

Effective Leadership: The Solution to End Corruption in the South African Public Sector?

Hendri Kroukamp

(Faculty of Economic and Management Sciences, University of the Free State, Bloemfontein 9300, South Africa)

Abstract: Much of the current theory attempting to explain the high prevalence of corruption within African states starts from the assumption that the continued prevalence of traditional moral values within African societies is a key enabler of corrupt behaviour. Since the 1960's every modernizing system was regarded as being susceptible to corruption, which had manifested peak levels of corruption as they experienced socio-political development. Corruption in developing countries was therefore assumed to be part of the natural maturation process. South Africa was no exception. The problem of corruption has captured the minds of all South Africans who are committed to good governance as reflected in terms of value driven perspectives which manifest itself in effective, legitimate, democratic government, and high levels of institutionalization or combinations of the above. One needs, however, to move beyond debates about whether traditional African culture inadvertently lends itself to corruption, and focus on mechanisms to minimize or prevent these activities from taking place as, despite the introduction of various legislative and organizational measures, it is still rife in the South African public sector. Leadership can play a meaningful role to ensure that the measures to minimize or eliminate corruption are effectively implemented and will be discussed in this article.

Key words: leadership; South African public sector; corruption

JEL codes: H1, H83, H590

1. Introduction

The high prevalence of corruption, especially within African states, is based on the assumption that the continued prevalence of traditional moral values within African societies is a key enabler of corrupt behaviour. In South Africa, with the advent of democracy in 1994, the newly elected government inherited a distorted system of governance—with institutions that were in direct conflict with the imperatives of sustainable economic growth, social development, and reintegration into the world economy and the community of nations. Corruption is especially harmful in developing countries due to the fact that these countries tend to have fewer resources, and need to use these scarce resources in the most effective way. To minimize or even prevent corruption, leadership can play a meaningful role.

Leadership, seen as either the behaviour of an individual or the organization as unit of analysis, creates a culture that integrates what the organization claims it believe and how it actually behaves in a critical element in

Hendri Kroukamp, Ph.D., Professor and Dean, Faculty of Economic and Management Sciences, University of the Free State; research areas/interests: public finance, HR, public administration education and training. E-mail: kroukhj@ufs.ac.za.

optimizing organizational performances. Leadership should thus make the organization more relevant, create and propose innovative problem solving solutions, and see to that policies which were introduced to address the changes been brought about by modernization and transformation, are effectively implemented. This also applies to the anti-corruption measures created by government. In this paper corruption in the South African public sector will be discussed and the impact it has on the South African society. Leadership as remedy to prevent such conduct will be explored. The research method will entail a thorough literature review and feedback from focus groups.

2. Corruption in South Africa: An Overview

The changing milieu of the South African public sector has become increasingly complex over the years—bringing varied and growing challenges and unpredictable changes influenced by *inter alia* globalization and the information and telecommunication technology (IT & T). Key characteristics of the era of globalization include the decentralization of authority by nation states to regional and local level, with pressure rising for greater public participation in governance. New technologies have forced governments to act more quickly and speed up decision-making, but at the same time becoming more accountable (Tiihonen, 2003, p. 3). Globalization has also seen a decline in trust in the state and public administration with management being regarded as the key to improved public administration (Kim, 2010, p. 801). Private sector management is seen as the inspiration for improved public management, in the context of a shift in focus from administration to delivery. The state bureaucracy has been viewed as being bloated and in need of down/rightsizing as part of an integrated package of good governance measures. These measures included:

- freeing of markets from state intervention;
- privatization of state assets;
- transparency and accountability;
- free and fair elections;
- public participation;
- impartiality in service delivery;
- efficient and effective use of state resources;
- sound human resource management;
- performance management; and
- customer-orientated service delivery (Levin, 2002, p. 79).

