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Changing corporate behaviour requires new skills and a different focus



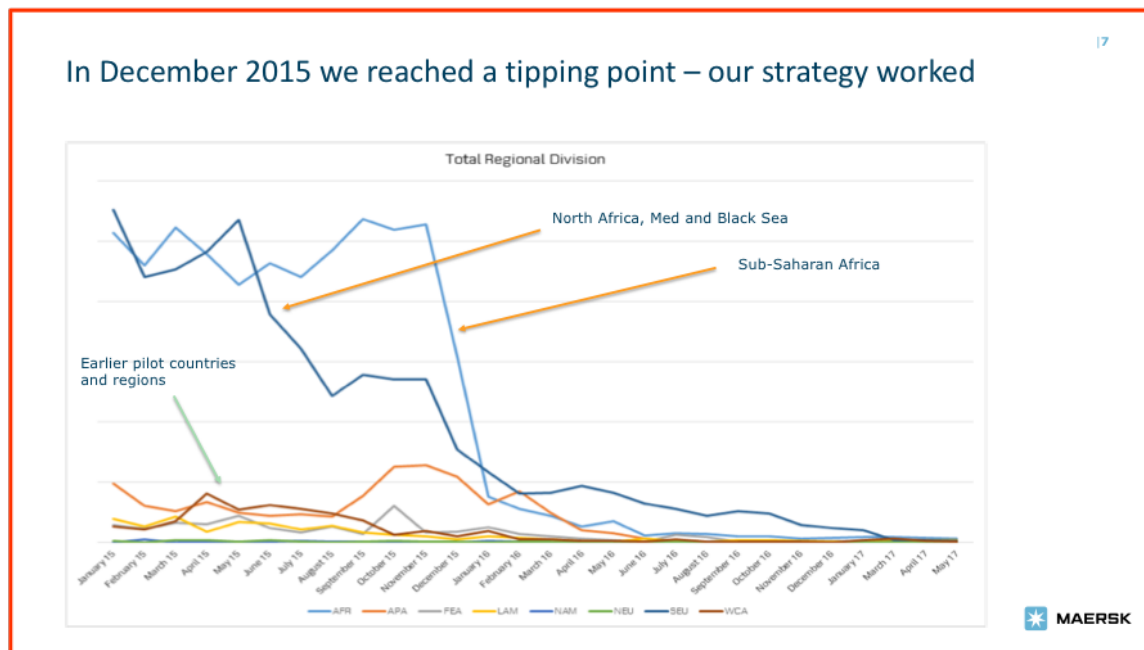
If you put ‘Change management’ into Google, you get 4.1 billion hits. This is even more than ‘Leadership’, usually the perennial front-runner in such search competitions, which has only 3.53 billion hits; or ‘Corruption’, with 344 million hits¹.

The huge volume of advice suggests that managing change to corporate behaviour is really hard. Yet understanding how to steer the behaviour and culture of organisations within the anti-corruption, compliance and legal communities continues to be narrated very narrowly: through such tropes as ‘tone from the top’, ‘response to shareholder pressures’ and through full implementation of compliance programmes.

Good compliance programmes and enforcement certainly play significant parts in shaping organisation culture, but both are defensive in nature, limiting risk. But cultures are more easily changed by the business leaders and division heads, seeking new ways to grow their businesses through positive actions and a positive organisational culture. Every now and again we see great examples of this. Business leaders determined actually to curb corruption in their business sector; not just to limit their exposure in a corrupt environment, but to shift that environment.

Here is a powerful example from the giant Danish shipping company Maersk. The graph shows the results of a Maersk initiative to address the petty bribery that Captains have to engage in for their ships to enter and leave port in a timely manner. The horizontal axis is time, and the vertical access is the number of small gifts given out each month as the ships entered ports.

¹ As at July 3, 2019



Maersk developed an active strategy for how to curb this. It included technology – they a global IT application for recording on the bridge of each ship what gifts were being asked for and given from each ship at each port; and working with each of the port authorities to gain their support. Above all, the initiative was centred on training and culture change - to change the thinking of their Captains. It was much easier for them to hand over some small gifts to ensure swift passage through the port than to run any risk of delay, which is disproportionately more expensive. These were the key authority group within the company who needed to see the possibilities and the benefits of a change. The change was enabled through training: guiding the Captains in how they could refuse such requests. As a result, the number of cartons of cigarettes and bottles of whiskey that Captains have to give out has plummeted. The result is better business as well as a stronger corporate culture.

Here is a second equally inspiring example, this time from Saudi Arabia. The Saudi defence company [AEC](#), turnover \$500 million, was determined to show the country and its international partners that Saudi companies can work successfully without corruption. They had the usual Saudi problem that hiring decisions were often influenced by the Princely relatives of applicants pulling strings with the Royal family. Their solution was in two parts. First, they set up a training academy, in which applicants learnt maths, English and business management. Applicants knew from the beginning that the final course exams would be entirely meritocratic, and that most applicants would not get

through. Second, the Chief Executive spoke with the King, to gain his advance agreement that special pleading from royal relatives of applicants would not be accepted. Once Saudi society realised that this company would work only on a meritocratic basis, the Princely complaints stopped. Corporate morale and business performance rose, and international customers were convinced.

These examples offer two pointers to action. First, there are whole domains of companies where curbing corruption could be an active part of improving business performance. Business leaders are likely to be more convinced to action by active measures than by risk limitation arguments.

Second, ‘reputation enhancement’ as a result of such actions does help companies in their dealings with Governments. At the [17th IBA anti-corruption conference](#) in Paris last month, I was discussing this topic in a panel and offered an example from my own experience. In the 1990s I was the Chief Financial Officer in China for the oil company Shell International. Shell had just won a large contract to build a petrochemical complex in Southern China, worth about \$5bln. Shell later met with members of the Chinese senior leadership in Beijing. The formidable Chinese Minister for Foreign Trade, Madame Wu Yi, said something unexpected: Shell had come out ahead in this competition in part because the Chinese leadership believed that Shell was serious about tackling corruption. They had confidence that the company would be influential in improving the endemic corruption climate in Southern China.

Third, these sorts of business examples are rarely published; indeed, hardly written up even within the company. We all know that culture change becomes embedded through the spreading of stories, so there is a real need to get such stories out and about; at least within the company, and even better as external markers of confidence and progress. I encourage you all to set up mechanisms for searching out such examples in your company systematically.