledged economic crime reports that have covered corruption in the public and private sector in South Africa will form the background to the importance of innovative leadership in a public organisation.

The Price Waterhouse Coopers 2009 Crime Survey (PwC 2009) observed three factors commonly found where fraud and corruption occur. Firstly, the would-be perpetrators need an incentive or motive to engage in an act of corruption. Secondly, there needs to be an opportunity to commit the act. Thirdly, and less central to the act is the fact that perpetrators are usually able to rationalise their actions. Let’s first contemplate the issue of incentive or motive.

The 2011 Price Waterhouse Coopers (PwC 2011) Crime Survey report, pinpointed a 13% rise in fraud since 2009 and the organisations predict more fraud ahead. In today’s technology–driven environment, cybercrime is emerging as a serious threat to organisations. Some of the highlights from the 2011 report indicated that 34% of the respondents experienced economic crime in the last 12 months (13% increase since 2009); almost 1 in 10 who reported fraud suffered losses of more than US$5 million; cybercrime now ranks as one of the top four economic crimes; reputational damage resulting from cybercrime was the biggest fear for 40% of the respondents; 40% of the respondents do not have the capability to detect and prevent cybercrime; 56% of the respondents said the most serious fraud was an ‘inside job’ and that senior Executives made up almost half of the respondents who didn’t know if their organisation had suffered a fraud.

The key findings of the 2014 report (PwC 2014) show that 69% of the South African respondents indicated that they had experienced economic crime, which is nine percentage points higher than in 2011; the percentage of South African respondents reporting fraud had increased from the previous survey (2011) for the first time since the inception of the survey; there has been an alarming shift in the perpetrator profile in South Africa as senior management is now the main perpetrator of economic crimes committed by insiders; bribery and corruption has been the fastest growing economic crime category in South Africa since 2011; South African organisations suffer significantly from procurement fraud, human resources fraud, bribery and financial statement fraud than organisations globally and formal fraud risk management programmes have become the most effective fraud detection method. However, despite the formal fraud risk management programmes, a significant portion of South African organisations do not carry out fraud risk assessments.

There are various types of individuals who engage in corrupt activities. First, are those who are inherently and even instinctively prone towards acting out their “need” or “greed” by dishonestly trying to gain something for themselves? Second, there are those whose criminality or immoral disposition is inherently purposeful and who would be described as more “greed” type–and whose criminality is more likely to be of a regular or even habitual nature (Pritchard 1998:283; Miller & Blackler 2005).

Then, there is the individual whose personal value system does not trigger an automatic or premeditated way an opportunity to dishonestly enrich him/her. This is the individual who reacts to the situation in which he/she finds him/herself. An individual from a poorer community experiencing financial constraint could be tempted when unexpected
opportunities presented themselves. This would often describe the circumstances of the "need" driven criminal – who is usually more risk averse than the greed type (Woods and Mantzaris 2012).

There are need and greed compulsions as they might manifest in a consumerist and materialistic society. Furthermore, as commercialism and advertising portray the norm as a higher standard of living or lifestyle (which one is made to believe she/he is entitled to), it is understandable that the sense of need or of greed and its accompanying psychology progressively gains impetus. The individual’s want and desire grows – as does an urgent need for personal gratification. This could encourage some to work harder and become careerist in their need to improve their lifestyle, but drives others (who find it difficult to achieve a satisfactory income) to steal, to cheat the system and to become corrupt in order to try and satisfy their desired financial and material status (Langford & Tupper 1994).

In developing countries, there is the public servant of modest means who finds him/herself dealing with considerable sums of state money on a daily basis – and as want grows to perceived need, the individual’s imagination often automatically begins to formulate how to access or manipulate some of those public monies in a way which will help him/her to appease some of his/her needs (Lambsdorff 2007).

Today there is less restraint on the individual’s impulses to respond to his/her need for gratification which increasingly leads to corruption – and is exacerbated where a general get-rich(er)-quick attitude has permeated a given society. This can become prevalent and can have its beginnings in an attitude of entitlement or of material expectations. Where such expectations are promoted (often by politicians who are chasing votes), there will be people who will scrutinise opportunities through which to satisfy such expectations (Mantzaris 2014a).