Under conditions of globalization, the values of good governance (defined as reflected in terms of value driven perspectives which manifest itself in effective, legitimated emocratic government and high levels of institutionalization or combinations of both) have also seen changes in emphasis. Loyalty has largely been displaced by state values such as accountability and transparency, entrepreneurship, performance, service delivery, customer orientation and contract work, contributing to the emergence of corruption. The textbook definition of corruption as the abuse of entrusted power for private benefit, spanning both the involvement of public and private sector in an activity which in most instances, is based on greed and not on need. This is particularly true in countries where public servants receive a regular salary, sufficient to cover basic living expenses. Corrupt activities can generally be slotted into two primary categories

- petty corruption—small bribes demanded or offered, often to ensure delivery of a service either “according to rule” (e.g., health care in a public hospital) or “against the rule” (e.g., social service payment to someone who

does not qualify). Swamy (2011, p. 39) refers to this as democratic corruption; and

- grand corruption—comparatively large bribes and commissions offered or paid by businesses in their quest for government orders (e.g., Public Procurement Contracts such as building a new hospital) or hierarchical/anarchical corruption according to Swamy (2011, p. 39).

However, in defining corruption one should not ignore or downplay the role of patronage, and underestimate the extent to which corporate gain motivates acts of corruption.

The causes of corruption in South Africa are contextual-rooted in the bureaucratic traditions, political development, and social history of the country. According to Pillay (2004, p. 589) and compare Ristey (2010, p. 348) corruption has flourished as a result of institutional weaknesses. The normal motivation of public sector employees to work productively has been undermined by factors such as promotion unconnected to performance, the demoralization of staff members by dysfunctional government budgets, inadequate supplies and equipment, delays in the release of budget funds, and a loss of organizational purpose. The motivation to remain honest has further been weakened as a result of senior officials and political leaders using public office for private gain. The major contributions to corruption in the South African public sector have been

- undesirable social controls;
- antiquated laws;
- excess demand;
- entrepreneurial politics;
- bureaucratization;
- excessive discretion; and
- defective administrative arrangements (including inadequate controls), bringing about injustice, inefficiency, mistrust of the government by the citizens, waste of public resources, discouragement of enterprise (especially foreign enterprise), political instability, repressive measures, and restrictions on government policy (Pillay, 2004, p. 590).

Mahlaba (2004, p. 86) is of the opinion that one can add to this list that the percentage of reported and investigated cases of corruption remain low due to weaknesses in the internal controls systems, bad management, and lenient penalties by presiding officers on misconduct enquiries and low conviction rate by courts as well as low social values in the South African society. Secondary factors contributing hereto are low salaries, economic pressures and socio-economic imbalances and high workload. Also to blame are

- behavioural patterns;
- undue influence;
- poor discipline;
- a lack of sense of accountability;
- a lack of adequate management information systems;
- poor work ethic;
- corruption by law enforcement agencies; and
- a lack of skills to investigate corruption within law enforcement agencies and lack of synergy between departmental investigative units, internal audit units and law enforcement agencies (Numsa, 2004, p. 1; Swamy, 2011, p. 46).

The following issues have also played a significant role in allowing corruption to increase drastically in the public sector in South Africa

- jobs of all officials within institutions are not adequately defined resulting in officials not knowing what they have to deliver and when they have to deliver;
- delivery by officials is not adequately managed and performance management does not balance outputs with given inputs; and
- there is a general lack of culture of performance in institutions and adequate action is not taken for poor performance or lack of delivery (Mahlaba, 2004, p. 86).

The above-mentioned factors unfortunately shape the South African public's perception of corruption, both through experience or perceived experience. The latter is often the result of newspaper headlines probing the involvement of senior officials in large government procurement contracts such as the ill-fated multi-billion rand arms deal. A responsible independent media is duty bound to report such matters (particularly corruption in large contracts which could cost the Treasury dearly) but if these are left unproven it could have the side effect of negatively shaping public opinion as a result (National Integrity Systems (NIS), 2005, p. 17). It is therefore imperative to determine the impact of corruption on the South African society.

3. Impact of Corruption on the South African Society

During the National Anti-Corruption Forum (NACF) Conference in December 2011 in Johannesburg it became evident that corruption is a major problem on all spheres of government and can the following negative impacts should be noted. On the political front, corruption undermines the ethos of democratic governance which eventually results in the erosion of public confidence and trust in the democratic process (Ristei, 2010, p. 350). This ultimately results in citizens' unwillingness to co-operate with government, which is the start of a vicious cycle resulting in a type of anarchy benefiting no one. It furthermore serves as an obstacle to the rule of law as it eventually results in the judicial system, police and others acting largely in the interests of those willing to pay bribes. The primary beneficiaries of this are then those who already possess power and wealth (Fanaroff, 2004, p. 84).

