

Institutions of Integrity and the Integrity of Institutions: Integrity and ethics in the politics of developmental leadership

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Context and background

In current debate, many developmental problems are attributed to the failure of leadership and, in particular, to the absence of either 'ethical leadership' or 'integrity in leadership'. But what is 'ethical leadership'? What makes for the integrity of leaders in a developmental context? How is it achieved? And what are the conditions for sustaining it?

The primary objective of this research has been to develop a conceptual framework for thinking about integrity in developmental contexts, not only at the level of individual behaviour, but also at the level of institutions, and especially in the relations between them. By institutions we mean the formal and informal 'rules' that govern social, political and economic relations—ranging from the political system to cultural values.

While the work is primarily conceptual, it will also help policy-makers think about these questions in relation to developmental issues.

The question of integrity becomes especially vexed when rival and competing institutions and normative expectations are in force, and when people are therefore torn between two or more 'codes' of behaviour, without access to a universal ethical system that can resolve the conflict. Accordingly, this project explores the interaction between individual ethics and the institutions that embody social norms.

Core Argument

The key finding from this work is that in order to think seriously about ethical leadership or developmental integrity, it is important **not** to simply focus on codes of conduct, individual behaviour, enforcement mechanisms or even 'picking individual winners'. Rather, ethical leadership and developmental integrity in practice is a function of the more complex interaction of *individual integrity*, the *institutions of integrity* and the *integrity of institutions*.

Key Points

Specifically we argue that:

There is a dearth of serious analysis about the idea of integrity in development. In order for policy makers to think seriously about integrity it is necessary to make a clear distinction between three closely linked aspects of integrity:

- **The institutions of integrity**, which refer to the institutionalised norms and codes of behaviour (both formal and informal) that 'bind' individual behaviour, and shape the context of individual integrity, including that of leaders. Such institutions define the moral boundaries that affect individual behaviour. Policing or auditing agencies and oversight mechanisms are merely one manifestation of the institutions of integrity and do not by themselves produce developmental integrity or ethical leadership.

- **Individual integrity**, which relates to the traditional understanding of integrity as honesty; appropriate behaviour ('doing the right thing' according to the norms and rules); or, consistency between words and actions. Individuals do not respond as automatons to the institutional incentives they face. Individual agency matters and leaders sometimes emerge who have transformative effects (for good or bad), e.g. Nelson Mandela or Pol Pot.
- **The integrity of institutions**, which means whether an institution functions correctly; is robust and legitimate; and, is fit for purpose. In the present case that means institutions that promote development. It is an important factor in development outcomes. An institution which does not work or which is haphazardly enforced or routinely evaded has little integrity.

Understanding developmental integrity necessitates a deeper and more thoroughgoing analysis of both *individual and institutional* issues, and the relation between these issues. In other words, one must investigate the complexities generated by the interplay between an individual leader's choices and behaviour, on the one hand; and the context in which they operate, on the other hand (that is the relationship between agency and structure; or leader and institutions).

The complexity of these relations is further compounded by the nature of institutional arrangements and leadership processes:

- The *institutions* that make up this 'structure' may be *multiple and in conflict*.
- *Leadership* is a *systemic and relational process* with a strong *political dimension*. It involves both the mobilisation of people and resources in support of goals and institutional stewardship that foster the institutionalisation of appropriate behaviours.

The idea of *congruence* is central to understanding developmental integrity. Developmental integrity depends on whether the institutions of integrity and individual integrity function in such a way as to support the integrity of institutions. Congruence is therefore contingent upon:

- *Appropriate and agreed rules* that govern political systems and/or organisational culture.
- *Individual choices and behaviours* that are *consistent* with these *rules*.

Congruence allows for the *possibility of differences and disagreement* that arise when stakeholders

cooperate and compete with regard to the distribution of resources. However:

- When these differences are *at odds with institutionalised rules or organisational culture*, individuals and coalitions are unlikely to achieve their goals.
- When *institutionalised rules or culture no longer provide a useful frame* for making sense of individual actions and interpersonal processes, the institution becomes brittle and fails to provide the needed legitimacy for directing individual actions and interpersonal processes.

Institutional robustness and legitimacy therefore results when individual actions (leader behaviour) and interpersonal processes (coalitions) are aligned or congruent with shared institutional goals.

