Mainstreaming Ethics & Integrity

Ethics Program for Integrity Professionals

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• Jackline Nyandeje
• Julie Ogoye
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We are most indebted to the lead consultant of this project. Prof Paul Achola’s guidance and advice inspired the team. Secondly, our sincere gratitude goes to the team members Ken Aduda, Julie Ogoye and Jacky Nyandeje for the unwavering commitment. In addition we would like to thank the team of Ethics and Integrity Institute lead by Jacky and ably supported by Kate Otana for the much needed logistical support.

We cannot forget to honour the families of those mentioned above for their understanding and support. We cannot mention all who supported this project by name but we are greatly thankful. Finally we thank God almighty for the grace, courage and strength to undertake this assignment.
Ethics has recently received prominence through setting of constitutional and legislative thresholds, and its effective management can be an effective corruption prevention tool. **Indeed prevention is better than prosecution.** Our goal is to develop competent integrity professionals who can be relied upon to establish structures and strategies of promoting moral conduct of business.

Like any discipline, ethics management requires skilled personnel. The purpose of this workbook is to aid learning of a proficiency based program on Mainstreaming Ethics and Integrity. The course targets integrity officers, members of integrity committees and any professional with an interest in promoting ethical conduct of business. On successful completion of the course and course assignments, participants will be able to establish structures, assess ethics/corruption risks, develop ethics and integrity promotion plans, develop ethics policies such as anticorruption policies, code of conduct, policy on safe reporting and gift policy as well as act as ethics reference points in their organizations.

The book provides reading materials for each of the modules but additional relevant texts and electronic references will be recommended to supplement this workbook. We have deliberately added real life case studies that should resonate with the reader’s experiences, as insights of most common ethical concerns in organizations or society.

Jackline Nyandeje

**Executive Director,**

Ethics and Integrity Institute
Ethical Gaps and Justification for the Institute’s Programs

The attention of Kenyans yearning for ethical conduct has been focused solely on public officers although the private sector has been proactive in developing a private sector code for business in Kenya, 2012. A limited survey conducted by Ethics Institute of South Africa in 2010 revealed that although organizations in Kenya considered ethics to be important in business, they lacked the requisite structures, knowledge, skills and instruments to promote it. Having a code of conduct or code of ethics for most organizations was equated to managing ethics. Most of the respondents also stated that they relied on the Ethics and Anticorruption Commission to aid their efforts in ethics capacity building.

The problem is not limited to incidences of corruption such as bribery, fraud, nepotism, conflicts of interest, money laundering but extends to social ills such as drug and substance abuse, crime, rising levels of insecurity, negative ethnicity, low innovation, extortion, lack of time management, misuse of resources, sexual harassment, lack of or existing but ineffective codes of conduct, unethical leadership, substandard service delivery, substandard products, lack of knowledge or ignorance on acts governing corporate governance and violation of such laws among many others that will be addressed in the ethics and integrity training modules.

For these reasons, the ethical transformation of the society at large is timely. Each adult citizen represents part of the system of this nation, and should fully understand the responsibility to the state, society and citizens. Citizens must be prepared to strive to promote respectful attitude, justice, fairness and impartiality in every service provided to this nation.

This course is intended to impart knowledge and skill on building an ethical culture in society in general and in business in particular. This program should be a deterrent against deviant behaviour and unethical conduct by proactively inculcating a sense of responsibility rather than wait till the menace is done.
Key objectives of this program

i. Understand ethics as a fundamental pillar of governance and how ethics relates with management and leadership.

ii. Understand the constitutional foundations of ethics and integrity and how they apply to business.

iii. Understand the value of ethics in society and politics.

iv. Mobilize and build consensus on the values of integrity, justice, fairness and transparency that should guide decision making within the organization.

v. Gain knowledge on requisite structures for managing ethics including the framework set by Ethics and Anticorruption Commission and performance contract targets.

vi. Understand how mainstreaming ethics can reduce incidences of corruption.

vii. Understand the roles and responsibilities of Integrity committees, their terms of reference and performance standards in relation to performance contracting activities.

viii. Strengthen capacity of the committees in risk assessment, development of integrity plans and to be transparent, accountable, and responsive to the organizations in the management of human behaviour.

ix. Expose members to various indices on performance management such as the sustainability index.
**Abbreviations**

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<thead>
<tr>
<th>Acronym</th>
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<tr>
<td>ACPU</td>
<td>Anti-corruption Police Unit</td>
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<td>AG</td>
<td>Attorney General</td>
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<td>AuG</td>
<td>Auditor General</td>
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<tr>
<td>CFO</td>
<td>Chief Finance Officer</td>
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<tr>
<td>CID</td>
<td>Criminal Investigations Department</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>EACC</td>
<td>Ethics and Anticorruption Commission</td>
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<td>EC</td>
<td>Ethics Committee</td>
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<td>FNHS</td>
<td>French National Health Services</td>
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<td>HELB</td>
<td>Higher Education Loans Board</td>
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<td>HIV/AIDS</td>
<td>Human Immune-deficiency Virus/Acquired Immune</td>
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<td></td>
<td>Deficiency Syndrome</td>
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<td>HRM</td>
<td>Human Resource Manager</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>KACA</td>
<td>Kenya Anti-corruption Authority</td>
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<td>KACC</td>
<td>Kenya Anti Corruption Commission</td>
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<td>KENAO</td>
<td>Kenya National Audit Officer</td>
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<td>KES</td>
<td>Kenyan Shillings</td>
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<td>KRA</td>
<td>Kenya Revenue Authority</td>
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<td>LoK</td>
<td>Laws of Kenya</td>
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<td>MEI</td>
<td>Mainstreaming Ethics and Integrity</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>NARC</td>
<td>National Rainbow Coalition</td>
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<td>PC</td>
<td>Performance Contract</td>
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<td>Public Complaints Standing Committee</td>
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<td>Public Officer Ethics Act</td>
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<td>Public Procurement and Disposal Act</td>
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<td>PPOA</td>
<td>Public Procurement Oversight Authority</td>
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<td>Prof</td>
<td>Professor</td>
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<td>PSIP</td>
<td>Public Service Integrity Program</td>
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<td>TNCs</td>
<td>Transitional Corporations</td>
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<td>UN</td>
<td>United Nations</td>
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<td>USA</td>
<td>United States of America</td>
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<td>VAT</td>
<td>Value Added Tax</td>
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“The reputation of a thousand years is determined by the conduct of one hour.”
Japanese proverb

Introduction

What is Mainstreaming Ethics?

Mainstreaming Ethics is the process of enacting values through appropriate structures and well thought out strategies. Mainstreaming Ethics aims at embedding ethical values within the organisation and society at large.

The importance of ethics in the success of any organization cannot be emphasized further. An ethical organization has to go beyond legal compliance. Organizations do not behave ethically by chance. Ethical organizations are created and for the ethical behaviour to be sustainable there has to be structures to support the various ethics programs and initiatives.

This module introduces learners to key concepts of ethics. By the end of this module they will be able to make a distinction between ethics, values, virtues, morals, principles, standards, norms and integrity. They will also appreciate the importance of ethics in business.
What is Ethics?

Ethics has been defined as a set of morally accepted norms or standards. Ethics is how we ought to behave as parents, teachers, students, professionals and others. Ethics is morally acceptable standards. Ethics is understood as set of rules or principles that define right and wrong conduct and is an integral part of societal or organizational culture. This makes ethics one of the most important areas for any society or organization to focus on. In addition, ethics shapes culture and culture is the rope that connects the leadership of an organization with the customer focus of the business. Without ethics, the culture of the organization will be flimsy and ill defined. Such a culture will have a pro-active or negative impact on the organizations customer focus or delivery of service. To understand the essence of ethics, the following questions need to be answered:

i. What is an acceptable standard?
ii. Who sets these standards?
iii. What are morals?
iv. What is integrity?
v. What are principles?
vi. What are norms?
vii. What are values?
viii. What are virtues?

Need for Business Ethics

It is agreeable that a manager should understand the basics of management such as, finance, marketing, human resource management, leadership among other skills. The question that begs is why should business people be ethical?

If there was a set of universal ethical principles that applied to all cultures, philosophies, faiths and professions, it would provide an invaluable framework for dialogue. There are many tools for decision-making, but few (secular) guides to indicate when situations might have an ethical implication. Yet this awareness is a crucial first step before decisions are made. Recognizing the moral context of a situation must precede any attempt to resolve it.
Relationship between Business and Ethics

Ethics affects two components: relationships and reputation of the organization.

The driving force behind ethics management in business is its impacts on business performance, which directly impacts on the following:

- Efficient and effective use of resources
- Reputation
- Human potential
- Business performance / excellence in service delivery
- Level of trust
- Stakeholders confidence
- Maintaining peace, law and order.

Principles of Personal Ethics

Personal ethics can also be called morality, since they reflect general expectations of any person in any society, acting in any capacity. These are the principles we try to instill in our children, and expect of one another without the need to express the expectation or formalize it in any way. Principles of personal ethics include the following:

a) Concern for the well-being of others
b) Respect for the autonomy of others
c) Trustworthiness & honesty
d) Willing compliance with the law (with the exception of civil disobedience)
e) Basic justice; being fair
f) Refusing to take unfair advantage
g) Adhering to the golden rule: doing to others as you wish them to do to you; doing good
h) Preventing harm
i) Honouring your obligations
Principles of Professional Ethics
An individual acting in a professional capacity takes on an additional burden of ethical responsibility. For example, professional associations have codes of ethics that prescribe required behavior within the context of the professional practice such as medicine, law, accounting, or engineering. These written codes provide rules of conduct and standards of behavior based on the principles of Professional Ethics, which include the following:

a) Objectivity, impartiality
b) Openness, full disclosure and efficient communication
c) Confidentiality
d) Due diligence / duty of care / stewardship
e) Fidelity to professional responsibility
f) Avoiding potential or apparent conflict of interest

Even when not written into a code, principles of professional ethics are usually expected of people in business, volunteers, elected representatives et cetera.

Principles of Global Ethics
Global ethics are the most controversial of the three categories, and the least understood. They are open to wide interpretation as to how or whether they should be applied. These principles can at times generate emotional responses and heated debate. Principles of global ethics include the following:

a) Global justice (as reflected in international laws)
b) Society before self / social responsibility
c) Environmental stewardship
d) Interdependence and responsibility for the whole
e) Reverence for a place, e.g. The Kaya Forests in the Kenyan Coast

Each of us influences the world by simply existing; and it is always wise to act locally but think globally. An added measure of accountability is placed on globally influential enterprises such as transnational corporations (TNCs) and governments. Responsibility comes with power whether we accept it or not.
One of the burdens of leadership is to influence society and world affairs in a positive way. Can a person, company or nation be truly successful while causing human suffering or irreparable environmental damage? A more modern and complete model of success in development also considers impact on humanity and earth’s ecology. A good example is the rehabilitation program of the Mau Forest in Kenya.

**Co-existence of Principles**

Principles can only provide guidance. There are myriad situations that will never lend themselves to any easy formula, and principles can only be used to trigger our conscience or guide our decisions. They are also useful for ethics education.

It is important to note that principles of personal ethics are the first checkpoint in any situation, often overriding those at the professional and global levels. For example, when judging if a corporation has been socially responsible, we still need to consider principles of personal ethics as pre-requisites.

Contribution to charities and the like (doing good) may appear to be in the interests of society, but loses its significance if the corporation has not also taken responsibility to minimize the damage done by their core business operations (preventing harm). Similarly, trustworthiness is fundamental to professionalism etc.

In addition, there are many times when some principles will collide with others. For example, you are a brilliant scientist who has been coerced by a corrupt dictatorship into designing a biological weapon. Since the project is top secret, you have a professional duty to maintain confidentiality. On the other hand, you have the opportunity to inform the UN observers, global and personal principles would justify divulging information to protect the overall good of humanity. (Compare this with selling confidential information for personal gain, i.e. some cases of industrial espionage).

Still the scientist is faced with a tough decision since they or their family could be harmed as a result of whistle blowing. This is where the principles must be viewed in the context of universality.
Principles Versus Absolute Rules and Universality

It is tempting to apply these principles selectively, or only within set boundaries, such as next–of–kin, countrymen, race, ethnicity, gender, etc. This is called cronyism. For example, if a member of my tribe is arraigned for corruption, then my people or community are being targeted. Limiting the application of ethical principles negates their value. They must all be applied to everyone.

There are also selective violations of the principles that society considers acceptable. Murder is illegal, unless we are fighting a (just) war. Lying is wrong, unless we are telling a child about Santa Claus, or saving them from harm, or saving the life of a person from tyranny. These interpretive variations cause people to conclude that there are no universal standards of ethics, and that moral responsibility is relative to cultural practices. This is a dangerous conclusion that relieves us of any responsibility other than what we choose in our own interests, what has been dictated by the rules of our faiths or governments, our personal values, or the local status quo.

Principles or absolute rules can be practiced in many different ways. For example, virtually all cultures value trustworthiness, but they have different views on truth telling. This is illustrated by Eastern versus Western preferred values for harmony versus forthrightness. An Asian being polite to maintain friendly relations may be perceived by an American as sly, although that is not the case. Both cultures agree in principle that deceit is unethical and trustworthiness is ethical, but misunderstandings can arise when the underlying principle is embodied in diverse ways that reflect different cultural values, virtues and expressions. For example: two adults of the same sex holding hands while walking will be perceived as close friends in the African context but as sensually involved in the Euro-American context.

Morality can never be distilled into a universally acceptable list of absolute rules (even killing can be justified, vis a viz a sniper who refuses to negotiate). These principles are simply recurring patterns of ethically responsible behavior that our conscience can use as landmarks.

Case Study One

Daily Nation, Friday, November 9, 2012

A 48-year old man abducted his daughter, defiled her for three years and had two children with her. The girl after being rescued from this episode stated as follows: “My father took me away to a hut in the middle of a bush where he owns a farm. I
have been trying to reach the police, but whenever I go to the station I find that all the officers are men. I could not even go to my chief because he comes from my community where a girl or a woman is not allowed to raise her voice, but to obey and follow what men say.”

Commenting on the case, a Ms. Muthoni said: “It is a pity that the girl's mother knew all this yet she could not report the case because she also feared her husband.”

Case Study Two

Kenyan wins landmark HIV ruling

The High Court ruling is a victory for HIV campaigners in Kenya. An HIV-positive Kenyan woman has won $35,000 in a landmark ruling against her employer for unfair dismissal.

The 45-year-old waitress, whose identity has been withheld, also sued her doctor for revealing her HIV status without her consent. The High Court ruled that it was unlawful to end employment on the grounds of a person’s HIV status. None of the defendants admitted liability. The woman’s former employer, a Catering Firm, said the company had not requested a medical test, and was not aware of her status when she was sacked. The former waitress told the court that her letter of termination said she had been sacked on medical grounds, and for being unable to perform her duties. The High Court’s decision is the first such ruling in Kenya. Correspondents say many people with HIV are afraid to admit their status because of the discrimination they could face.

‘Invasion of privacy’

The former waitress told the court that when she went to hospital complaining of chest pains and rashes, Dr. X tested her for HIV without her consent. She told the court that Dr. X and the Hospital then disclosed her status without her consent to her employer, in breach of doctor-patient confidentiality. The former waitress said her employer and colleagues knew about her HIV status before she did. She said that she only found out when she went back to the hospital and requested her medical report. She had worked for eight years before she was dismissed. The court declared that testing employees or prospective employees for HIV without their consent constituted an invasion of privacy and was unlawful. Disclosing an employee’s status to an employer without his or her consent was also unlawful, the court ruled.
Case Study Three

July 19, 2007, KANSAS CITY, Mo.

A federal grand jury has indicted 17 people for allegedly using the identities of Kansas City-area nursing home residents to file bogus tax returns across the country. They allegedly sought $13.1 million in refunds.