On the economic front corruption creates inefficiencies in markets—it is particularly damaging to small and merging entrepreneurs who can much less afford the cost of bribes than large corporations who often budget for bribes. Corruption also creates uncertainty in markets already affected by volatility and is a deterrent to both foreign and local investment, thereby sabotaging opportunities for job creation (Mbeki, 2005, p. 8). Environmentally corruption results in the rapid depletion of natural resources, effectively endangering sustainable development. This results in job losses, e.g., when over-fishing has taken place or where a potential tourist attraction is destroyed. Socially a culture of dishonesty and greed develops with little consideration for ethical norms. International studies, for example the Global Corruption Barometer by Transparency International (2009) show that this deepens the divide between rich and poor and ultimately hits the poor the hardest. A further measurable impact is on public sector service delivery on which all citizens and the poor in particular are reliant upon (Matebesi & Botes, 2011, p. 14).

After 20 years of celebrating a new democracy, South Africans need to ask themselves how well they are doing in combating corruption and what measures were undertaken to address the situation. The commitment of the new democratic government to fight corruption has been demonstrated in a variety of ways by *inter alia* the initiation and implementation of a number of programmes and by developing one of the most innovative and sophisticated legislative frameworks for combating corruption on the national, regional and local spheres of

government. These can be summarized as follows

(1) Combating Corruption

- Revision of legislation and the introduction of new legislation, e.g., the *Prevention and Combating of Corrupt Activities Act*, 2004 (Act 12 of 2004).
- Establishment of whistle blowing mechanisms, e.g., the *Protected Disclosures Act*, 2000 (Act 26 of 2000).
- The *Promotion of Access to Information Act*, 2000 (Act 2 of 2000) which gives voice to the constitutional requirement for an open democratic system.
- Establishment of special courts to adjudicate on corruption cases. A specialized commercial crimes court and prosecuting unit was established as a pilot in Pretoria in 2000, and a second pilot site was established in Johannesburg in 2002.
- Establishment of a multi-sectoral co-ordinating structure to support the development of a national anti-corruption programme. The National Anti-Corruption Forum (NACF) was established in June 2001.
- The establishment of the Directorate: Special Operations (of the National Directorate of Public Prosecutions) with its focus on organized crime.
- The establishment of the Asset Forfeiture Unit, which has begun to make serious inroads into recovering the ill-gotten gains of both criminals and corrupt officials.
- The establishment of independent Chapter Nine institutions such as the Public Protector and the Auditor-General.
- The Framework for Supply Chain Management (2003) deals with corruption in government tendering by ensuring more comprehensive oversight over the entire procurement and disposal of assets process (NIS, 2005, p. 106).

(2) Prevention of Corruption

- All departments are obliged according to the *Public Finance Management Act* (PFMA), 1999 (Act 1 of 1999), Treasury Regulations and the *Municipal Finance Management Act* (MFMA), 2003 (Act 56 of 2003) to conduct risk assessments and to implement fraud prevention plans informed by such risk assessments.
- Blacklisting of individuals, businesses and organizations that are proven to be involved in corruption. The blacklist is accessible on the National Treasury website.
- Establishment of anti-corruption hotlines.
- Disciplinary action against corrupt persons (Mahlaba, 2004, p. 87).

(3) Building Integrity

- Promotion and pursuance of social research and analysis and policy advocacy to analyze causes, effects and growth of corruption. The first step was the completion of the UN Corruption Country Assessment.
- Enforcement of the Code of Conduct and Disciplinary Codes in each sector. An Explanatory Manual on the Code of Conduct for the Public Service has been produced.
- Promotion of training and education in ethics. National training modules for public service managers have been developed. The South African approach recognizes the importance of developing a multi-sectorial approach to preventing corruption deriving from a clear understanding that corruption is a problem of the public and private sectors as well as being a national and international phenomenon that requires global solutions (Levin, 2002, p. 80).