The sociology of corruption shows that where endemic levels of corruption have been reached, corruption becomes very difficult to defeat or even to contend with. The very nature of man’s growing material expectations – through the forces of world progress and its economic linkages which increasingly compel the demand for more and for elevating living standards. The psychology associated with materialism relentlessly urges the individual to want more and become increasingly creative regarding how to get more – albeit by seeking “grey” areas within his/her moral make-up. Unless the capitalistic tendencies of market economics and the accompanying dynamics of commercialism and its lure towards having more are curbed, the forces that drive corruption will continue to mount (Hodgkinson 1997:29-35). There are also the mind-sets which have accompanied the growing shift to a type of liberal individualism – whose own self becomes increasingly central to his/her interests, as opposed to the broader interests of the community. Initially western societies began promoting the cause of the individual and his/her rights to aspire towards individual success and wealth – but today virtually all other societies are also witnessing such tendencies. In a country like South Africa, the individualism factor and its associated “greed” characteristic is evident amongst the white suburban class. However, it is fast extending into the new emergent multi-racial middle class. Where members of such communities are motivated to dishonestly enrich themselves this would likely be greed related and often be that which is defined as white collar crime (Mantzaris 2014b).

Those who act from a basis of need would more often be those of the “have-not” or poor classes and this in turn could be the sociological basis of their crime related behaviour
where it exists. Up until recently, this dishonest self-gratification aspect of “individualism” has long been understood as being a characteristic within the “haves”, which amongst their other attributes, results in them becoming quite obsessive about their material gains and general self-interest. The poor throughout history have tended for their part to think in terms of community, sharing and indeed how to co-exist with each other through natural laws and principles found in communal humanistic codes, *inter alia*, *ubuntu* and community interdependence.

However, today this harmony is in less evidence among poor communities – especially those which encircle the peripheries of the country’s metropoles. Since such communities have become fractured and families have become dysfunctional, the former value systems of sharing and caring have become undermined and survival is more difficult – to the point where individuals have come to think more about their own ability to survive. This in turn fosters a new culture of taking what you need from others – even if it is from other poor people like oneself (Woods & Mantzaris 2012:43-45).

The second observation made by the Price Waterhouse Coopers 2009 survey (PwC 2009:8-9) referred to at the beginning of this discussion concerned the centrality of “opportunity” in the overwhelming majority of cases of corruption. International statistics conclude that out of every 10 people there is one who will never cheat – one who will easily cheat while the rest could be swayed by pressure or temptation. It is contended that most frequent perpetrators of corruption are not sophisticated criminals – but rather individuals who respond to temptations in environments which make corruption easy.

It is a need issue that one needs to venture in order to explain the psychology of people from poor backgrounds who come into situations (organisations etc.) where money is seemingly plenty and who, possibly due to unfulfilled material or life-style aspirations, seek ways in which to secure some thereof – even be it to do so illegally. It needs to be understood how and why morality and ethical issues are put aside. This appears to happen frequently in the public sector where corrupt officials know that their actions will never destroy the organisation (as a mandatory public service) so the permanency of their positions is not going to be threatened by their actions (unlike a private sector business). Therefore, there is a strong aspect of impunity in their attitude. This is exacerbated in the public sector because of a belief that their organisation does not have to work for its income (i.e. Since the money is not earned through a hard sales effort, it is of less intrinsic value to the organisation and therefore considered less of a sin on the part of dishonest individuals who take what they can). They probably see the money as coming in automatically, and not identifying it with the organisation’s efforts. Furthermore, since they are not sufficiently imbued with sensitivities of this being public monies meant for the public good, they experience little guilt when cheating the organisation (Rossouw 2000:887).

Then there is an observation from which one can draw a significant part of its emphasis – that of the importance of relevant management experience and proper application of systems as barriers to corruption and where neither of these requirements is in place. This is evident in the case in South Africa and many other developing countries. There is a comprehensive range of self-enrichment type opportunities presenting themselves to public sector officials – either through their own initiatives or through the initiatives of external would-be bribers. In South Africa, with such an overwhelming percentage of management positions now being
occupied by individuals who do not have the prerequisite competencies – such opportunities are inevitable (Woods & Mantzaris 2012: 46).