In an indictment returned Wednesday and unsealed Thursday, prosecutors charge the defendants with stealing the personal information of around 300 individuals and using it to file at least 365 fraudulent federal tax returns beginning as far back as February 2005.

Wood said some of the refunds paid to the defendants were cashed and transferred to the African nation of Kenya, where 12 were either born or held citizenship. The refunds were deposited in bank accounts allegedly opened by the defendants, who then used a series of “runners” to withdraw the money in increments less than $10,000 each in an attempt to avoid federal scrutiny. In some cases, bank officials or the IRS grew suspicious and froze the accounts.

Some of the money was wired to banks in Kenya or withdrawn through ATM machines there. In other cases, the refunds were electronically deposited on prepaid debit-style cards obtained anonymously over the Internet.
Introduction

All human societies set up various institutions—traditional, legal, political, economic, moral among others in order to pursue certain commonly shared values and goals. In other words there are certain common goods, which a human society desires to achieve for all of its members. For instance, the institution of government, complete with its legal organs, is set up to promote and preserve shared societal values, social order and social peace. The shared values include ethics. The concept ETHICS refers to a community's beliefs and presuppositions about right and wrong conduct, good and bad character or a person's personality profile.

This module introduces the similarities in African ethical framework. Learnings on how ethics was promoted within the African structured context is the focus. By the end of the module, delegates will gain an appreciation of benefits of embracing ethics and consequences of weak ethical culture.

Anchoring of Ethics in Society

Aristotle’s celebrated dictum that ‘The human being is by nature a political animal’, is nothing new to African cultural outlook. Africans take it as a given that a human being is by nature a member of a human community and must live and act within this context. Western individualism has challenged but not altered this fact.

Within African society, therefore, Ethics is embedded in:

a. The conceptions of satisfactory social relations and attitudes held by the members of the society.
b. The forms or patterns of behavior that are considered by the members of the society to bring about social harmony, cooperative living, justice, and fairness.

Many writers have made the observation that despite the indisputable cultural diversity that arises from Africa’s ethnic pluralism, there are underlying similarities in many areas of the African life; this is surely true in the African religious and moral outlook. There are some elements of the ethical and moral life of various African societies that are common or have shared features.

Nature of African Ethics and Morals

i. African ethical values and beliefs are communal, are thus shared. Thus, social morality of the African society is closely related to the community and shared life of the African people.

ii. As with other cultural systems, the concepts of good, bad (or, evil), right and wrong feature prominently in African moral thought.

iii. African communities impart moral knowledge to its members through moral education of various forms, including telling morally-loaded proverbs, riddles, folktales and songs to its younger and newer members.

Perception and role of ethics

i. The seat of ethics according to African perceptions is an individual’s character or personality profile. Accordingly, the term Africans use (in their various languages) to refer to a moral or immoral person is their character. To lack ethics or morals is to have bad character: in Kiswahili ‘tabia mbaya’; in Akan ‘suban pa’; in Shona ‘haana moyo’; in Luo ‘kido marach’ and in Kikuyu ‘mitugo miuru’. Thus, a person is morally evaluated according to his/her character. African ethics is, therefore, a character-based ethics, which maintains that the quality of the individual’s character is most fundamental in moral life.

ii. Conversely, the ability to act in accord with the moral principles and rules of the society requires the possession of a good character on the part of an individual. Character emanates from a person’s deeds or actions; from one’s habitual behaviour. This behaviour must be focused on some good collective purpose. We examine this aspect in the next section.
The focus of African ethics

The focus of African ethics and morals is anchored in the performance of one’s roles, in one’s ability to perform duties expected and/or assigned by the community. This performance of duties is what makes one a person. One becomes a moral person. Ifeanyi Menkiti, an African philosopher from Nigeria nicely captures this point:

_The various societies found in traditional Africa routinely accept the fact that personhood is the sort of thing which has to be attained, and is attained in direct proportion as one participates in communal life through the discharge of the various obligations defined by one’s stations. It is the carrying out of these obligations that transforms one from the it-status of early childhood, marked by an absence of moral function, into the person._

Status of later years, marked by a widened maturity of ethical sense – an ethical maturity without which personhood is conceived as eluding one.

Anyone who fails to perform his/her duties adequately has weak personhood; but one who acts cruelly or pervasively is said to be a non-person. ‘Si muntu’ in Bantu; ‘Ok dhano’ in Luo and ‘ti mundu’ in Kikuyu. The person is considered morally dead. Essentially, in African cultural set-up, when the behavior of a human being fails to conform to the acceptable moral principles or standards, or when a human being fails to display the expected moral virtues in his/her conduct, the individual is considered to be “not a person.”

This belief in performing one’s duty is grounded in a deeper principle: the communal nature of African lives. Being a member of the community, the individual is naturally related or oriented toward other persons and must have relationships with them. The individual is therefore expected to show concern for the common good of all in the community.

All human beings desire peace, security, freedom, dignity, respect, justice, equality, and satisfaction. African cultural outlook is very conscious of the importance of humanity, irrespective of one’s station in life. The African maxim stated below highlights the central importance of the human person:

_‘I call upon gold, it answers not; I call upon cloth, it answers not; it is the human being that answers.’_

From such maxims one can appreciate the rationale for concern with human welfare as a core focus of African ethics.
Benefits of embracing ethics

Ethics concerns talking about and doing the right things. In this sense, ethics fuses with morals. The two are opposite sides of the same coin. At the heart of ethics is a concern about something or someone else other than us and our own desires and self-interest, hence, ethics is concerned with other people’s interests, with the interests of society, with God’s interests, with “ultimate goods”, and so on. Ethics has a number of advantages for society, among which are the following:

a. A society’s code of ethics prescribes acceptable rules of conduct and provides guidelines regarding how individuals should or ought to behave towards one another.
b. Ethics allows leaders (those who exercise power) to protect vulnerable people such as children, elders widows and widowers.
c. One nearly universal moral principle is the golden rule: “Act towards other people as you would want others to act towards you”.
d. When we act ethically we will be strongly inclined to implement the principle of ‘the greatest good for the greatest number of people’. This utilitarian action is good for members of a community.
e. The dominant ethics of a community give us insight into its values and assumptions about reality.
f. Ethics is particularly concerned with the moral character of persons. It thus focuses on the goodness of individuals and what it means to live a decent life.
g. Our ethical principle gives us the moral courage to make bold and ‘correct’ decisions and to accept the consequences of these decisions with composure.
h. Ethics provides us with a moral framework that assists us to find our way through difficult issues.
i. Ethics provides a road map for resolving controversial moral issues or moral dilemma. For instance, two people who may disagree about a moral issue can find that they agree on many aspects of the issue and disagree on relatively trivial components.
j. Ethical principles should empower us to confront acts of impunity such as indolence, malice, corruption and manipulation.
k. For leaders entrusted with quality control of consumer products, ethical principles should encourage decisions that will ensure safe consumer products, both local and foreign.
l. Ethical principles facilitate cost-effective ways of handling social, organizational and business transactions. This should promote efficiency and effectiveness.

m. In matters related to health, applying ethical principles should promote saving of human lives and maintaining the dignity of both health professionals and patients.

n. For religious faithful, observation of ethical principles is an integral part of their religious practice. This therefore brings about satisfaction that to behave morally is to lead a good life and to do what God wants.

o. In politics, application of ethical principles increases social trust and enhances consensus thereby decreasing the potential for political polarization and violence. Moreover, increase in political trust cements support for authority. In the medium- and long-term this leads to greater legitimacy for political authorities and the political regime such authorities preside over.

Consequences of weak ethics on society

It is difficult to imagine a human society without any ethical standards. Life in such a community would, in the words of Hume, be ‘brutish and short’. It is more correct to talk about a community with weak ethical standards. The constraints such a society would face are numerous and include some of those listed below.

a. When ethical principles are not reinforced with appropriate action, there will be confusion and eventual weakening of such principles and attendant behavior.

b. There is likely to be serious rifts between the few groups that uphold ethical principles and the much larger groups that don’t. The “morally correct” will demean others as ‘immoral’ and hence as deserving little respect.

c. Weakening of ethical principles will result in no clear-cut yardstick for determining right and wrong conduct, moral or immoral behavior. This can lead to erratic and inconsistent behavior.

d. Confusion about appropriate ethical values can result in serious discomfort and disharmony in society.

e. Weak ethical values will surely lead to poor upbringing of children and youth in the affected community. This has long-term undesirable consequences for society.
f. When ethics collapses completely, it is not difficult to envisage breakdown of the entire society. History tells us that some of the earlier hegemonic civilizations disappeared on basis of falling ethical principles and morals.

Inculcation and sustenance of ethical culture
Organizations have their unique cultures that come from years of operation, leadership styles, values upheld by the stakeholders, business practices, and political influence. The culture of an organization basically refers to ‘the way they do things’ this includes values, beliefs, traditions, and operational modes. An organization’s culture is carried on by the employees and indeed the history of the organization and also plays a critical role in the effective execution of the company’s strategy.

Ethical culture
In today’s business world the development of ethics in an organization is high on the agenda more than ever. Managers should foster a culture that encourages ethical behavior. The organizational culture plays a big role in influencing the employee behavior. An ethical organization has a culture ‘ethical culture’ that promotes ethical conduct, compliance with the law, increased productivity, higher employee satisfaction, lower incidences of corrupt and illegal activities among other benefits. Corporate culture is a blend of ideas, customs, traditional practices, company values and shared meanings that help define normal behavior for everyone who works in a company.

As discussed in the early part of this module, African communities are governed by strong communal ethical values. Admittedly, Western individualism has challenged these ethical values. But to challenge is not the same thing as to obliterate. Inculcation of strong cultural ethics among Africans/African communities calls for studying, questioning and understanding the ethical principles of indigenous African communities. We need also to learn and adopt what works in other parts of the world. For instance, Malaysia, Singapore and China have become new industrial giants by relying on their ethical cultural values while adapting foreign technology.

Whatever ethical values, principles and behaviour that we adopt, these must be taught/passed on to the younger generations. Moreover, all citizens need to be reminded of the nation’s cherished ethical values and principles through several
mediums such as school lessons, public *barazas*, religious gatherings, various civil associations and media. There should also be legislation that stipulates penalties against those who violate our national ethical values and principles. At the same time, rewards should be put in place to recognise those citizens who exhibit exemplary ethical behaviour. National honours that are normally awarded to some citizens by the President can be re–valued to meet this kind of purpose. It can be argued that once citizens realise that promoting and conforming to ethical values and conduct pays, they will be willing to go out of their way to preserve these ethical values and conduct.
Introduction

One of the greatest sins in society is politics without principle. Politics and ethics have been perceived as oxymorons especially in the developing world. George Orwel said, “Political language is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind.” Several political actions have demonstrated absence of ethical values and led to loss of trust in our political leaders. The suffering in many countries in Africa and Asia is largely due to politics.

In this module, learners are introduced to the importance of politics, the emergence of ethics in a polity and the nexus between ethics and politics. Learners will interrogate behaviours in politics that undermine the sustenance of democracy. The question that they will seek to answer is, ‘How do we ensure the governance process in politics is transparent, responsible and accountable?’

Meaning of Politics

Politics has various meanings among them the following:

i. It is the art and the science of managing and governing one’s entire social and economic affairs, interactively in conjunction with the rest of the community. Politics is also the collective governing of a political entity, the administration and control of a nation’s or region’s internal and external relationships.

ii. It is the activity and interaction engaged in by any given society’s citizens, to build and maintain a community and establish communal social services and to protect and promote democratic rule of law, for all citizens.
iii. Politics is the maneuvering methods and tactics involved in managing and resolving social issues in any given society, or state government.

iv. Simply put politics refers to:
   a. Authoritative allocation of resources within a polity: “who gets what, when and how?” (Harold Lasswell)
   b. Authoritative and legitimate allocation of resources: important for stability and political continuity.

The issue of legitimate allocation, with citizens obligated to conform, raises ethical concerns such as conformity to authoritarian rule, subservience to majority dictatorship and manipulation of the masses by an oligarchy.

The Historical Perspective

Concern with the need for politics to be ethical dates back to early scholarly writings on politics. Socrates was the first philosopher to raise the question of how ‘Men’ should best live in a polity. In his *Metaphysics*, Aristotle described how Socrates turned philosophy to human questions, whereas before him, philosophy had only been theoretical. Ethics, a subject separated out for discussion by Aristotle, is *practical* rather than theoretical, in the original Aristotelian senses of these terms. It is partly intended to help people become good, and is not only contemplation about good living. It is therefore connected to Aristotle’s other practical writings on Politics, which also aim at people becoming good, though from the perspective of a law–giver, looking at the good of a whole community.

The philosophical Basis of Ethics in Governance

As we have stated, Aristotle had an instrumental view of ethics. Aristotle considered the study and aim of ethics to be “one aimed at *doing good* rather than knowing for its own sake”. Aristotle, concerned with the purpose of humans on earth, took a position that, it is only through identifying the distinctive qualities of humans, conceived as a particular form of life, that the ultimate ends of humans are defined and analyzed. Accordingly, (in the *Nicomachean Ethics*) he investigated what is the best kind of
life for individuals, and in the politics he examined ways in which societies can be organized to reveal their potential for enabling people to live the best possible lives. Significantly, Aristotle characterized humans as “political animals”, that is, beings who live in self-governing communities, implying that people who do not live in such communities cannot realize their highest potential and therefore cannot become fully human.

Renaissance thinkers of Western Europe accepted Aristotle’s view that the potential of humanity could only be realized in self-governing communities, assuming a view of humans that implied that liberty is the goal of political life. Liberty in their thinking was to be equated with freedom or autonomy. On the basis of this assumption Renaissance thinkers developed a new form of education pertaining to humans and called it the “humanities”. An education in the humanities sought to cultivate self-knowledge through which learners would be able govern their passions and shape them into virtues, thereby becoming fully human, that is fully liberated. This higher ideal viewed political and philosophical life as means by which people debate how to realize the common good, or beyond that, engage in enquiry into nature and humanity, thereby comprehending the place of humanity in the cosmos and defining the ultimate end of humanity.

Marx wrote profusely about the way modern capitalism was producing the conditions that were leading members of the society to be alienated and enslaved to the market. He became more and more concerned about the way in which human products could turn against their producers. The very nature of the technology humans were developing under imperatives to maximize profitability could make it impossible for humans to regain control of the market. Subservience to the market would have some very unethical consequences. Whether we take the Hobbesian view of humans being controlled by instinctive drives, or Aristotelian view of humans being controlled by reason/intellect or Marx’s position of humans being controlled by market forces, the central point is that human communities require stability and security to survive.

Stability and security are dependent on effective leadership. The type of leadership in existence determines the nature of governance. That governance is to be preferred that promotes realization of ‘the common good’ (what is good for every human person: use of intellect; freedom of thought; of ethical action or moral well-being; protected freedom). All are dependent on one thing that is distinctively human: IMAGINATION.
Rationale for Ethics in Politics

From the standpoint of the need for stability and security, those who govern the society, those in positions of authority, are supposed to be ethical, fair, reasonable and committed to serve those under their jurisdictions. Those in authority particularly politicians and civil/public servants holding important and rewarding public service careers and responsibility are thus expected to honourably discharge their duties in an ethical and caring manner.

The establishment and preservation of democracy depends on the generation and maintenance of a well-founded basis for trust between the people and those who govern. With this in mind, there is much to be said for a policy of ensuring that the governance process is made transparent and that appointed and elected representatives seek to adhere to the highest standards of probity.