The existence of these various institutions makes it apparent that South Africa has made significant efforts to address corruption. However, the existence of so many agencies requires effective co-operation and co-ordination.

There is an overlap between the functions (particularly with regard to investigations) of certain existing anti-corruption agencies (Public Service Commission Report 2010) and should the following rational principles be applied to improve the situation

- determine clear lines of responsibility for the different agencies—particularly in relation to who should deal with particular cases of corruption;
- ensure informed decision-taking at an early stage to determine whether criminal sanctions, civil sanctions, or internal disciplinary measures will apply, as different procedures involve different rules, standards of evidence, and speed of reactions;
- improve the relationships among agencies within the public sector that apply regulations regarding employer-employee relationships—as distinct from external agencies that apply the law; and
- develop an easily understandable regulatory framework to avoid overlap (Pillay, 2004, p. 601).

A further suggestion is the creation of a single anti-corruption agency, but the following disadvantages should be kept in mind, e.g., it (1) adds another layer of (ineffective) bureaucracy to the law-enforcement sector; (2) diverts resources from existing organizations involved in anti-corruption work; (3) functions inefficiently if unable to target serious or high-level corruption cases; (4) functions as a “shield” to satisfy donors and public opinion (as codes of conduct have often done in relation to private-sector companies, public-sector organizations, and government departments); (5) delays the reform of other areas; and (6) functions as a political police (NIS, 2005, p. 120). It might therefore be feasible to develop and adopt a simple, clear national strategy or strategies that make(s) use of existing capacity to help lay the foundations for an administration that is free, or has minimal remnants, of corruption. In this regard leadership can play a meaningful role.

4. Leadership as Strategy to Overcome Corruption in South Africa

Combating corruption requires a dynamic and multi-faceted strategy or strategies that use scarce resources effectively on a constructive, shared basis. In developing such a strategy/strategies, one should not purely develop it for compliance with legislative frameworks, but should it be developed out of necessity guided by the environments in which one operates to ensure that the outcomes and outputs address the corruption. If corruption is to be fought successfully, the objectives of an anti-corruption strategy should be to

- improve efficiency, effectiveness and accountability;
- improve the application of systems and policies;
- support a good corporate culture;
- reward exemplary conduct;
- put public interest first;
- inform the reinforcement process with a shared commitment;
- facilitate the reporting and monitoring of incidents of corruption; and
- strive for the deterrence, prevention and detection of corruption (Kim, 2010, p. 6).

To achieve this, is strong, coherent leadership and pro-active political and administrative leadership necessary. Although leadership is proposed as significant for modernization and improvement it is often alluded to without definition. According to Hartley (2002, p. 420) there are at least two levels of analysis in the concept of leadership. In the first, leadership is the behaviours and actions of individuals, whereas the second approach has the organization as unit of analysis, working with other agencies in the locality and having particular responsibility for

addressing the needs and aspirations of the inhabitants. In the public sector the managerial leadership advises elected officials in formulating policy and determining services, uphold the law, implement policy, and deliver services, and direct or coordinate the administrative structure and manage the resources of the organization. They balance responsiveness to the preferences of the elected officials and demands from citizens with a commitment to promote public interest for the community as a whole and to advance professional standards and successful practices (Svara, 2006, p. 1075). Often there are tensions between responding to the aspirations and pressing current needs and addressing important potential problems and long-term needs. The creative tension between political and managerial leadership embodies the continuing challenge of reconciling these perspectives. According to Fitzgerald in Rosenbaum et al. (2006, p. 127) should these two leaderships see themselves as operating within a strategic partnership where the respective leadership roles would be understood and accommodated. The point would not be to remove tensions, or any possibility of tensions, as this would be impossible and undesirable. The aim should be the creation of a culture capable of handling and resolving such tensions as normal challenges within the governance process.