Moreover, this can be a situation where people, who have rather suddenly found themselves in a position of authority and opportunity and who have sudden goals of importance and wealth, find the opportunities for further self-enrichment to be irresistible. So, it could be inferred that corruption is not so much a matter of culture and morality as it is of motive and opportunity, for example, weak systems. Where the psychology or mind-set as has been described exists amongst a significant percentage of the public sector work force, and where perpetrators tend to get away with their transgressions, a culture of corruption can set in as the years proceed. In such situations the general public become aware of the moral shortcomings of their public service organisations and develop a cynicism regarding the morality of the public officials and the politicians (Mantzaris & Pillay 2015).

The war against corruption must, therefore, be fought by brave, clever and committed people, governments and other organs of civil society as a desperate exercise in limitation. Furthermore, the most essential realisation to start at is that against fight corruption. One really has to understand the psychological compulsions of that individual who sees and seizes opportunities to be corrupt. This is often where he/she is offered a bribe and even though the compulsion of the briber is less important to understand in psychological terms – both the briber and the bribed are driven by the same powerful wish for personal gratification.

Such situations will almost always exist in the world of financial transactions and as such opportunities will always be sought – notwithstanding the dishonest and immoral nature of doing so – and notwithstanding the fact that in the public sector setting such actions usually directly or indirectly disadvantage many already disadvantaged people. When it comes to public sector corruption – the losers are often generic, being society as a whole but in some situations can be specific individuals or communities (Woods & Mantzaris 2012:49).

From the above observations, it should be apparent that considering how to change the psychologies that underpin the culture of corruption, this is less likely to be through the promotion of honest values, that is, through putting codes of ethics or conduct up on the office walls of public officials; but is more likely through the presence and actions of competent managers, strengthened management systems, improved detection methods (including internal controls) and through appropriate consequences for perpetrators. This is what would reduce the opportunities and/or would increase the risks for those trying to take such opportunities. Clearly, the more one reduces opportunities, the more one reduces corruption (Cohen 2005).

It is in this instance where the Code of Ethics comes to the fore through innovation leadership and collective and coordinated action (Woods & Mantzaris 2012).

A Code of Ethics on many occasions is a legal requirement in many countries, but not all. In South Africa, all the state departments are obligated to have codes of conduct which should be adhered to by every public servant.

However, what is of importance in the public sector is that an innovative leader makes it a priority to introduce such a document that not only becomes a way of life, but is also instrumental in building a collective consciousness about corruption.

A document such as this identifies and reviews values that support adherence to relevant laws and regulations; reviews which values support the ideal of a highly ethical and successful
public sector organisation service provision and identifies the behaviours needed to address current issues in the workplace (Singer 2007). Within a given public organisation environment and on the basis of findings obtained during relevant collective strategic planning sessions, the group information from the SWOT analysis (identifying the organisation’s strengths, weaknesses, opportunities and threats) identifies a number of key issues. The most important amongst them is identifying behaviour needed to build on strengths, show up weaknesses and take advantage of opportunities and guard against threats? Answers to this question will support the generation of important ethical values (Woods & Mantzaris 2012).

There needs to be consideration of any top ethical values that might be prized by stakeholders. A collection from the above steps of the top five to ten ethical values are high priorities in the municipality. Consideration is necessary of examples of ethical values, integrity, honesty, confidence and trust, followed by a composition of a code of ethics which associates two examples of ethical behaviour. Critics of the codes of ethics assert that they seem devoid of substance because many only list ethical values and don’t clarify these values by associating examples of behaviour.

The Code of Ethics needs to include wording that clearly expresses the values all the employees are expected to conform to. Moreover a review needs to be obtained from significant members of the institution as well as input from as many key members as possible. These steps need to be followed by the announcement and distribution of the new code of ethics and ensure that each employee has a copy of the ethics code (LaFollette 2002). The Code needs to be updated at least once a year. In the meantime, it needs to be understood that dialogue and reflection around ethical values produces ethical sensitivity and consensus. Therefore, revisiting the codes frequently will emphasise its importance as a living document of the organisation. The goal is to focus on the common ethical values (honesty, fairness and commitment) needed in an organisation and to avoid potential ethical dilemmas that seem likely to occur. A good code of ethics is built on the following foundation: compliance with internal policies and procedures; compliance with external laws and regulations; direction from organisational values and direction from individual values. Specifically, a code of ethics must address certain specific issues in addition to the more generic ones listed above. The following are some of the most common issues addressed by typical codes of ethics: equal opportunity; sexual harassment; diversity; privacy and confidentiality; conflicts of interest; gifts and gratuities and employee health and safety (OECD 2009).