Leaders are expected to protect public/common property. Hence, one of the more serious ethical issues in government is theft of public property by public officials. Such theft can range from the trivial acts such as taking home office supplies, to the grave ones such as stealing millions of shillings from the public coffers or even primitive privatization of public resources (kleptocracy). Leaders are equally expected to use public property for collective welfare. Unfortunately there are instances when government officials use public property for private benefit. This would include, for example, using one’s office telephone for personal long-distance calls, or using government vehicles for personal transportation.

Leaders are to avoid taking and/or giving bribes. Bribery occurs when a person in authority is offered, and accepts, some personal benefit in exchange for performing some action. A public official may, for example, be offered money, property, or free services. In exchange, he/she agrees to take some action that benefits the giver of the bribe, such as voting a certain way on a piece of legislation, or turning a blind eye to some illegal activity. There is a related behavior to guard against namely, influence peddling that is a form of bribery in which a public official actively sells his/her ability to influence government decision-making. An example is a case where a private individual or a group approach a public official and attempt to buy ‘interests’. In the case of influence peddling, however, it is the official him/herself approaching others in an attempt to sell access to government services. For example a reported case of the tobacco bill and the health bill in Kenya.
Bribery and influence peddling undermine public trust in government and can be very detrimental to public perceptions of government, as well as effective public administration. In a democracy, we tend to view our bureaucrats and elected officials as being responsible to, and servants of, the general public. Fraud is another common, and costly, form of theft by public officials. Often referred to as theft by deception or trickery or theft by servant, fraud occurs when an individual deliberately deceives others in order to unjustly gain money, property and/or services. Public officials are also often expected to be honest in relations with superiors and the public in general. Lying by a public servant can often be grounds for dismissal.

Leaders have also to guard against what is known as conflict of interest. Conflict of interest can arise when public officials engage in official transactions with persons with whom they have close relations, such as family members, close friends, and business partners. The concern here is that the public official will place the interests of this particular individual or individuals above the greater interests of the public hence eroding their objectivity and independence of judgment.

Public officials are obliged to keep sensitive information confidential. These officials are often privy to sensitive information, such as military/security secrets or personal information about citizens such as criminal records, tax information and medical histories. Confidentiality can be important for different reasons, depending on the situation: National security, personal integrity; personal safety, etc. They should avoid involvement in immoral conduct. This covers issues such as sexual harassment, discrimination, drug abuse, and extra-marital affairs. The underlying concern here is whether the public servant or elected official is a person of good moral character and worthy to hold public office.

Regulation of other forms of immoral conduct, in particular those that do not have a direct link to one’s official duties, is a much more controversial topic. In many countries, public officials are expected to adhere to high moral codes in all aspects of their lives. For example alleged sexual impropriety in the USA is sufficient grounds to bring down a leader. Notable cases are IMF’s Managing Director Dominique Strauss-Khan who resigned over sex scandal, Mark Hurd CEO of Hewlett Packard stepped down due to sex scandal, Herman Cain a 2012 USA presidential hopeful relinquished his ambitions in the wake of a sex scandal and other controversial ones like the Monica Lewinski case in the USA or President Jacob Zuma’s escapades in RSA. One of the more controversial areas of government ethics is the personal moral conduct
of public officials. For instance, in politics, the question of political campaigning, particularly spreading rumors about a candidate is a tactic that many politicians from different corners of the world employ. It is unethical. Even more unethical behavior in politics is rigging elections.

The Politics of Ethics
The politics of ethics has to do with contestations about sustaining ethics by different actors. This involves knowing what is ethical by some actors but failing to implement ethical conduct due to a number of restraints. It often also involves compelling some actors to implement unethical conduct. In brief, some actors intentionally commit unethical conduct; others unintentionally do so; while others commit what they know is unethical due to fear or favour. A few examples will illustrate the three positions articulated above.

Category One
i. In 1996 the French National Health Service’s (FNHS) top management, officials in the FNHS and in the Pasteur Institute and the Ministry of Health knew that Pasteur Institute’s AIDS testing equipment was flawed. It contaminated blood and was sure to make some people to be infected. They knew it was unethical to contaminate blood and put people at risk.

ii. They still tested the equipment out of financial and technological considerations. Financial aid to French higher technology was consistent with French National policy!

iii. Another example is the UK drug maker GSK which was recently found guilty by the American Court for having knowingly sold diabetes drugs with severe side effects.

Category Two
i. A 97-year-old Hungarian man suspected of abusing Jews and helping deport thousands of them during the Holocaust was taken into custody on Wednesday (July 18, 2012), questioned and charged with war crimes, Laszlo Csatary was brought to the attention of Hungarian authorities last year by the Simon Wiesenthal Center, a Jewish organization active in hunting down Nazis who have yet to be
brought to justice. Csatary was charged with the “unlawful torture of human beings,” a war crime that carries a maximum sentence of life in prison. Csatary recounted his Holocaust-era activities to authorities during questioning, saying he was following orders and carrying out his duty. Same case as that of Eichmann in the 1960s.

In both cases, guilt came from being obedient and obedience is a virtue. Their thinking was oriented towards efficient implementation.

**Category Three**
The case of Ms. Keino the University student whose body was found on Waiyaki way in Nairobi, students destroying school property and gaining the acquiescence of more students to participate, the case of a 17 year old form four student who organized a robbery at her home in order to get money and many others.

You can be a manager in an organization where you are required to obey orders that are unethical. Example of Eichmann who felt he was obeying the virtue of obedience! He did not question authority. He merely obeyed. He was concerned with efficient implementation! Anything that departed from his job description was out of question. He was technically, bureaucratically concerned with his job.
Introduction

There is greater awareness of the need for ethics, accountability and transparency in public life today. This realization has been supported by the emergence of a consensus that good governance and sound public administration underpin sustainable development. The impact of unethical and criminal practices in the public sector is unsupportable in the development of nations, resulting in loss of confidence in public institutions and an erosion of the rule of law itself.

Although the current concern with ethics and corruption is found around the globe, some regions are particularly interested in mitigating the damaging effects of unethical and corrupt practices. Africa currently faces enormous challenges in its efforts to achieve sustainable human development. The public service, as an institution, has a critical role to play in the development of a nation.

This module exposes the learner to the path towards strong legislation on Ethics and Integrity from 1965 to 2012, Institutions that were created to fight corruption and some of the challenges encountered by the Kenyan people.

History of Anti-corruption Initiatives in Kenya

After the establishment of the civil service, the colonial administration began to formulate a set of standards and rules of conduct, which were expected to guide the behavior and performance of civil servants. Some of the first such documents to be written included: the Code of Regulations for civil servants, the Civil Service Commission; Ordinance of 1954, later revised to become Public Service Commission
Act, Cap. 185, the Penal Code, Cap. 63 and the Prevention of Corruption Act, Cap. 65.

Soon after independence, additional legal instruments and watchdog institutions were also created. These included Financial Regulations, the Exchequer 38 Public Service Ethics in Africa, Vol. 2 and Audit Act, Cap. 412, the Presidential and Parliamentary Elections Act, the office of the Controller and Auditor-General, the Public Accounts Committee and the Public Investments Committee, both of Parliament, the Office of the Inspector of State Corporations and Professional Associations / Complaints Committees.

The Prevention of Corruption Act (formerly Cap. 65, LoK, was in operation from August 1965 to May 2003. The Prevention of Corruption Act (Cap. 65) was initially placed in the ambit of the Kenya Police Department. However, the Anti-Corruption Squad was only constituted in 1993 and disbanded in 1995 before it could make any significant impact. The Amendment of the Prevention of Corruption Act (Cap 65, LoK) in early 1997 was followed by the establishment of the Kenya Anti-Corruption Authority (KACA) in 1997 and Harun Mwau was appointed the director.

On December 22nd 2000, the High Court in the case of Gachiengo vs Republic (2000) 1 EA 52(CAK) made a ruling that the existence of KACA undermined the powers conferred on both the Attorney General and the Commissioner of Police by the Constitution of the Republic of Kenya. In addition, the High Court further held that the statutory provisions establishing KACA were in conflict with the then Constitution. That spelt the death of KACA and the various efforts in the fight against corruption in Kenya.

A Bill to amend the Constitution to entrench KACA failed to sail through Parliament in 2001. However, by Executive Order, the Anti-Corruption Police Unit (ACPU) was created in August 2001. The ACPU, which operated under the Criminal Investigations Department (CID) of the Kenya Police took over KACA’s mantle in September 2001 and performed this function until the creation of Kenya Anti-Corruption Commission (KACC).

In January 2002 President Moi appointed the Risk Advisory Group (RAG) (UK), a leading, independent global risk management consultancy firm in the UK that provides intelligence, investigation and security services to advice on Kenya’s anticorruption initiatives. The Group was tasked to assist Kenya in developing a plan to combat corruption in Kenya. The project, led by the Group’s Chief Executive Bill Waite, had
a mandate to review past and current attempts to deal with issues of corruption including legislative reforms.

In 2003 the National Rainbow Coalition (NARC) Government came to power on a platform of eradicating corruption. The NARC government created the Ethics and Governance office, an Ethics advisory position in the Office of the President with Mr. John Githongo as its first Permanent Secretary. The government also promptly passed the Kenya Anticorruption and Economic Crimes Act 2003 which repealed the Prevention of Corruption Act, Cap 65.

In April 2003, Parliament enacted two pieces of legislation namely; the Anti-Corruption and Economic Crimes Act No. 3 of 2003 and the Public Officer Ethics Act, No 4 of 2003. The two legislations became operational on 2nd May 2003. The Kenya Anti-Corruption Commission (KACC) was thus established by the Anti-Corruption and Economic Crimes Act No. 3 of 2003 as a body corporate, prescribing its composition and conferring powers and functions to it. The focus of KACC was mainly on corruption and economic crimes. Justice Aaron Ringera was appointed the first Director.

In addition, the Anti-Corruption and Economic Crimes Act No. 3 of 2003 also created the National Anticorruption Campaign Steering Committee (NACSC). The Act also established the Kenya Anti-Corruption Advisory Board (KAAB) an unincorporated body comprising of persons nominated by a cross-section of stakeholders. The Advisory Board made recommendations for a person to be appointed as a Director and Assistant Directors. It also advised the Commission generally on the exercise of its powers and performance of its functions under the Act. The government also enacted the Public Officers’ Ethics Act which stipulated codes of Ethics for various government agencies including the requirement that all public officers declare their wealth.

A major blow to the anticorruption initiatives was the abrupt resignation of Mr. John Githongo, citing “frustrations and lack of support from government in the fight against corruption”.

In August 2009 President Kibaki reappointed Justice Auron Ringera to head the KACC but parliament objected to the re-appointment and Ringera was forced to resign a month later citing lack of prosecutorial powers by KACC as the main cause of the dismal performance of the Commission.

Prof. PLO Lumumba was appointed as Director of KACC in July 2010 and stayed in office for only one year. Kenyans having enacted the constitution on 27th August
2010, Parliament as required by article 79 has enacted law to establish an Ethics and Anticorruption Commission (EACC).

Ethics and Anti-corruption Commission Act was passed in August 2011. The Act repealed sections of Anticorruption and Economic Crimes Act 2003 that created KACC, leading to disbandment of KACC. The Director Prof. PLO Lumumba and other directors were given one week to vacate office. Coincidentally, by that time Prof. Lumumba had indicated that one assistant minister had attempted to bribe him over a case of malpractice that the commission had been investigating.

Despite the government’s initiatives to fight corruption through legislative and institutional reforms since 2003, it is important to note that major scandals have continued to rock Kenya. Some of them that have made headline news are: Anglo leasing, aflatoxin infested maize imports, Triton petroleum in the energy sector, misuse of funds meant for free primary education, Nairobi City cemetery land, Grand Regency, night raids of the Standard Group, Social Audits on Constituency Development Funds (CDF), Local Authorities Transfer Fund (LATF) and many others.

The Kofi Annan Team at the Serena talks, Justice Kriegler and Justice Waki Commissions identified some of the past wrongs as the underlying causes of the post-2007 general election chaos. The Serena talk’s agenda chaired by former UN Secretary General Koffi Anan included; ending of violence, restoration of fundamental rights and liberties, addressing humanitarian crisis, ending political standoff and ending long term underlying issues particularly of impunity in governance.

Major concerns of impunity in government have been the lack of integrity in management of public affairs. Successive governments have been accused by both local and international observers of looting public resources through mini and mega-scandals such as the Ken Ren, All-Africa Games, Goldenberg and Anglo-leasing. The drafting of the New Constitution presented an opportunity for Kenyans to right the wrongs that had plagued the country since independence and dedicates the entire chapter six (6) to leadership and integrity.

**Ethics within the Context of the Kenyan Constitution**

The Kenya Constitution provides a foundation for integrity and ethics including ratifying international conventions and treaties. Indeed ethics and integrity is a common strand in many provisions in the Constitution but key provisions, thresholds and sanctions on ethics and integrity are on national values and principles of governance are enshrined
in chapter 2 Article 10, Chapter 6 on leadership and integrity and chapter 13 article 232 on principles and values of public service.

In line with the requirements of Article 79 of the New Constitution, Kenya’s Parliament disbanded KACC on 24th August 2011. The Ethics and Anti-Corruption Commission (EACC) was thus established after President Kibaki signed the Ethics and Anti-Corruption Commission Act on 29th August 2011.

Chapter Six of the Constitution – Leadership and Integrity
This chapter on leadership and integrity is an attempt to move on from the past failures of the weak legislation on integrity. It reflects a bold statement of what the Kenyan people expect of those who occupy leadership positions and those otherwise in public service.

Application of Chapter Six of the Constitution
In August 2012, parliament passed the Leadership and Integrity Act 2012. This act is to give effect to and establish mechanisms for effective administration of Chapter 6. This chapter was intended for all State Officers but part of the act has extended its applicability to public officers. The state officers bound by this chapter are; President; Deputy President; Cabinet Secretaries; Members of Parliament; Judges and Magistrates; members of independent commissions; holder of an Independent Office; members of county assemblies, governors or deputy governors of counties, or other members of the executive committee of a county government; Attorney-General; Director of Public Prosecutions; Secretary to the Cabinet; Principal Secretary; Chief of the Kenya Defence Forces; commander of a service of the Kenya Defence Forces; Director-General of the National Intelligence Service; Inspector-General, and the Deputy Inspectors-General of the National Police Service; or an office established and designated as a State office by national legislation.

Public office is an office in the national government, a county government or the public service whose remuneration and benefits are payable directly from the Consolidated Fund or directly out of money provided by Parliament (Article 260 of the Constitution of Kenya).
Integrity is equally important when you are applying for public office (elective or appointed), as it is during your stay in office. Vetting with public participation by appointing panels/commissions/parliament when State Officers are being appointed confirms academic credentials, checks past record during professional and private life and assesses the applicant’s or candidate’s suitability for the tasks.

Vetting by the public before elections for elective posts equally checks past record during professional and private life. Public and state officers are under continuous watch by the public and media during stay in office. The media and public continuously watch the actions of public officers. This could be cited as in the case of media and litigious public in the events leading to the suspension of the highest female judicial officer, Deputy Chief Justice Nancy Barasa.

Responsibilities of Leadership – Article 73
The Authority assigned to a State officer is a public trust which is to be exercised in a manner that is consistent with the purposes and objects of the Constitution; demonstrates respect for the people; brings honour to the Nation and dignity to the office; and promotes public confidence in the integrity of the office and vests in the State officer the responsibility to serve the people, rather than the power to rule them.

Guiding Principles of Leadership Article 73
The state will be selected on the basis of personal integrity, competence and suitability, or in the case of election in free and fair elections. The guiding principles of leadership and integrity include:

a) Selection on the basis of personal integrity, competence and suitability, or election in free and fair elections;
b) Objectivity and impartiality in decision making, and in ensuring that decisions are not influenced by nepotism, favouritism, other improper motives or corrupt practices;
c) Selfless service based solely on the public interest, demonstrated by—
   i. honesty in the execution of public duties; and
   ii. the declaration of any personal interest that may conflict with public duties;
d) Accountability to the public for decisions and actions; and
e) Discipline and commitment in service to the people.