Leadership, coalition-building and development

Very frequently in development contexts, institutional arrangements lack congruence. This means that individual leaders may be pulled in different directions by competing ethical frameworks. Therefore, development policy and development programmes must take account of three important implications that flow from this insight:

- Leadership often takes place in the *uncertain interplay* between the individual leader's choices (agency) and the brittle or insecure institutional context within which those choices are made (structure).
- Institutional development is '*path dependent*', which implies that programmes that rely on incorrect assumptions about the institutional arrangements in a specific country or region, or that are naïve about the difficulty of altering institutional structures, are likely to fail.

Developmental interventions must be *appropriate* to the institutional contexts in which they operate. Unfortunately, this also implies that there is no set of simple guidelines that will help policy-makers to foster developmental integrity. A *deeper and more thoroughgoing analysis* of the individual and institutional dimensions of integrity is essential for understanding where and how ethical developmental leadership can be enhanced or supported in a specific country or context.

It is also important to recognise that leadership has a strong political dimension and that *power* is therefore a key factor. Different individuals and groups (including 'coalitions') exercise power and

seek influence over the system. The 'rules of the game' are therefore frequently contested terrain and partisan (even predatory) interests are usually present.

For this reason fostering *congruence* is a key element of effective leadership, as when this is achieved to the requisite degree, *successful and sustainable development* is more likely to occur.

An important manner in which to achieve congruence is to *build and mobilise coalitions* around appropriate goals and appropriate institutions, even hybrid ones.

- This requires that leaders *sustain dialogue* amongst stakeholders, so that shared goals and practices can emerge through a process of cooperation, competition and consensus-building.
- However, ethical leaders must also manage institutional conflict and divergent interests by *promoting tolerance and openness* in decision-making processes, without expecting that all difference will be resolved.

Brokering or facilitating processes or coalitions that can align institutions and promote congruence is an important role for leaders, donors or supporters.

Leadership and developmental integrity

At the heart of this approach is a 'systemic model' of leadership. This is distinguished from the more common 'agential model' of leadership, which places the responsibility for ethical behaviour or integrity largely on the individual leader (who purportedly controls the behaviour of followers and shapes institutional forms and practices).

By contrast, while recognising that there is always room for manoeuvre by leaders, the 'systemic' model places emphasis on the processes that give rise to developmental outcomes, including the institutionalisation of norms, values and practices and how leaders interact with these. As such, *leadership integrity* in the systemic model is determined, in part, by whether leaders:

- *Encourage inclusive stakeholder dialogue and foster congruence* when setting developmental goals.
- *Develop successful strategies* for balancing institutional requirements, organisational demands and the interests of individual stakeholders.

- *Assess the intended and unintended consequences* of actions taken in pursuance of collective goals.
- *Assume responsibility for, and undertake corrective action* to address strategies that do not promote or that may even undermine collective goals.

Whilst it is recognised that leaders influence 'followers' and others (mostly by providing the appropriate frames for thinking about developmental goals and outcomes), it is also acknowledged that followers influence leader behaviour through complex political processes. These political processes are determined, in part, by dynamic formal and informal relation of power, which are distributed across various institutional levels. Therefore *politics and power* lie at the heart of the systemic model, and profoundly affect ethical behaviours and developmental integrity.

In the systemic model of leadership, *institutions of integrity* are understood as the product of development paths that may be highly resistant to change. In order to understand the nature of effective and responsible leadership processes, it is therefore important to acknowledge the *historical nature of institutions*, which give rise to the multiple and conflicting institutional constraints and obligations that are simultaneously in force, and that impact on leadership processes.

We argue that the insights gleaned from this systemic conception of leadership can help us to better understand and promote ethical leadership practices that foster developmental integrity.

Summary of findings

- Developmental integrity is a *complex process* that must be conceptualised in terms of the *political landscape*, in which various actors (with varying degrees of power) cooperate and compete in order to achieve their goals.
- This complex, political processes between actors should not however be incongruent with larger institutional rules and culture, as this undermines the legitimacy of institutions. Otherwise stated, institutional integrity is dependent on the establishment and maintenance of a degree of *congruence* between individuals (agents) and institutions (structures).
- In this regard, *leaders play an important sense-making function* in providing appropriate insti-

tutional frames for thinking about developmental goals, and for mobilising people and resources.

- Furthermore, *leaders* are responsible for *brokering or facilitating processes or coalitions* that can align institutions and promote congruence. Leaders are also responsible for the consequences arising from coalitions' actions.
- *Developmental integrity*, defined in terms of the systemic model, therefore refers to the ways in which *leadership integrity* gives rise to, challenges, and reinforces the *institutions of integrity*, thereby facilitating *institutional integrity* (i.e. institutional robustness and legitimacy).

Download the full paper:

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