The Action: The leader gathers all supervisors/managers first who through their knowledge identify major corruption issues and challenges in the workplace. These could be individual, collective, sectoral, organisational, financial or behavioural. This is followed by a meeting of sections, departments or units collectively, where these issues are discussed. The collective identify the behaviour needed to resolve these issues. They identify which values would generate preferred behaviour.

Such innovative leadership establishes a process of engendering higher levels of motivation and commitment among followers (Mullins 2007) as well as develops and enhances relationships with co-workers. The workplace and meaning of work are transformed as employees pursue active goals. In this process, leaders mentor their co-workers by encouraging learning, achievement and individual development. They provide meaning, act as role models, provide challenges, evoke emotions and foster a climate of trust in the workplace (Harms and Crede 2010:6-8).
Such actions enhance a clear collective vision and leaders strive to communicate it effectively to all the employees. They show trust and confidence in their subordinates and leave them space to breathe and grow. Their support and encouragement stimulate employees to be more innovative. This happens because their actions actively develop and maintain relationships with their co-workers who become more active, motivated and inspired in the workplace and the meanings of work are transformed. Employees pursue organisational goals collectively and as a unit, the leader leads by example (Yukl 2010). Simultaneously the leader becomes more knowledgeable and aware of what motivates the staff and identify motivation needed to best apply these to their individual work situations (Mullins 2007). The collective interaction encourages not only open and honest exchange of ideas that could lead to debates on different aspects and angles of problems and challenges, but also pave the way for a new understanding of the value of creativity, collective consciousness as well as continuous evaluation processes amongst all in the workplace.

Another important aspect of the action is the encouragement of middle managers, supervisors and project managers in clarifying the goals and objectives of the goal clearly and the coordination and synergy amongst the middle and lower ranks of employees coupled with capable supervision, performance management initiatives as well as monitoring and evaluation agreed upon and embraced by all.

The collective action, debates and exchange of ideas enhances unity through diversity irrespective of the employees history both within and outside the entity and thus open the creative path of understanding, unity of purpose, solidarity, collective consciousness and decision taking that open the path of honest and transparent new, creative and transformative ideas that could lead to tangible and well-thought decisions across organisational levels and structures (Harms & Crede 2010:9).

**CONCLUSION**

The article has demonstrated that innovation denotes the synthesis of a variety of styles of leadership that bear significant influence on the generation and re-generation of ideas, decisions, outcomes and outputs that could make a positive difference to the organisation’s direction. This brings us to the question as to whether all these postulations can work in Africa.

In this process, the role of the innovative leader and his/her creative planning and initiatives is indispensable as he/she shapes the nature and success of creative efforts within the organisation. Furthermore, the article posits that innovation bears some similarities with creativity, both in theory and practical implementation. Innovation leadership on the other hand is quite a complex concept that denotes the strategic and visionary role of the leader in shaping organisational roles and different modes of planning processes and operations.

Creativity and innovation have been historically and at present characteristic of the African continent. Leadership has been used creatively on many occasions and innovatively in others by utilising a wide variety of different modes of planning and acting guided by the historical experiences of the continent, the heroic struggle of all her people and sections of their leadership.

As globalisation has changed all lives and the IMF and the World Bank have eased their pressures on the continent, there have been major encouraging signs for a number of
countries, but sadly not for others. For the lives of the vast majority of people to develop themselves and their country’s leaders on the continent they have no choice but to engulf innovation, creativity and transformation at all levels of the public service. Such leadership is highly probable to alleviate visible human, political, economic, continental and social impediment to corruption. It needs to be enhanced at all levels of public life and service. Africa does not lack innovative thinking, intellectual vigour or political will but the continent might be lacking resources in human capital and leadership alacrity.

The article further adumbrates that it is up to the leaders to decide and convince themselves that they are an integral part of the vision and mission of a New Africa whose ideals and values will be revered throughout the globe and especially amongst all Africans. The creation and re-invigoration of a feeling of justice, loyalty, trust and integrity throughout the Continent is in the hands of African leadership.

REFERENCES