Public officers will employ objectivity and impartiality in decision making, and in ensuring that decisions are not influenced by nepotism, favouritism, other improper motives or corrupt practices;

Public officers will be offer selfless service based solely on the public interest and display of magnanimity, while in subordinating self interest for common good, demonstrated by honesty in the execution of public duties; and the declaration of any personal interest that may conflict with public duties; accountability to the public for decisions and actions; and discipline and commitment in service to the people.

Oath of Office – Article 74:-State officials must swear an oath while taking office, and commit to serve the people. A common strand in all oaths is a declaration ‘to defend the Constitution.’

**Code of Conduct: Article 75**

A State officer shall behave, whether in public and official life, in private life, or in association with other persons, in a manner that avoids any conflict between personal interests and public or official duties; compromising any public or official interest in favour of personal interest; or demeaning the office the officer holds.

i) **Financial Probity – Article 76:-** A gift or donation to a State officer on a public or official occasion is a gift or donation to the Republic and shall be delivered to the State unless exempted under an Act of Parliament. A State officer shall not maintain a bank account outside Kenya except in accordance with an Act of Parliament; or seek or accept a personal loan or benefit in circumstances that compromise the integrity of the State officer.

ii) **Restricted Activities – Article 77:-** A full-time State officer shall not participate in any other gainful employment. Any appointed State officer shall not hold office in a political party. A retired State officer who is receiving a pension from public funds shall not hold more than two concurrent remunerative positions as chairperson, director or employee of a company owned or controlled by the State; or a State organ.
iii) Citizenship of Leaders – Article 78:-The new Constitution allows every Kenyan to hold dual citizenship. Those who had to forfeit their Kenyan citizenship when they acquired the citizenship of other countries can reapply for Kenyan citizenship. However, this right is not enjoyed by State Officers (elected and appointed) and those serving in the military except judges, members of commissions and those who cannot opt of the citizenship of the second country.

Consequences of Unethical Conduct - Penalties of Breaching Chapter Six

i) Removal from Public Offices- Disciplinary procedures for specific office holders – impeachment for the President, tribunal for Deputy Chief Justice, and any other administrative action under the employment act or terms of engagement.

ii) Denial of Appointments to Public Offices- For instance the process of appointing the new Directors (chairman and two members) took more than one year from the time of enactment of the Ethics and Anticorruption Act in August 2011, as the process was marred by political interests, intrigues and court cases. When Parliament finally approved the three Directors picked by the President and the Prime Minister, the High Court stopped the gazettement of the Chairman, Mr. Mumo Matemu. Prof Jane Onsongo and Dr. Keino were sworn into office in September 2012 while Mr. Mumo Matemu was blocked by the High Court from assuming office over alleged unresolved previous integrity concerns.

iii) Prosecution in court:- On 5th September 2012, Former Home Affairs PS Sylvester Mwaliko was convicted and sentenced to a non-custodial sentence over Anglo Leasing scandal. His sentence was non-custodial, meaning he would not serve time in jail. However, the court imposed a fine of KSh3 million of which failure to pay could attract a three-year sentence (Daily Nation, 11th Sept 2012).

On 10th September, 2012 – Former Tourism Permanent Secretary Rebecca Nabutola was reportedly jailed for four years while ex-Kenya Tourism Board Managing Director Achieng Ong’ong’a was sentenced to serve three years in prison after they were found guilty of defrauding the Ministry of Ksh 8.9 million. The two are out on bail pending determination of an appeal. Tour Operator Duncan Muriuki was also sent to prison for seven years. Muriuki was also required to pay KSh17.8 million in fines or serve three years in default. This arose from a case which emerged against them in 2008, when they found themselves in the dock over allegations of unauthorized use of funds and conspiracy to defraud.
Responsible Commissions may establish Specific Codes for their charges

EACC remains as the main agency for enforcement, It provides a general leadership and integrity code for state officers which includes respect for national values and principles, maintaining public trust, transparency and accountability, professionalism, respect for the rule of Law, financial probity, conflict of interest, foreign banking, political neutrality, impartiality, national unity and respect for diversity, sexual harassment, and restriction on dual citizenship (Basically an elaboration of Chapter Six)

State officers must receive training on, among others, leadership, ethics and integrity, human rights, devolution, leadership within 6 months of taking office (extendable to one year).

Wealth declarations should be done within 30 days of taking office – assets, income and liabilities of state officer, his/her spouse and dependent children over 18 must be declared. A person may request a certificate of compliance with Chapter six from EACC, but application must be taken through Intelligence service, the Police, Kenya Revenue Authority (KRA), the Judiciary, HELB, Ombudsman, a professional body, etc.

National Values and Principles of Governance, Chapter 2

Article 10

The national values and principles of governance include;

i. Patriotism, national unity, sharing and devolution of power, the rule of law, democracy and participation of the people.

ii. Human dignity, equity, transparency, and accountability

iii. Sustainable development

The national values and principles of governance in chapter 2 bind all state organs, public officers and all persons whenever any of them; applies and interprets the constitution, enacts, applies and interprets any law, makes and implements public policy.

Chapter Four - Bill of Rights

The Bill of Rights is an integral part of Kenya’s democratic state and is the framework for social, economic and cultural policies. The purpose of recognizing and protecting
human rights and fundamental freedoms is to preserve the dignity of individuals and communities to promote social justice and the realization of the potential of all human beings.

Rights and Fundamental Freedoms part 2

Article 47 states that “Every person has the right to administrative action that is expeditious, efficient, lawful, reasonable and procedurally fair”.

Role of National Assembly in Administration of Ethics and Integrity

Parliament is bound by law to review the conduct of state and public officers including the President, the Deputy President and other State officers and initiate the process of removing them from office in the event of breach. Parliament vets and approves individuals nominated for appointment into various positions such as commissions, cabinet, AG, constitutional officers.

During such vetting, background checks are done to assure the public that the potential office bearers are men and women of integrity and are eligible to vie for Parliament/President/Deputy President/Governor/County Assembly Representative.

One cannot vie if he/she is subject to a sentence of imprisonment of at least six months, as at the date of registration as a candidate, or at the date of election; or are found, in accordance with any law, to have misused or abused a State office or public office or in any way to have contravened Chapter Six. One is not disqualified though unless all possibility of appeal or review of the relevant sentence or decision has been exhausted.

State and public officers shall also be liable for financial misconduct under the Public Financial Management Act 2012 if found not to utilize public resources with openness and accountability. The Act requires all public officers to utilize public money in a prudent and responsible way.

All accounting officers of any national public entity are accountable to the National Assembly for its financial management, and the accounting officer of a county public entity is accountable to the county assembly for its financial management.
Ethics within the Context of the Public Service

Public service involves public trust. Citizens expect public servants to serve the public interest with fairness and to manage public resources properly on a daily basis. Fair and reliable public services inspire public trust and create a favourable environment for businesses, thus contributing to well-functioning markets and economic growth. Public ethics are not only a prerequisite to underpin public trust but also a keystone of good governance.

In Kenya, the Public Service institution comprises the civil servants, Parastatal employees, teachers, the police, the military and local authorities’ employees, the Cabinet, the National Assembly or the Parliamentary Service and other employees of statutory state institutions. The Kenyan civil service can be traced back to the early 1900s, when the colonial administration created fifteen functional departments under the colonial secretary. While it began as a relatively lean organization, over the years, it expanded to become the single largest employer in the country.

The rapidly changing socio-economic environment, especially the growing demand for transparency, requires that governments review and adjust mechanisms to ensure that actual behaviour corresponds to what is expected. A key challenge for government is to adapt the mission of the public service to current needs and to ensure that its core values and standards meet changing public expectations.

Identifying core values is the first step to create a culture in which both public servants and society have a common understanding of the expected behaviour of public office holders. Though core values appear in a variety of forms, including legal documents – such as constitutions and promotional publications, the values may also be drawn from sources such as society, democracy and profession. A modern set of core values should combine “traditional” values, such as impartiality, legality and integrity, with “new” values such as greater public accountability and transparency.

Generally, public service ethics refers to a certain set of standards, values and conduct which public servants are expected to maintain in order to perform their duties efficiently and effectively. Thus, the set of standards, values and conduct which could be said to constitute poor public service ethics include: unprofessional behaviour, immoral acts, corruption, intentional lapse of judgement and acts of omission and commission. Ideally, in order to achieve its goals, every organization normally spells out a set of standards, values and codes of conduct to which it expects its employees to adhere in order to perform their duties efficiently. Public service organizations in Africa are no exception.
To translate these values into practice, governments need to legislate some standards of conduct, particularly in relation to using official information and public resources, receiving gifts or benefits and working outside the public service. Sensitive areas with a higher potential risk of conflict of interest, such as justice, tax and customs administration as well as the political / administrative interface similarly call for the development of special standards. In addition, governments need to take advantage of new technology to inform citizens on standards expected of officials serving the public.

Integrity has become the fundamental condition for governments to provide a trustworthy and effective framework for the economic and social life of their citizens. The institutions and mechanisms for promoting integrity are more and more considered as basic components of good governance.

Ensuring integrity means that:

i. Public servants’ behaviour is in line with the public purposes of the organisation in which they work.

ii. Daily public service operations for businesses are reliable.

iii. Citizens receive impartial treatment on the basis of legality and justice.

iv. Public resources are effectively, efficiently and properly used.

v. Decision-making procedures are transparent to the public, and measures are in place to permit public scrutiny and redress.

Countries are under constant pressure to bring their integrity measures into line with today’s rapidly changing realities – including globalization, regional integration and citizens’ demands for performance and accountability. Governments are therefore reforming their public sectors to allow for more flexibility in achieving desired public goals.

Decentralisation and devolved public service management is bound to reduce controls and give greater flexibility for discretion by officials. While the increased use of private sector methods enhance public sector efficiency and effectiveness, it can also lead to a fragmentation of “traditional” public service values, standards and ways of operating.

The above situation requires enhanced mechanisms to improve public servants’ accountability for their discretionary powers and to ensure that they adhere to the
updated values as well as to citizens’ expectations. The right balance between devolution and accountability is of central importance in achieving a well-performing, professional public service. As traditional central regulations and controls are reduced, the role of values – and the public interest concepts that they embrace – becomes increasingly significant, both as a guide for behaviour and as the common reference point and unifying thread for the whole public service.

Laws provide the framework for investigation, whistle-blowing, disciplinary action and prosecution to counter the failure of public servants to comply with the specified standards of behaviour. Kenya has recently incorporated other elements of her ethics infrastructure into the legal framework, for example the set of core values and code of conduct.

Article 46(i) of the Constitution of Kenya on Consumer Rights, requires that the goods and services offered by public institutions must meet the highest possible standards, and spells out the responsibility of government to provide quality and affordable goods and services to citizens.

Article 232 on “Values and Principles of Public Service” provides expressly for deliberate improvement of performance in the public service. The Article defines the values and principles of public service include:- high standards of professional ethics; efficient, effective and economic use of resources; responsive, prompt, effective, impartial and equitable provision of services; accountability for administrative acts;

The Constitution does not make provision for every aspect of the law – it creates the skeleton and leaves room for Parliament to ‘beef it up’. It therefore provides that Parliament shall enact laws making provisions for other penalties and effective administration of Chapter two, six and thirteen and for modification of chapter six to apply to Public Officers. A Leadership and Integrity Bill to actualize the chapters has been published but yet to be enacted by parliament.

The Public Officer Ethics Act, No 4 of 2003, (Cap 183 LoK)

This is an Act of Parliament to advance the ethics of public officers by providing for a Code of Conduct and Ethics for public officers and requiring financial declarations from certain public officers and to provide for connected purposes. This Act may be cited as the Public Officer Ethics Act, 2003. The Act provides for the establishment of specific codes of conduct and ethics for the public officers.
(1) Article 3 determines which body is the responsible Commission for a public officer for the purposes of this Act.

(2) The committee of the National Assembly responsible for the ethics of members is the responsible Commission for-
   (a) Members of the National Assembly including, for greater certainty, the President, the Speaker and the Attorney General;
   (b) Members of the Electoral Commission and the Public Service Commission; and
   (c) The Controller and Auditor-General.
   (d) Directors and Assistant Directors of the Kenya Anti-Corruption Commission.

(3) The Public Service Commission is the responsible Commission for the public officers in respect of which it exercises disciplinary control and for the public officers described in paragraphs (c), (d) and (e) of section 107 (4) of the Constitution and for public officers who are officers, employees or members of state corporations that are public bodies.

(4) The Judicial Service Commission is the responsible Commission for judges, magistrates and the public officers in respect of which it exercises disciplinary control.

(5) The Parliamentary Service Commission is the responsible Commission for the public officers in respect of which it exercises disciplinary control.

(6) The Electoral Commission is the responsible Commission for councillors of local authorities.

(7) The Teachers Service Commission established under the Teachers Service Commission Act is the responsible Commission for teachers registered under that Act.

(8) The Defence Council established under the Armed Forces Act is the responsible Commission for members of the armed forces, within the meaning of that Act.

(9) The National Security Intelligence Council established under the National Security Intelligence Service Act, 1998 is the responsible Commission for members of the National Security Intelligence Service established under that Act.

(10) The responsible Commission for a public officer for which no responsible Commission is otherwise specified under this section is the commission, committee or other body prescribed by regulation.
A body that is the responsible Commission for a public officer by virtue of exercising disciplinary control over that public officer remains the responsible Commission notwithstanding the delegation of any disciplinary powers with respect to that public officer.

The Anti-Corruption and Economic Crimes Act No. 3 of 2003

This is an Act of Parliament to provide for the prevention, investigation and punishment of corruption, economic crime and related offences and for matters incidental thereto and connected therewith. This Act may be cited as the Anti-Corruption and Economic Crimes Act, 2003 and came into force on 2nd May, 2003. The Act established and defined the functions of the following institutions:

i. Kenya Anti-Corruption Commission and Advisory Board

ii. The Kenya Anti-Corruption Commission as a body corporate.

The Act also gave the Chief Justice power to appoint special Magistrates to handle corruption cases by notification in the Kenya Gazette.

Objects of the Ethics and Anticorruption Commission

The main object is to establish the Ethics and Anticorruption Commission. Notice the change in name from merely ‘Anti-Corruption Commission’ to ‘Ethics and Anti-Corruption Commission’ – signifying the adoption of ethics as a tool for fighting corruption.

The Powers of the Ethics and Anticorruption Commission

The Powers of EACC as outlined in the Act include:

i. Power to educate and create awareness on any matter within the Commission’s mandate;

ii. Undertake preventive measures against unethical and corrupt practices;

iii. Conduct investigations on its own initiative or on a complaint made by any person, and

iv. Conduct mediation, conciliation and negotiation.
A debate that has persisted despite the creation of the new Commission is in regard to the power of the Commission to prosecute suspects rather than forwarding files to the DPP with recommendations to prosecute – files end up going back and forth between the two agencies. The commission’s functions include:-

i. Developing and promoting standards of best practices in integrity and anti-corruption;

ii. Developing a code of ethics; The commission works with State and public offices in the development and promotion of standards of best practices in integrity and anti-corruption

iii. Receiving complaints on the breach of the code of ethics by public officers;

iv. Investigating any acts of corruption or violation of codes of ethics and recommending to the Director of Public Prosecutions the prosecution of liable persons

v. Recommending appropriate action to be taken against state officers or public officers alleged to have engaged in unethical conduct

vi. Overseeing the enforcement of codes of ethics prescribed for public officers

vii. Raising public awareness on ethical issues and educating the public on the dangers of corruption and enlisting public support in combating corruption

viii. Instituting and conducting court proceedings for the recovery or protection of public property, or for the freeze or confiscation of proceeds of corruption or related to corruption, or the payment of compensation, or other punitive and disciplinary measures.