Nel et al. (2008, p. 332) distinguish between the concepts leader and leadership. The authors argue that it is viable to distinguish between the person, the position and the processes in terms of leadership. The idea of leadership as a set of processes concerned with the influencing of people and achieving objectives are reflected in the definitions of leadership by Heifetz (1996, p. 10) (mobilizing people to tackle “tough” problems); Mulgan (1997, p. 102) (strengthening the capacity of citizens and communities to govern themselves); and Cumming (2001, p. 2) (creating a strong sense of direction for the organization and the people in it and the values that need to go alongside this direction), enabling governments and other stakeholders to develop a value system of responsibility to the future. Hawley in Swamy (2010, p. 50) adds the management/spiritual leader who is needed to achieve organizational success devoid of unethical processes. It is thus clear that there is a leadership role for particular individuals in shaping visions of the future and encouraging government as organization to look beyond immediate pressures in order to direct innovative actions to address a stronger external focus and responsiveness towards inhabitants.

In this endeavour the notion of distributed leadership where one moves beyond the traditional leadership models and highlights the roles taken jointly by politicians, managers and front-line staff, should be embraced. This is a different dimension of leadership than is sometimes assumed from the debates about “strong” leadership, which often imply more of a command and control approach from the strategic apex of an organization (Van Slyke et al., 2007, p. 362). Distributed leadership therefore requires a paradigm shift for government, their management and their practices, with managers, politicians and others accepting their own role in leadership.

Taking the above-mentioned into consideration, the following management roles mirror the evolution of management thought on leadership

- developing relationships—the interaction of the leader with stakeholders to develop relationships, identify desired outcomes, monitor the needs of those in achieving the results, and sustain high levels of personal commitment;
- utilization of resources—the acquiring of financial resources, the balancing of competing demands through prioritization, and the efficient managing of resources to achieve goals; and
- managing image—to project and manage an image that is consistent with others expectations (Caldwell et al., 2007, p. 262).

However, Hickey et al. (2007, p. 7) are of the opinion that the literature on the management role and competencies of leaders has been dominated by discussions of generic frameworks and has not addressed the

competencies needed for managing in a politically-led organization where issues of accessibility of services, participation indecision-making, greater responsiveness and capacity-building are important.

In implementing leadership in government, a distinction between different perspectives of leadership should furthermore be taken into consideration. It can either be the perception of the follower of the relationship with the leader, or a character-based perspective (Dirks & Ferrin, 2002, p. 614). Although these perspectives were seen as functional equivalents, Clark et al. (2006, p. 1162) opine that in service delivery entities such as government, a character-based approach has advantages insofar as the leader may have authority to make decisions that have a significant impact on those to whom for instance particular services are rendered or not rendered. This will necessitate particular competencies, i.e., intellectual, visioning, management, relationship and personal (Ali in Rosenbaum et al., 2006, p. 136), that will contribute to articulating the needs and aspirations of inhabitants. Leadership should furthermore be

- creative and propose innovative problem solving solutions;
- promote equity in service delivery;
- develop approaches to poverty alleviation;
- reconnect with the stakeholders to share government performance information;
- make the institutions more relevant;
- create an organizational culture that focuses on managing for results and a learning-oriented culture to build the management capacity for high performance;
- promote transparency in governance;
- encourage employees to analyze past successes and failures and apply those findings to improve government performance and accountability;
- promote democratic institutional development *inter alia* through dialogue with citizens; and
- promote public sector ethics to enhance trust within the institution itself (United Nations, 2008, p. 6; Kim, 2010, p. 808).

Once these prerequisites have been met, could government as an institution be regarded as effective through the use of leadership, which according to Bester and Pienaar (2007, p. 544) is one of the indicators of institutional effectiveness contributing towards improved service delivery to communities and the minimization of corruption.

5. Conclusion

From the above discussion it is evident that South Africa has moved to create a sound anti-corruption structure in the post-apartheid period. Sound prevention management systems have been developed and are being implemented, while combative legislation and agencies are being strengthened. However, even with a formidable “armoury” of anti-corruption strategies, it has not proven enough to stop greedy individuals from abusing parts of the system as such activities. It was argued that leadership can be utilized as a mechanism to prevent corruption taking place. However, for leadership to be successful, they should be aware of their respective roles, duties, responsibilities and obligations and should communication be clear to avoid misunderstanding. Use should also be made of administrative aids and techniques which would promote successful implementation. This will necessitate that intellectual, visioning, management and relationship competencies be acquired by the leadership to ensure that effective combating of corruption takes place, thus reaffirming that there is a connection between the leadership of the organization and institutional effectiveness.

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