Leadership Issues

The first director of KACA was Mr. John Harun Mwau who was appointed in December 1997. After only six months in office, he was suspended and later removed in 1998 through a Judicial Tribunal appointed by the then President Daniel T. arap Moi. Justice Aaron G. Ringera was appointed to replace him in March 1999.

Justice Aaron Ringera, and three Assistant Directors, viz. Ms. Fatuma Sichale (Deputy Director, Legal Services), Dr. John P. Mutonyi (Investigations and Asset Tracing), and Dr. Smokin Wanjala (Preventive Services), formally took office on the 10th September, 2004. The vacant seat of Assistant Director Finance and Administration would later be filled by Mr. Wilson Shollei.
Following parliamentary pressure in July 2011, Justice Ringera was forced to resign from office together with Ms. Sichale and Dr. Smokin Wanjala, paving way for appointment of Prof. P.L.O. Lumumba to take office in September 2011. Prof. Jane Onsongo (Preventive Services) and Mr. Pravin Bowry (Legal Services) joined the existing team of Dr. Mutonyi and Wilson Shollei as KACC assistant directors. Mr. Mumo Matemu was blocked by the High Court from assuming office of chairman of the EACC over alleged unresolved previous integrity concerns.

Kenya Public Procurement and Disposal Act No 3 of 2005 (PPOA) Cap 412C

This is an Act of Parliament to establish procedures for efficient public procurement and for the disposal of unserviceable, obsolete or surplus stores, assets and equipment by public entities and to provide for other related matters. The Act may be cited as the Public Procurement and Disposal Act, 2005. The Act established the Public Procurement Oversight Authority was Assented to on: 26th October, 2005 and commenced on 1st January, 2007.

The purpose of this Act is to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities to achieve the following objectives -
(a) To maximise economy and efficiency
(b) To promote competition and ensure that competitors are treated fairly
(c) To promote the integrity and fairness of those procedures
(d) To increase transparency and accountability in those procedures and
(e) To increase public confidence in those procedures.
(f) To facilitate the promotion of local industry and economic development.

UN Convention Against Corruption

The UN Convention Against Corruption can also be referred to as the UN General Assembly Resolution 58/4 of 31/10/2003. In the words of Kofi A. Annan (a former UN Secretary-General); Corruption is a subtle plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish.
This evil phenomenon is found in all countries—big and small, rich and poor—but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a Government’s ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development.

The adoption of the United Nations Convention against Corruption sent a clear message that the international community is determined to prevent and control corruption. It warns the corrupt that betrayal of the public trust can no longer be tolerated. And it reaffirmed the importance of core values such as honesty, respect for the rule of law, accountability and transparency in promoting development and making the world a better place for all.

The Convention was a remarkable achievement, and complemented another landmark instrument, the United Nations Convention against Transnational Organized Crime, which entered into force just a month before this one. It is balanced, strong and pragmatic, and offered a new framework for effective action and international cooperation.

The Convention introduced a comprehensive set of standards, measures and rules that all countries can apply in order to strengthen their legal and regulatory regimes to fight corruption. It calls for preventive measures and the criminalization of the most prevalent forms of corruption in both public and private sectors. The convention made a major breakthrough by requiring Member States to return assets obtained through corruption to the country from which they were stolen.

These provisions—the first of their kind—introduced a new fundamental principle, as well as a framework for stronger cooperation between states to prevent and detect corruption and to return the proceeds. Corrupt officials would in future find fewer ways to hide their illicit gains. This is a particularly important issue for many developing countries where corrupt high officials have plundered the national wealth and where new Governments badly need resources to reconstruct and rehabilitate their societies.

For the United Nations, the Convention is the culmination of work that started many years ago, when the word corruption was hardly ever uttered in official circles. It took systematic efforts, first at the technical, and then gradually at the political, level to put the fight against corruption on the global agenda. Both the Monterrey International
Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development offered opportunities for Governments to express their determination to attack corruption and to make many more people aware of the devastating effect that corruption has on development.

The Convention is also the result of long and difficult negotiations. Many complex issues and many concerns from different quarters had to be addressed. It was a formidable challenge to produce, in less than two years, an instrument that reflects all those concerns. All countries had to show flexibility and make concessions.

The Convention covers in Eight Chapters, the following key issues on corruption: General provisions; Preventive measures; Criminalization and law enforcement; International cooperation; Asset recovery; Technical assistance and information exchange; Mechanisms for implementation; Final provisions.

The Proceeds of Crime and Anti-Money Laundering Bill
The Proceeds of Crime and Anti-Money Laundering Bill was originally tabled in Parliament in 2007, but it lapsed and was subsequently re-tabled in spring 2008. At the end of December 2009, the Parliament passed the bill. Despite this, experts fear that it may just be a gimmick by the government to appease international partners, according to a December 2009 article by Inter Press Service. In addition, the executive director of International Commission of Jurists Kenya, George Kegoro, points out that while the legislation is adequate, he doubts there is political will to completely stamp out money laundering in Kenya.

The Finance Act 2006
The Finance Act 2006 addresses measures to be taken against tax fraud and lays out guidelines on tax administration insofar as value added tax (VAT), customs and excise duties and income tax are concerned. The legislation provides sanctions on corrupt practices and expands the tax bracket to capture a wider tax base, thereby reducing opportunities for tax evasion. A Public finance Management Act 2012 was passed in August 2012 and succeeds the Finance Act 2006

The Service Commissions Act
The Service Commissions Act has a Code of Regulations for civil servants that require meritocratic recruitment and promotion of public officials, as well as provisions
for ensuring their political independence. In the past, civil servants have faced sanctions for breaching this code. However, interviews with civil servants conducted by Transparency International Kenya 2007 indicate that the Code of Regulations is often not followed and that bribery, nepotism and political patronage are widespread. Access the “Lexadin World Law Guide for a collection of legislation in Kenya”.

**Government Strategies**
The government’s reform efforts are centered on the new constitution that gives the government the mandate to initiate reforms that support good governance, integrity, accountability and transparency. The current strategy, more robust with its constitutional mandate, is similar to the previous one. It is multidimensional and involves, amongst other things, the enactment of appropriate laws (i.e. the Ethics and Anti-Corruption Commission Act, 2011) and the creation and strengthening of institutions involved in governance.

**Public Procurement**
The Public Procurement and Disposal Act (PPDA) was enacted in December 2006 to promote more unified and transparent public procurements, and established the Public Procurement Oversight Authority (PPOA) to oversee all procurement matters. The PPOA, under the Ministry of Finance, is the agency responsible for policy formulation and implementation as well as oversight of the public procurement process in Kenya.

The PPOA is mandated with the responsibility of ensuring that procurement procedures established under the act are complied with, monitoring the procurement system and reporting on its overall functioning. It provides advice and assistance to procuring entities, and develops, promotes and supports the training and professional development of staff involved in procurement. Procurement regulations can be obtained and past reviews can be accessed and new reviews lodged through its website. All major transactions require competitive bidding by way of open tender, with provisions that allow for restricted tendering, direct procurement and requests for proposals. Unsuccessful bidders can challenge procurement decisions in courts.

The PPD Act provides that companies guilty of violations of public procurement regulations, such as bribery, may be debarred at the discretion of the director general; however, according to Global Integrity 2009, it is unclear whether companies that
have previously violated regulations are barred from future activities. According to a December 2009 article by *Daily Nation*, Kenya is in the process of automating the procurement sector, which has been identified as the major route exploited by corrupt state officials. The current procurement legislation is an effort to curb loss of public funds, stipulating strict operational measures and penalties for breach, in an attempt to eradicate corruption in tendering processes, as assessed by the US Department of State 2011.

**Reformed Judiciary**

The first institution to be reformed is the judiciary, with new vetting procedures introduced along with the appointment of a Chief Justice and the swearing in of five Supreme Court judges. An Ethics and Governance committee of the judiciary has been established to collect information to determine the levels of corruption in the judiciary, report on individual cases and recommend remedial measures.

Kenya Law Report publishes digital versions of all laws and cases in all courts in Kenya thus increasing public awareness and access to information. The judiciary has also partnered with the media to educate the public on legal processes and procedures. The judiciary is seeking collaboration with Safaricom’s Mpesa for speedy payment of traffic offences fines.

**Performance Contracts and EACC requirements**

The government through the performance contracting agency under the office of the Prime Minister has introduced performance targets on anticorruption. EACC has made tremendous contributions to setting of targets as well as supporting the activities to achieve the Performance Contract targets. Government ministries, departments and agencies (MDAs) are expected to mainstream ethics and integrity. The most common elements found under category F on corruption eradication of the PC are:-

i. Develop an anticorruption framework

ii. Develop an institutional anti-corruption policy based on the EACC guide, approved by Boards for state enterprises

iii. Constitute Ethics/integrity/anti–corruption committee in line with EACC guidelines

iv. Train senior management (CEO and Heads of Departments) on corruption risk assessment
v. Sensitize Integrity Assurance Officers (IAOs) and Integrity Officers (IOs) on ethics assessment or corruption risk assessment
vi. Sensitize staff on anti-corruption or Integrity
vii. Undertake corruption risk assessment
viii. Develop an integrity plan or corruption prevention plan based on risks
ix. Develop mechanisms and channels to facilitate corruption reporting for staff and stakeholders and for onward transmission to EACC and as per EACC guidelines
x. Develop a code of conduct and enhance staff compliance with the code of conduct by ensuring all staff sign an integrity pact
xi. Develop framework for reporting and managing ethical concerns
xii. Implement strategies to address audit queries in relation to corruption
xiii. Promptly deal with cases of corruption and other misconduct.

Central to the reforms of governance are the increasing number of government agencies with codes of conduct and on-going reforms of the public financial management (PFM) systems, as reflected in the PFM reforms strategy. These reforms and introduction of financial misconduct in the PFM act 2012 are meant to greatly enhance transparency and accountability in the utilisation of public resources and thereby improve service delivery to the public.

These reforms are complemented by a 2006 Ministry of Finance Staff Code of Conduct. Former Finance Minister Amos Kimunya made promises of a comprehensive anti-corruption plan, but similar past pledges have not been kept, besides Amos Kimunya now transport minister was alleged to be linked to a public procurement corruption scandal in early 2008, which led to his resignation several months later. Despite the scandal, Kimunya was re-appointed to cabinet in January 2009.

The government has recently taken more positive steps to develop freedom of information legislation. After issuing a draft policy for public consultation, it drafted a Freedom of Information Bill for tabling in Parliament that provides for both proactive disclosure and repeal of the Official Secrets Act. The new government has taken the initiative to establish a special quasi-judicial commission that will act as a one-stop plea-bargaining shop for confessions of corruption and surrender of illegally acquired assets in order to clean up past corruption cases in exchange for amnesty. This strategy forms part of discussions at higher government levels concerning the need
to reconcile potentially destabilising divisions in government that could arise due to continuing high-level corruption scandals, a general amnesty bill, and the need to reduce the backlog of old corruption cases that are pending and on-going in Kenyan courts.

**Anti-Corruption Agency**

The Ethics and Anti-Corruption Commission (EACC) is the anti-corruption agency that was created in August 2011 with a constitutional mandate and replaces the old Kenya Anti-Corruption Commission (KACC). The tasks of the EACC include the investigation of corruption and economic crime, examination of practices and procedures of public bodies and educating the public on the dangers of corruption and economic crime.

The EACC now has the possibility to be given prosecution powers by Parliament, but currently, it still forwards cases to the Director of Public Prosecutions. This is seen as a potential weakness by Transparency International Kenya 2007. According to a 2008 news article by *All Africa*, the KACC had received close to 22,000 complaints since it began operating, but less than 3,000 of these complaints have been investigated. The Attorney General has been criticized for a lack of results, because even if the KACC passes cases on with recommendations, the Attorney General fails to act.

Although the KACC has recommended prosecution of several government officials, according to Freedom House 2010, only 51 people had been convicted since 2003. In December 2008, the KACC managed to launch legal actions against seven MPs, including one minister, on charges of having been paid KES several millions as allowances. Nevertheless, as assessed by the Bertelsmann Foundation 2010, the agency has failed to live up to its expectations; it has only brought one major suit to compel a public official (former Internal Security Minister) to step aside, and has failed to win a single significant corruption case. Moreover, as illustrated by Global Integrity 2009, the KACC is not free of non-transparent practices; in July 2008, a Nairobi parliamentarian, Ferdinand Waititu, appeared before an anti-corruption court on charges of trying to bribe an official at the KACC with KES 230,000.

The KACC receives regular funding and has full-time staffs, which, according to Global Integrity 2009, are among the best-paid public officials in Kenya, with the director receiving a higher salary than the national president. The commission is required by law to publish annual and quarterly reports of its activities. In the April
to June 2011 report, the KACC reported that 17 out of 36 corruption cases given to the Director of Public Prosecutions were in court. Corruption can be reported anonymously on the KACC’s website.

Auditor General
The Auditor General (AuG) of the Kenya National Audit Office (KENAO) is the supreme audit institution in Kenya. The AuG is appointed transparently and with public participation and endorsed by the president and is now, following the new constitution, approved by the National Assembly. The Auditor General is legally protected from political interference and according to Global Integrity 2009, despite the fact that the AuG is appointed by the president, there has been no suggestion that this affects their work. On the other hand, according to Transparency International’s Global Corruption Report 2009, the executive powers in Kenya greatly compromise the effectiveness of the oversight institutions. The AuG receives regular funding and has a full time staff. The agency makes regular reports, which are public after they have been presented to the Parliament. After receiving the reports, the Parliament has six months to debate and consider the report and take appropriate action. However, in the past the government rarely reacted to those recommendations.

Ombudsman
In 2007, the government established the Public Complaints Standing Committee (PCSC) to receive, register, sort, classify and document all complaints against public officers. In addition, the PCSC is mandated to inquire into allegations of abuse of office, corruption and unethical conduct, breach of integrity, maladministration, delay, injustice, discourtesy, inattention, incompetence, misbehaviour, inefficiency or ineptitude. According to Global Integrity 2009, the PCSC is not independent from the executive, as officials are appointed by the president, to whom they also report. The anomaly has since been rectified by the new constitution. The current ombudsman was appointed within the framework of The Leadership and Integrity Act. The PCSC receives regular funding and has a full-time staff; nonetheless, some sources suggest that the Committee remains understaffed and in need of more resources to handle high rates of complaints, as reported in a December 2009 article by Kenya Broadcasting Corporation. Earlier in 2009, the PCSC complained that the institutions it is mandated to oversee have refused to respond to complaints against them slowing down the
pace of action on complaints, as pointed out in an August 2009 article by *The Kenya Weekly Post*. An Ombudsman Bill is currently in formulation and it is expected to give the PCSC powers to summon officials and to demand for documents.

**E-Governance**

There have been direct efforts to automate the tax and customs services which have, together with the reduction of the road transport licenses, drastically reduced direct contact between the Kenya Revenue Authority and the public. The Internet portal of the Government of Kenya portal provides links to ministry websites and local authorities as well as to the Directorate of E-Governance portal and Kenya Revenue Authority, which offer valuable information and services to companies and individuals. This includes business registration, e-tax registration/payment, VAT refund claims forms, and road transport, customs and land rent forms. Traders can now submit their documents online through an electronic system. The government aims at further improving Kenya’s investment climate and recovering lost ground in the fight against corruption by digitising information of key sectors in the economy, including the procurement sector, the Lands ministry, the judiciary and the business registry, by 2011, as reported in a December 2009 article by *Daily Nation*.

**Whistle-Blowing**

According to the Anti-Corruption and Economic Crimes Act and the Witness Protection Act, no disciplinary action may be taken against any private or public employee, who assists an investigation or discloses information for such an investigation. Courts are required to conceal or remove any information that may disclose the identity of the informer, and to provide relocation and identity change if required.

*Global Integrity 2009* reports that it is not clear how effective this protection is in practice as several whistle-blowers that have exposed high-level corruption have fled the country. In May 2008, the government launched a multi-sector task force to formulate a framework for the implementation of the Witness Protection Act 2006. According to Transparency International’s Global Corruption Report 2009, this task force is required to develop a program that will protect vulnerable witnesses. Public corruption should be reported to the Ethics Anti-Corruption Coalition’s (EACC) through anonymous reporting system. The Ministry of Finance also operates a whistleblower reporting system, and the Kenya Revenue Authority operates a complaints and information centre.
General Comments on the Public Anti-Corruption Initiatives:

Major corruption scandals have damaged the current government’s credibility, and there have been major setbacks in the fight against corruption. The strategy for combating corruption in Kenya has been criticised for being a ‘grafting’ approach, meaning that there are only weak institutional and legislative ties between the anti-corruption efforts and to other parts of the public system.

The many shifting anti-corruption agencies during the last decade can be seen as a symptom of this lack of institutional anchorage. Critics have warned that the disparity in resource allocation between the highly-funded investigative EACC and the Attorney General could result in meticulously investigated corruption cases failing to lead to convictions because of weaknesses in prosecution caused by resource constraints. Competing agency mandates have also given rise to adversarial relationships between anti-corruption agencies that desperately require the opposite if they are to produce solid results.

Kenya is perceived to have slackened its campaign against corruption because of the failure to prosecute and convict the perpetrators of the infamous Goldenberg scandal under the Moi regime or of the Anglo-Leasing scams under the Kibaki administration. Furthermore, three of the four government ministers who were forced to resign because of corruption scandals have later returned to the cabinet. The general apathy towards the government’s anti-corruption efforts is also evident in data from Afrobarometer 2008, which reports that a large proportion of households consider all or most of the officials throughout the political system at both central and local levels, including the President, to be involved in corruption.
Introduction

Ethics is a function of leadership. According to Deon Rossouw, 2010 Ethics is the reason for governance. This module creates an understanding of leadership and governance, and the nexus between ethics and governance.

Learners will appreciate the significant role played by the leadership through the governance framework to set the tone and strategy for managing behaviour. Thus the role of the board in defining and enacting organization’s ethical values.

Governance

The World Bank’s definition summarizes the concept of governance beautifully as “The use of institutions, structures of authority and even collaboration to allocate resources and coordinate or control activity in society or the economy”. The decisions made are binding on the members and are enforced as common to the group. Wikipedia defines Governance as the act of governing, making decisions that define expectations, grant power, or verify performance. To distinguish the term governance from government: “governance” is what a “government” does. Governance is therefore a process of making and implementing decisions directed at some purpose or objective by a group of actors. Perceiving governance in this mode enables one to apply the concept to states, to corporations, to non-profits, to NGOs, to partnerships and other associations and any group of humans engaged in some purposeful activity.
Leadership

Leadership has been described as the “process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task”. Simply stated Leadership is the ability of an individual or groups of individuals to mobilize others to participate, preferably voluntarily, in the pursuit of common objectives. When juxtaposed against governance, one can discern that leadership is the hind leg of the cheetah in reference to governance. It is leadership that determines the quality of governance; the success or failure of governance. Leadership is better exercised through the use of positive reinforcement to motivate and attain desired behaviors from subordinates. It is better to use inexpensive reinforcement strategies to obtain higher performance for lower costs.

Corporate Governance

Richard Eells (1960) was the first to use the term corporate governance to mean “the structure and functioning of the corporate polity”. Corporate governance consists of the set of processes, customs, policies, laws and institutions affecting the way people direct, administer or control a corporation. A corporation is defined as an organization revolving around specific economic and social goals involving such stakeholders as shareholders, management and board of directors. The entity has the characteristics of a company or a large business firm. Corporate governance also includes the relationships among the many players involved (the stakeholders) and the corporate goals. The principal players include the shareholders, management, and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large. Corporate governance is considered as effective depending on the strength with which it satisfies the corporation’s diverse stakeholders. To be effective the corporation management team must pay attention to four issues:

a. The laws and regulations of the host country
b. Policies and strategies they formulate to direct the work of the corporation
c. The manner in which boards or their equivalent direct a corporation. Boards are the policy-making component of the corporation
d. The work cultures the management implements in pursuit of corporate goals.
Corporate Governance and Ethics

Corporations are powerful institutions and can influence the development culture of a country positively or adversely. Hence, ethical practices need to be instituted and institutionalized to direct the operations of corporations. In some countries, corporations/companies have addressed this matter in the following ways:

a. Formulated and publicized an Ethical Codes of Conduct
b. Published Conflict of Interest Guidelines
c. Designated an Ethics Compliance Officer
d. Produced Corporate Social Responsibility (CSR) Guidelines
e. Made CSR a core Business Principle
f. Established relevant Committees.

The question to pose is the extent to which corporations based in a country have formulated and implemented the above and other relevant guidelines.

Nexus Between Ethics and Governance

The nexus between ethics and governance can be explained through the evolution and justification for good governance structures and practices as contained in Corporate Governance reports and legislation including USA’s Sarbanes Oxley Act 2002, UK’s Cadbury Report, 1992 and King I, II & III, 1994, 2002, 2009 governance reports of South Africa.

King reports aimed at instituting good governance and recommended standards for conduct for Boards and directors in South Africa. These reports which are broadly viewed as the foundation for promotion of good governance in Africa have connected ethics as a fundamental pillar of good governance. In particular, King III report places director’s great responsibility on leadership, sustainability and corporate citizenship.

In King III report, King links sustainability to ethics evaluation and improvement of ethical standards in business and for community. Further just like Kenya Sample Code of Best Practice (Centre for Corporate Governance, 2009), Organization of Economic Corporation and Development and Common Wealth Association of Corporate Governance codes of best practice in corporate governance, King III report is also emphatic that the board should exercise leadership, enterprise, integrity and judgment. King III report states the Boards role in relation to promoting an ethical organizational culture as follows:
1. Ethical Conduct should be promoted
2. Integrity should permeate all areas of the company
3. Ethical conduct should be evident in the company’s relationship with society and natural environment
4. Ethical standards should be involved and followed in all aspects of the company’s business
5. Key performance indicators and risk areas should be identified for financial ethical standing and sustainability of an enterprise.
Introduction

Are leaders born or made?

“If your actions inspire others to dream more, learn more, do more and become more, you are a leader”.
John Quincy Adams.

Ethical principles provide the foundations for various modern concepts for work, business and organisations, which broaden individual and corporate priorities far beyond traditional business aims of profit and shareholder enrichment. Ethical factors are also a significant influence on institutions and public sector organisations, for whom the traditional priorities of service quality and cost management must now increasingly take account of. These same ethical considerations affect the commercial and corporate world. There are now real incentives for doing the right things in the right manner, and real disincentives for doing wrong things.

A key component of this module is the different attributes of leaders and managers. How can one become a leader at whatever level? This module attempts to respond to the need for ethical leadership in managing finance, procurement and ICT.

Leadership

Stephen Covey defines leadership as “communicating to people their worth and potential so clearly, that they come to see it in themselves” while JC Maxwell said this of it, “The true measure of leadership is influence-nothing more, nothing less”.

Chapter six of the Constitution of Kenya deals with the integrity of public officers stating that they must, among other issues, act in a manner that brings honour and dignity to the nation and promote public confidence in the integrity of the offices they hold. The provision of this chapter lays emphasis on transparency, accountability, integrity, and impartiality. The provisions of Chapter Two article ten compliments this, laying emphasis on national values that include professional ethics, responsiveness, equitable provision of services among others hence ethical leadership is paramount.

Ethical Leadership

Ethical leadership can be described as a willingness to accept responsibility, an ability to develop three major skills magnanimity (elicit the cooperation of others, listen well, place the needs of others above your own needs) that can be acquired through practice. Ethical leadership requires an attitude of humility rather than righteousness: a commitment to one’s own principles, and at the same time, openness to learning and to having conversations with others who may have a different way of seeing the world. Ethical leadership is also characterized by a set of skills and traits that can be learned and worked on though the general perception is that good leaders are scarce because:

i. leaders come in guises
ii. leaders may rise only in response to a situation
iii. leaders may be unwanted until needed
iv. leaders may be mistaken for managers.

Ethical leadership involves both acting and leading ethically, consistently and;

i. models ethical behaviour to the organization and the community
ii. builds trust
iii. brings credibility and respect, both at individual and corporate level
iv. leads to beneficial collaboration
v. creates a good climate within the organization
vi. allows one to occupy the moral high ground
vii. affords self-respect.

Ethical leadership requires a clear and coherent ethical framework on which the leader
can draw in making decisions and taking action. As ethical leadership is a shared process, ethical leaders are expected to institutionalize ways for people to question their authority, consider the consequences to others of their decisions, and look for ways to minimize harm, remain transparent and accountable and treat everyone with fairness, honesty, and respect all the time.

Characteristics of Ethical Leaders

Ethical leaders exhibit characteristics highlighted in Table 6.1

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity</td>
<td>Beyond reproach</td>
</tr>
<tr>
<td>Openness</td>
<td>Transparent and accountable</td>
</tr>
<tr>
<td>Altruism</td>
<td>Selfless</td>
</tr>
<tr>
<td>Magnanimity</td>
<td>Generous and high minded</td>
</tr>
<tr>
<td>Bravery</td>
<td>Moral courage and conviction</td>
</tr>
<tr>
<td>Humility</td>
<td>Modest</td>
</tr>
<tr>
<td>Balance</td>
<td>Rational and inquisitive</td>
</tr>
<tr>
<td>Visionary</td>
<td>Far – sighted and creative</td>
</tr>
<tr>
<td>Optimistic</td>
<td>Positively oriented</td>
</tr>
</tbody>
</table>

Table 6.1: Attributes of Ethical Leaders

Management

Management is a process of getting activities completed efficiently and effectively with and through other people. It is hence considered as the tactical process of executing and achieving the mission of an organization or group. Ethical managers must provide a good role model by:

i. Being ethical and honest at all times.

ii. Telling the truth; not hiding or manipulating information.

iii. Admitting failure and not trying to cover it up.

iv. Communicating shared ethical values to employees through symbols, stories, slogans.

v. Rewarding employees who behave ethically and punish those who do not.

vi. Protecting employees (whistleblowers) who bring to light unethical behaviours or raise ethical issues.

Leadership and management must go hand in hand. However they are not isomorphic
but are complementary. The manager’s job is to plan, organize and coordinate while the leader inspires and motivates. Leaders see their constituents as not just followers, but rather as stakeholders striving to achieve that same common purpose, vision and values as they are first and foremost members of the organizations they lead. Both Leadership and management are required for change hence leaders and managers need to work together as one scholar observes, “A change team made up only of managers – even superb managers who are wonderful people – will cause major change efforts to fail”. (John Kotter, 1996). The key difference between management and leadership is one of perspective as illustrated in Table 6.2.

<table>
<thead>
<tr>
<th>Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change is a threat to be controlled</td>
<td>Change is a competitive advantage to be embraced</td>
</tr>
<tr>
<td>Change is “managed “through methods and tools</td>
<td>Change is “led” through passionate commitment</td>
</tr>
<tr>
<td>Selected change managers are most qualified to handle change</td>
<td>A team of change leaders is required to lead</td>
</tr>
<tr>
<td>Issues and problems can be cleaned up “after the fact”</td>
<td>Issues and problems can be controlled proactively</td>
</tr>
</tbody>
</table>

Table 6.2: Contrasting perspectives of management and leadership

Management and leadership roles are complementary, requisite balance between leadership and management is what wins the game. Table 6.3 below outlines the roles of managers and leaders

<table>
<thead>
<tr>
<th>MANAGERS</th>
<th>LEADERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The most effective managers are also leaders, and the quality of leadership has become an increasingly important part of management ability</td>
<td>Leadership can be seen as performing the influencing function of management, they are largely involved in goals setting and motivating people to achieve them. Leaders decide ‘where we are going’ and influence people to take that particular direction, rather than describe ‘how to get there’.</td>
</tr>
</tbody>
</table>
Managers are analytical, structural, controlled, deliberate, orderly, and orderly.
Leaders are experimental, visionary, flexible, unfettered creative.

Management keeps an organization running, Leadership involves getting things started, facilitating change.
Managers administer, maintain, Leaders innovate, develop.
Managers focus on systems and structure and rely on control, Leaders focus on people, and inspire trust.
Managers ask how and when, Leaders ask what and why.
A manager always has his or her eye always on the bottom line, A leader always has his or her eye on the horizon.
Managers plan, organize direct and control do things right, Leaders inspire, influence, motivate, build and do the right things.
Managers facilitate others to do, Leaders get others to do.
Management’s focus on the day to day grind without which a vision can’t become a reality. He/ she is willingly responsible for the details of the mission. Leadership sets the style and tone for achieving a vision and motivates people to sacrifice for the attainment of the vision and is also responsible for mission and how it relates to each person.
A manager uses the power and logic of the rational mind, A leader uses the power of intuition and logic of the heart.
Uses the rational mind, Trusts intuition.
Works within the context of the organization and the business, Takes social and environmental contexts into consideration.

Table 6.3: Roles of Managers and Leaders

The Public Officers Ethics Act stipulates what is expected of public officers in regard to professional conduct. Some of the elements promoted in the Act are summarised in Table 6.4 below.

<table>
<thead>
<tr>
<th>ELEMENTS</th>
<th>CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td>Follow laws</td>
</tr>
<tr>
<td></td>
<td>Obey higher directives or resign in protest</td>
</tr>
<tr>
<td></td>
<td>Strive for efficiency, economy, effectiveness</td>
</tr>
</tbody>
</table>
Ethical behaviour

<table>
<thead>
<tr>
<th>Adherence to standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders set sound standards</td>
</tr>
<tr>
<td>Avoid even the perception/appearance of wrongdoing</td>
</tr>
</tbody>
</table>

Leaders create an ethical environment

<table>
<thead>
<tr>
<th>Control systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary compliance based on perception of legitimacy and trust</td>
</tr>
<tr>
<td>Standard setting</td>
</tr>
<tr>
<td>Communicate concerns of leaders and control agencies</td>
</tr>
<tr>
<td>Monitoring; Audits, Inspections Sanctions</td>
</tr>
</tbody>
</table>

Table 6.4: Elements of public service ethics

Ethical Interventions

Human Resource Management (HRM)

HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, administration, and training. Line managers perform HRM functions. Effective HRM enables employees to contribute effectively and productively to the overall organization direction and the accomplishment of the organization’s goals and objectives. Ethics is a pivotal issue for HRM. A number of private and public organizations have had ethical challenges in areas such as recruitment, deployment, promotion, discipline and capacity building. Often these processes have been handled with bias. To address these concerns an ethical organization needs to undertake a number of measures such as:

i. Develop policies that govern human resource operations to guarantee fairness in the organization
ii. Develop a code of conduct to act as a conscience for management, employees and stakeholders
iii. Encourage open positive communication
iv. Encourage an inclusive approach to inculcate a sense of ownership among the employees
v. Develop an integrity management system.
Finance

Financial Management can be defined as ‘The management of the finances of an organization in order to achieve financial objectives’. It involves:

i. Financial Planning that includes budgeting and resource mobilization

ii. Financial control that ensures that the business meets its objectives.

iii. Financial Decision-making, which relates to aspects of investment, financing and returns.

The ethical management of finances is a requisite for business success. Lack of ethics can damage the reputation of an organization as reflected in the US 2001 Enron scandal that resulted in the Sarbanes Oxley Act 2002. Perhaps the most effective way to ensure adherence to ethical principles on a daily basis is to consider the needs of all of the organization’s stakeholders, from employees and vendors to shareholders and CFOs. Each organization should have both a Finance Committee and an Audit committee that which will ensure checks and balances in all financial transactions.

Procurement

Procurement is the acquisition of goods or services. The goods and services should be appropriate and procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location. Organization should adhere to Public Procurement Oversight Authority (PPOA) regulations. Some of the guiding principles of procurement outlined in Table 6.5 below:

<table>
<thead>
<tr>
<th>PRINCIPLE</th>
<th>SUPPORTING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Competition</td>
<td>• Open Tenders</td>
</tr>
<tr>
<td></td>
<td>• Pre-qualification</td>
</tr>
<tr>
<td></td>
<td>• Justifications</td>
</tr>
<tr>
<td></td>
<td>• Pre-defined Criteria</td>
</tr>
<tr>
<td></td>
<td>• Panel Evaluation</td>
</tr>
<tr>
<td></td>
<td>• Direct purchase – quotations</td>
</tr>
</tbody>
</table>
| Transparent Procedures | • Objective Specifications  
| • Functional not restrictive  
| • Minimum not specific  
| • No brand names  
| • Equal Treatment  
| • Clear tender terms and conditions  
| • Briefing to all bidders  
| • Fair Rules  
| • Tender opening date  
| • No late submission  
| • Confidentiality  
| • No leakage  
| • No tampering  
| • Evaluation of Bids by panel  
| • Pre-determined criteria  
| • Specific approval for deviation and why |
| Value For Money | Marking Scheme  
| • Pre-approved  
| • Pre-determined weighting |
| Integrity Requirements | • Commitment to ethical practices  
| • Declare conflict of interest  
| • Handle conflict of interest  
| • Prohibit bribery  
| • Prohibit split orders |
| Compliance Monitoring | • Clear guidelines  
| • Random supervisory checks  
| • Management reports  
| • Performance evaluation  
| • Regular audit checks  
| • E-government and e-procurement |

Table 6.5: Guiding Principles for Procurement
Organizational Outcomes And Benefits From Ethical Leadership

More and more leaders of businesses and other organizations are now waking up to the reality of social responsibility and organizational ethics. Public opinion, unleashed by the Internet particularly, is re-shaping expectations and standards. Organizational behaviour - good and bad - is more transparent than ever - globally. Injustice anywhere in the world is becoming more and more visible, and less and less acceptable. Reaction to corporate recklessness, exploitation, dishonesty and negligence is becoming more and more organised and potent. Employers, businesses and organizations of all sorts - especially the big high profile ones - are now recognizing that there are solid effects and outcomes driving organizational change. There are now real incentives for doing the right thing, and real disincentives for doing the wrong things. As never before, there are huge organizational advantages from behaving ethically, with humility, compassion, and with proper consideration for the world beyond the boardroom and the shareholders:

**Competitive advantage** - customers are increasingly favouring providers and suppliers who demonstrate responsibility and ethical practices. Failure to do so means lost market share, and shrinking popularity, which reduces revenues, profits, or whatever other results the organisation seeks to achieve.

**Better staff attraction and retention** - the best staff want to work for truly responsible and ethical employers. Failing to be a good employer means competent staff exit, in effect this reduces the likelihood of attracting good new-starters. This in turn pushes up costs and undermines performance and efficiency. Aside from this, good organisations simply cannot function without good people.

**Investment** - few and fewer investors want to invest in organisations that lack integrity and responsibility, as this eventually lead to a decline in performance.

**Morale and culture** - staff who work in a high-integrity, socially responsible, globally considerate organisation are far less prone to stress, attrition and dissatisfaction. Happy productive people are a common feature in highly successful organisations. Stressed unhappy staff are less productive, take more time off, need more managing, and also take no interest in sorting out the organisation’s failings when the whole thing implodes.
**Reputation** - it takes years, decades, to build organisational reputation - but only one scandal to destroy it. Ethically responsible organisations are far less prone to scandals and disasters. And if one does occur, an ethical responsible organisation will automatically know how to deal with it quickly and openly and honestly. People tend to forgive organisations who are genuinely trying to do the right thing. People do not forgive, and are actually deeply insulted by, organisations who fail and then fail again by not addressing the problem and the root cause. Arrogant leaders share this weird delusion that no-one can see what they are up to. Years ago maybe they could hide, but now there’s absolutely no hiding place.

**Legal and regulatory reasons** - All organisations are expected to comply with proper ethical and socially responsible standards and compliance mechanisms, which are global. This ushers in an era of transparency and accountability.

**Legacy** - even the most deluded leaders would prefer to be remembered for doing something good, rather than making a pile of money or building a great big empire. Part of the re-shaping of attitudes and expectations is that making a pile of money, and building a great big empire, are becoming stigmatised. Leaving behind a pile of money or a great big empire at the cost of others’ well being, or the health of the planet is undesirable. The ethics and responsibility zeitgeist is fundamentally changing the view of what a lifetime legacy should be and can be. This will change the deeper aspirations of leaders, present and future, who can now see more clearly what a real legacy is.
Introduction

Managing Ethics requires an integrated approach. In this module we discuss an integrated ethics management model focusing on ethics management structures, strategies and processes. Highly ethical organizations deliberately engage strategies aimed at instilling shared several guiding principles and they demonstrate some obvious characteristics. They display a clear vision that is owned and modeled by top leaders and a reward system aligned with the ethical vision. Managers set the ethical tone of an organization and develop the systems that identify ethical issues. They are expected to train and educate employees on ethical character of the organization, how to handle conflicts, assign responsibility to relevant officers, facilitate open communication while raising concerns professionally. Management of ethics programmes involves a clear understanding of ethical decisions in an organization, enshrining agreed principles and values into an enforceable code of conduct and ethics, training and sensitisations and operationalizing an effective ethics committee to affirm commitment to fostering an ethical culture.

Organizational approach

An organization’s approach to ethics establishes acceptable workplace behaviour. This involves putting in place robust ethics programs alongside other quality –management systems, a set of bedrock principles that guide behaviour and processes for ensuring that these principles are implemented. Implementing ethics and compliance programs
has tangible business benefits, specifically reducing the organizations exposure to risks, boosting performance and enhancing prospects.

The enforcement of ethical standards rests with management and line level employees alike. If an organization truly fosters an ethical climate, then self-policing will occur. Thomas Temlin noted that, “The one thing an individual can do to strengthen a climate of integrity is to maintain one’s own code. This sends a signal that might give even a deliberate crook pause.” Joanne Cummings explains that ethical standards serve as checks and balances that promote honest dealings. As such, an organization’s policies and procedures should be open and available for public inspection.

In 2002, the Kenya Government designed the Public Service Integrity Program (PSIP) and enacted the Public Officer Ethics Act in 2003 (POEA) to foster integrity and professional ethics in the workplace. This was based on the premise that ethical practices positively affect a nation’s economy. In addition the Performance Contracting (PC) Framework was introduced in the 2004/05 financial year as part of the broader public sector reforms. The PC provided the responsible Commissions with a defined structure that permeated all sectors of the public service to mainstream PSIP in line with the recommendations of Kenya Institute of Administration now school of government Assessment Report June 2010.

Ethics Management Structures
Managing ethics entails defining and establishing appropriate structures at all levels of an organization, identifying players and defining their roles and responsibilities. In the case of corporate organizations the Boards have the responsibility of setting the ethics goals and the right tone. Ethics and ethical decision-making must be part of the Board’s roles (King III report; sample code of best practice for Kenya).

According to Rossouw & Vuuren 2010 p. 212, Ethics is the foundation of and the reason for corporate governance. The ethics of governance requires the Board to ensure that the company is run ethically. As this is achieved the company earns the necessary approval - its license to operate – from those affected by and affecting its operations. An ideal ethics management structure has ethics committees at the executive and Board levels. An Ethics Office to coordinate activities and actions is also necessary.
Roles of the Board in Managing Ethics

i. The Board sets the ethics goal of the organization as part of the strategy of the organization.

ii. The Board has the responsibility to set the structures, strategies and provide resources for managing ethics.

iii. The Board is responsible for identifying ethics risks. The Board must ensure its actions and decisions are based on the core values: reliability, integrity, fairness and transparency (RIFT).

iv. The Board must define appropriate ethical values and principles through an appropriate code of conduct that guide its behaviour and that of the entire organization.

v. The Board must set the ethics agenda at the Board by establishing a Board Ethics Committee or in case of small organization, assign the role to one of the Board Committees. The Board has to ensure it has expertise in this field or seek external advice and expertise.

vi. The Board will also participate in the hiring of suitable personnel to manage the ethics function.

vii. The Board exercises oversight role over the ethics function by receiving proposals, reports and feedback from the executive committee.
Role of Ethics/Integrity Committee
The Ethics Committee is responsible for the development, implementation and review of institutional procedures and guidelines relating to ethical conduct in the workplace and other related institutional activities. The role of the Ethics Committee is to be proactive in relation to emerging issues of institutional, national or international significance but will be reactive in relation to providing guidance for individual members of staff.

Composition of the Ethics/Integrity Committee
Ethics/Integrity committee comprises of specific individuals within high-level personnel of the organization who have been assigned overall responsibility to oversee compliance with the organization’s ethical standards and procedures. Ordinarily, in the private sector, the Ethics Committee is chaired by an external advisor and includes key management personnel from headquarters and group operations; while in the public sector; the Ethics Committee comprises a Chairperson, Head of Ethics Department as Secretary and additional members representing different Service Areas or functions. The committee should also comprise of representatives of key stakeholders to promote objectivity. The secretary to this committee should be a trained ethics officer. Ethics policies are irrelevant if ethical people do not hold the appropriate positions to enforce them.

The members of the Ethics Committee are employees who collectively have broad experience of different functions and disciplines and occupy positions that guarantee the necessary independence and freedom of judgment. The members should not delegate their functions to non-members of the Ethics Committee. The members of the Ethics Committee must be of management cadre in order to ensure that senior leadership champion ethics in an organization.

The Chief Executive Officer is obligated to fully endorse all ethics initiatives and in effect reaffirm the institution’s commitment. According to an online article by Ronald R. Sims, top management sets the example for accepted behaviour throughout an organization (Sims). Ethics Resource Centre states that behaviour modelling is a powerful strategy leaders use to show employees how they should behave. (“walk the talk”).

When leaders model ethical behaviour, employees feel less pressure to compromise standards, observe less misconduct, generally experience greater satisfaction in their organization, and feel more valued. Conversely when leaders display unethical
behaviour, their subordinates feel more inclined to compromise ethical standards, are demoralised and deflated. Hence workers in this kind of environment will exhibit truant behaviour including low productivity.

Terms of Reference of Ethics/Integrity Committees

The Ethics/Integrity Committee provides leadership and promotes advocacy on integrity programs. Their terms of reference should include the following:

1. Contribute to the continuing definition of the organization's ethics and compliance standards and procedures.
2. Assume responsibility for overall compliance with those standards and procedures.
3. Oversee the use of due care in delegating discretionary responsibility.
4. Set of rules and guidelines that govern the behaviour of the members of staff in an organization.
5. Enhance good governance and positively shape the culture of an organization.
6. Communicate the organization's ethics and compliance standards and procedures, ensuring the effectiveness of that communication.
7. Co-ordinate Ethics Risk Assessment and develop appropriate strategies to address the risks.
8. Ensure that all initiatives are integrated in respective organizations.
9. Take action on corruption reports and co-ordinate reports on anti-corruption programs and activities.
11. Oversee enforcement, including the assurance that discipline is uniformly applied.
12. Take the steps necessary to ensure that the organization learns from its experiences.
13. Make recommendations to the Chairperson of the Ethics Committee of the Board of Directors on all ethical issues, whether in relation to matters on which the Committee has made an independent inquiry or questions that have been submitted to it.
Key Duties and Responsibilities of Ethics/Integrity Officers

The Ethics Officer is responsible for managing and coordinating ethics function within the organization.

i. Set up appropriate structures for managing ethics and setting an ethics agenda.
ii. Act as the secretary to the Ethics Committee.
iii. Formulate an annual ethics business plan for the organization.
iv. Coordinate and lead periodic ethics risks assessment, design of relevant programs implementation and evaluation.
v. Develop, implement and maintain operational procedures and processes for ethics education and capacity building.
vi. Ensure ethics support policies such as code of conduct, policy on safe reporting (whistle blowing policy), gift policy, anti-corruption policy and conflict of interest policy are developed and approved by the board.
vii. Advice the Board and the Chief Executive/Accounting officer on Ethics Programs.
viii. Advice the management team and other staff on ethics programs.
ix. Coordinate and ensure proper communication and education on ethics to internal and external stakeholders.
x. Lead periodic surveys to monitor and assess the progress on performance of ethics programs such as enforcement of the code and prevention of corruption.
xi. Maintain a database of ethical issues encountered in the organization and industry.
xii. Lead the periodic review of committees’ Terms of Reference.

Promoting an Ethical Culture

Ethical conduct is an integral part of organizational culture. This fact makes ethics one of the most important areas for an organization to focus on. In addition, culture is the thread that connects the leadership of an organization with the stakeholders. Without ethics, the culture of the organization will be flimsy and ill defined. Such a culture will have a negative impact on the organization’s customer focus, team building, problem solving, improvement plans, and performance measures. Corporate cultures that are based upon the highest standards of ethical behaviour help businesses outperform
their competitors. Ethical cultures create trust within and outside corporations. Trust encourages appropriate risk taking, which leads to innovation, and in effect promotes progress and ultimately profitability.” Organizations desiring to create a culture of ethical behaviour should incorporate measurement of ethical conduct in performance appraisals and set ethical benchmarks (Sims). They should establish rewards to recognize and reinforce desired ethical behaviour. A culture of ethical behaviour requires each individual to act responsibly. Organizations should also ensure there are processes for whistle-blowing and resolving dilemmas. They should also ensure that policies are in place to protect those who report concerns.

Developing an Ethical Culture

Senior leadership must champion ethics in an organization. The head of an organization should lead by example and fully endorse all ethics initiatives. An Ethics Committee is expected to oversee the development and maintenance of any ethics programs. If an organization is large, committees might be formed at an executive level and an administrative or management level. An ethics officer or ombudsperson might also be useful to help develop and interpret policies and procedures besides being responsible for resolving ethical dilemmas for the organization.

Developing Code of Conduct and Ethics

One of the main building blocks for a culture of ethical behaviour is the formulation of a code of ethics or code of conduct. A Code of Conduct and Ethics ensures that staff understands and commit to specific mandated conduct. The document clearly spells out expected ethical behaviour for all employees and vendors. It acts as a reference for ethical considerations and minimises the likelihood that unethical behaviour will occur. The code not only promotes a sense of professional identity but also to provides self-disciplinary guidelines for members of the organization by formulating norms of professional conduct. The general guidelines for formulating a Code of Conduct and Ethics (COCE) include:

i. Management champions the process by assessing the ethics risks and opportunities that inform the ethical values that should be upheld and the weaknesses that should be addressed.
ii. Management spearheading the process in conjunction with a selected team representing various Service Areas, in a sense they have to model the provisions COCE for the employees to follow.

iii. Views of employees should be sought on what they wish to have included in the Code of Conduct and Ethics, as the code of ethics should be tailored to the needs and values of the organization.

iv. The above mentioned team is expected to clearly define the principles and values that lie behind the COCE as they effectively distil the needs of the organization and the beliefs of the employees in the document.

v. The COCE must have the Vision, Mission and Core values of the organization, the principles to be promoted and the penalties/ sanctions where the COCE is violated.

vi. The COCE should be, relevant, clear and credible for employees.

vii. A group of diverse stakeholders should review the draft COCE and give appropriate feedback.

viii. The approved COCE should then be disseminated to the employees and key stakeholders through sensitisation/training culminating in the signing of an Integrity Pact as a measure to promote compliance and mitigate litigation.

ix. Care should be taken on how the new code will be publicized, both inside and outside of the organization, how it will be implemented and the steps, to be taken to ensure that the values embodied in your code get implemented in organizational policies and practices.

The establishment of a firm code of ethical principles is essential to building an ethical organizational culture. To better fit into the company, every employee must adopt, buy into, and absorb the culture of an organization. For the employees best able to integrate into the culture, working in the organization becomes a source of pride.

“But we must remember that good laws, if they are not obeyed, do not constitute good governance. Hence there are two parts of good government; one is the actual obedience of citizens to the laws, the other part is the goodness of the laws which they obey…”

(Aristotle, Politics 1294a 3-6).
The code content and format should reflect a hybrid format combining directional and aspirational format. It should be appropriately structured as follows:

i. **Preamble:** which declares the corporation’s commitment to promoting ethical standards. The mission, vision and core values are stated in the preamble.

ii. **Purpose of the Code:** states clearly why the code is prepared and its use. The code should state whether it is for internal or external purposes. Code ‘sets forth values, principles and standards to guide the thinking and conduct of all staff regardless of their profession, technical or administrative functions and the environment under which they operate’.

iii. Codes should make reference and align ethical standards to Kenya’s constitution (August 2010) chapters six on leadership and integrity and chapter 13 Article 232 on values and principles of public service which have strong ethical thresholds.

iv. **Ethical Principles:** sets ideals to which the corporation’s personnel should aspire to attain based on core values of professionalism, hard work, confidentiality, continuous learning, integrity, transparency and accountability.

v. **Ethical standards:** sets the standards of ethical responsibility, enforcement standards and sanctions.

vi. **General guidelines for application of the code:** should provide guidelines on how to use the code and declaration that the code does not contain all possible ethical issues. The discretion of moral judgment is left to the users.

vii. **Additional Resources:** The code should declare other resources or reference documents that support the code. The reference materials can include policies such as policy on safe reporting (whistle blowing), conflict of interest policy, gift policy, anticorruption policy and others.

**Ethics Policy Framework**

In addition to the code of conduct, the organization should have in place ethics supporting policies as enumerated in the following table 7.1.
<table>
<thead>
<tr>
<th><strong>Policies</strong></th>
<th><strong>Purpose</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of Interest Policy</td>
<td>This policy defines conflict of interest and provides a guide of how to manage any conflicts or potential conflicts through declaration, taking personal responsibility and absolving oneself from decision making in the circumstances. Conflict of interests are situations in which advantages to self, family, friends, close relatives, persons or organizations with whom one has had business relations appear to influence the impartial and objective performance of their official duties.</td>
</tr>
<tr>
<td>Gift policy</td>
<td>All public officers are bound by Leadership and Integrity Act 2012, which states all gifts to public officers are gifts to the organization. However specific gift policy defining types of gifts that may be offered such as lunches, trips including foreign trips and how such gifts may be treated is important. All entities should domesticate its own gift policy for purposes of alleviating external influence or compromise of employees in business related decisions. The gift policy should clearly define what constitutes a personal gift and how gifts received on behalf of the company are treated. The policy should also forbid solicitation of gifts and use of gifts to influence business decisions.</td>
</tr>
<tr>
<td>Whistle blowing policy (Policy on safe reporting)</td>
<td>Whistle blowing protection is growingly recognized as a key factor to promote the culture of accountability and integrity. Kenya’s witness protection act 2006 provides protection against harassment or intimidation of any form. Organizations should domesticate whistle blowers policy, which stipulates how concerns can be reported responsibly and safely. The policy on safe reporting should place the obligation of such reporting on employees and other stakeholders. The policy should enable stakeholders to report unlawful acts or such acts that may be potentially detrimental to the organization or unethical and which are inconsistent with the code of conduct and ethics. The policy also provides how anonymous or irresponsible and malicious reporting will be dealt with. The policy assures reporters of confidentiality and protection. It provides contacts internal or external where reports can be made and feedback received. The policy also assures stakeholders that all reports will be fully investigated and feedback provided.</td>
</tr>
<tr>
<td>Anti-corruption policy</td>
<td>The anti-corruption policy defines what constitutes corrupt practices. Employees are obligated to safeguard the resources of their organizations and prevent corruption. The anti-corruption policy should stipulate how corruption will be prevented, detected, investigated and resolved. This policy will support the implementation of the code in regard to the core values of accountability, transparency and integrity</td>
</tr>
</tbody>
</table>
The code of ethics or code of conduct articulates the organization’s core values, ethical principles and ethical standards that should guide the interaction of the organization with its internal and external stakeholders (Rossouw & Vuuren 2010). A code of ethics is a policy document that describes the expected behavior standards and guides members on how to achieve the standards.

Depending on the purpose of the code, codes can either be rules based (directional) which spells in detail what is accepted and what is forbidden. On the other hand codes can also be inspirational which means providing broad guidelines and living discretion for judgment to the users.

Policy of integrity testing and pre-employment testing describes how the organization will conduct background check on current and potential employees or on service providers to reduce the risk of interacting with or employing corrupt and incompetent persons or organizations. Pre-employment vetting is intended to attract persons of integrity into the workforce of the organization.

<table>
<thead>
<tr>
<th>Table 7.1: Ethics Policy Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethics Training Strategy</strong></td>
</tr>
<tr>
<td>Organizations should go beyond creating awareness to ensuring that appropriate trainings are conducted. Employees should have the opportunity to participate in exercises that involve ethical dilemmas (Sims year). These exercises could also provide a forum for employees to participate in on-going discussions or debates about ethics Management. Training is important in changing attitudes, informing, increasing knowledge, keeping abreast with current affairs, boosting confidence and increasing technical competence.</td>
</tr>
<tr>
<td>The purpose of the ethics-training plan is to raise awareness on ethics issues, provide knowledge and skills on how to address ethical dilemmas in order to promote positive culture and organizational performance. The ethics risk profile should inform the organization on the various knowledge and skills gaps which can be addressed through training. The Board or Senior Management is responsible for policy formulation, strategy development, compliance, oversight and evaluation of performance.</td>
</tr>
<tr>
<td>Training on ethics will focus on providing the participants with relevant knowledge to help them set the positive tone at the top and to formulate ethics strategy and policies. Therefore training on the governance of ethics and the ethics of governance is suitable to the Board and senior management.</td>
</tr>
</tbody>
</table>
The executive and management are responsible for driving business through planning, organizing, managing and developing their functions in line with the strategic direction. The heads of functions should play a key leadership role by influencing the people they supervise to embrace ethics. Training on how to design, communicate and implement ethics programs is relevant to this cadre of employees. The administrative staff provide support to the executive and Board in their performance function. Most of the administrative staff such as receptionists, secretaries, drivers and others, are the first contact of the organization with the external stakeholders. The character of the organization is likely to be judged as synonymous with the character displayed by these staff. Ethics awareness programs for this cadre to understand how ethics affects business and how their actions or inactions can affect the reputation of the organization is necessary. They should also be trained on the purpose and use of the code of ethics. An ethics awareness forum for all stakeholders to articulate ethical risks and opportunities as identified by the company is also recommended.

Training needs may vary depending on the ethics maturity level for every organization. The table below indicates the various training needs, the objectives and content to be covered for different cadres in an organization.

<table>
<thead>
<tr>
<th>Training Needs</th>
<th>Objectives</th>
<th>Course Content</th>
</tr>
</thead>
</table>
| Board of Directors  
Executable and non-Executive members | - Why ethics is important  
for business  
- Constitutional  
foundations on ethics  
- Governance of ethics  
- Ethics risks and  
opportunities assessment  
- development or review  
of code of ethics  
- integrating ethics  
- Reporting and  
disclosing ethics  
performance  
- Evaluating ethics  
performance | - learn how to draw an ethics  
vision and objectives  
- establishment of structures  
at strategic, operational and  
systems level  
- learn how to evaluate  
ethics performance  
- clearly define stakeholders  
and expected behaviour  
- Understand the standards  
and principles of the code of  
ethics  
- how to uphold the expected  
behaviour standards |

| Possible courses:-  
Governance of ethics and ethics of governance  
Stakeholders approach to ethics management  
Living your code of conduct and ethics  
Ethics as an anticorruption strategy  
Corruption Risk Assessment | - Why ethics is important  
for business  
- Constitutional  
foundations on ethics  
- Governance of ethics  
- Ethics risks and  
opportunities assessment  
- development or review  
of code of ethics  
- integrating ethics  
- Reporting and  
disclosing ethics  
performance  
- Evaluating ethics  
performance | - Why ethics is important  
for business  
- Constitutional  
foundations on ethics  
- Governance of ethics  
- Ethics risks and  
opportunities assessment  
- development or review  
of code of ethics  
- integrating ethics  
- Reporting and  
disclosing ethics  
performance  
- Evaluating ethics  
performance |
### Executive and Management Team

<table>
<thead>
<tr>
<th>2.</th>
<th>Ethics Risks and opportunities assessment</th>
<th>- To establish the positive and negative risks facing the organization.</th>
<th>- Creating structures, Formulating and implementing ethics management strategies, develop ethics standards and integrating ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ethics management strategies</td>
<td>- To formulate ethics strategies</td>
<td>- Managing ethics at the strategic, systems and operational levels</td>
</tr>
<tr>
<td></td>
<td>Living your code of conduct and ethics</td>
<td>- To understand ethics, ethics concepts and how ethics impacts on business.</td>
<td>- Purpose, use and benefits of a code, process of code development, types of code, guidelines for code and guidelines for ethical decision making</td>
</tr>
<tr>
<td></td>
<td>Ethics as an anticorruption strategy</td>
<td>To learn how to set up structures and processes of managing ethics in an organization</td>
<td>- Understanding corruption, types and impact on the economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- To acquire knowledge on how to implement ethics strategies</td>
<td>- Mitigating corruption through behaviour change/ethics management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- To communicate the code of ethics</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To understand the code and how to uphold the standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- To understand how ethics management can prevent corruption</td>
<td></td>
</tr>
</tbody>
</table>

### Front Line Employees (accounts assistants, secretaries, receptionists and others)

<table>
<thead>
<tr>
<th>3.</th>
<th>Ethics awareness</th>
<th>- to understand ethics, ethics concepts, why ethics is important for business</th>
<th>- introduction to ethics, ethics and morality, ethics and the law</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Understanding Ethics and Ethical Dilemmas at the work place</td>
<td>- how ethics affects service delivery, reputation and performance of the organization</td>
<td>- how ethics affects service delivery, reputation and performance of the organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To understand the ethical dilemmas at the work place and how to address them</td>
<td>- Dispelling ethical myths</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Ethical dilemmas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- How to address ethical concerns?</td>
</tr>
</tbody>
</table>

Table 7.2: Sample of an Ethics Training Plan
Ethics Communication Strategy

Communication is the bedrock of ethics management (Rossouw & Vuuren 2010). The purpose of communication is to put out ethics expectations to all stakeholders’ ethical and unethical issues confronting the organization and industry as well as actions being taken by the organization. Communication is important in raising ethical awareness and receiving feedback from stakeholders (Rossouw & Vuuren 2010). The findings of the ethics risk assessment or corruption risk assessment would need to be communicated; that is the risk profile with negative and positive elements, code of conduct and ethics educate on the importance of ethics and formulate an approach for receiving feedback. Lobbying for policy change or new policy in view of the findings of risk assessment would also be necessary.

Forms of communication

i) **Stakeholders forums**

Organization may convene periodic Stakeholders forums to educate and lobby for legislation that would place strict penalties on offenders. Stringent measures are required for operators who abuse or contravene the code or who promote immorality.

ii) **Website**

Website can be used to communicate the ethics vision and to announce the ethics champions and awards if any. The website can also be used to communicate the core values as well as host periodic surveys on ethics or corruption.

iii) **Policy publication**

A separate publication containing eligibility criteria for suppliers, guidelines for application, time-lines for decision making (service charters) should be produced and publicly circulated to all external stakeholders. Such publication should also communicate expected behaviour standards.

iv) **Ethics talk**

Ethics talk is powerful tool in entrenching an ethical culture (According to McCoy cited in Rossouw & Vuuren 2010 p. 255) ‘It’s the stories people tell rather than the printed material that transmits the conceptions of what is ethical behavior’. Organizations should introduce an ethics session within the executive meetings to encourage staff to share their experiences and hence raise awareness
levels. Such sessions can be used to share encounters with ethical dilemmas in professional and social life which can help promote prominence of ethics.

v) **Help desk/hotline**

The organization can also set up an ethics help desk to help employees interpret the code of ethics and to address ethical dilemmas. Ethics Officers should be considered to assist employees and also document a database of ethics issues. Hotline services should also be outsourced to aid in safe reporting of potential risks such as corruption.

vi) **Confidential reporting**

Anonymous confidential reporting should also be encouraged for high risk areas. Staff should be trained and encouraged to make anonymous reporting objective.

vii) **Newsletter**

An e-mail quarterly newsletter can be introduced and should include components on ethics reporting on positive and negative experiences. The newsletter can include how unethical behaviour were tackled and statistics on the same. Periodic newsletters can be an important tool of informing employees that the organization takes ethics seriously.

**Obstacles and resistance to communication**

Employees who have been involved in unethical conduct or corrupt practices may resist an ethics management strategy. Stakeholders particularly who depend on unethical business such as bribery are likely to oppose the convening of a stakeholder’s forum and change of policy. Those who benefit from corrupt practices such as evasion of tax and political interference are also likely to oppose an ethics management strategy.

**Positive impact arising from a communication strategy**

Organizations reputation and brand equity are likely to be enhanced by such communication strategy. Likelihood of improving levels of service delivery to stakeholders and general acceptance from employees exists since findings from the risk assessment are being addressed increasing trust between organization and its stakeholders.
Plans to Address Resistance

i. Identify ethics champions with deep institutional knowledge to catalyze the process.

ii. Run ethics awareness programs to increase buy in amongst stakeholders.

The table below presents a summary of an ethics management process.

<table>
<thead>
<tr>
<th>Components</th>
<th>Objectives</th>
<th>Expected impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Strategic plan development or review</td>
<td>- Formulating a vision of ethics</td>
<td>- Increase awareness that ethics is important</td>
</tr>
<tr>
<td>to include strategic goals on ethics</td>
<td>- Board or senior management sets ethics management strategy</td>
<td>- Improved relations with stakeholders</td>
</tr>
<tr>
<td></td>
<td>- Include ethics as a business strategy</td>
<td></td>
</tr>
<tr>
<td>2. Ethics Awareness and governance of</td>
<td>- build capacity of directors and staff on ethics</td>
<td>- enhanced competence on ethics and ethics management</td>
</tr>
<tr>
<td>ethics programs for Board and staff</td>
<td>- increase awareness on ethics</td>
<td>- mindset and attitude change</td>
</tr>
<tr>
<td>3. Institutionalizing ethics and</td>
<td>- establish systems and procedures for managing ethics at the strategic,</td>
<td>- Set appropriate resources for managing ethics</td>
</tr>
<tr>
<td>integrity:- Setting ethics structures</td>
<td>systems and operational levels</td>
<td>- have board committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- executive committee (s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- appoint ethics officer (s)</td>
</tr>
<tr>
<td><strong>Strategic Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Appointment of ethics officer</td>
<td>- identify a responsible person or designate this function to an existing</td>
<td>- institute responsibility and accountability for the ethics function</td>
</tr>
<tr>
<td></td>
<td>position preferably Head of Human Resources</td>
<td></td>
</tr>
<tr>
<td><strong>Systems Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Ethics risks and opportunities</td>
<td>- broader study</td>
<td>- compile an ethics risk profile</td>
</tr>
<tr>
<td>assessment</td>
<td>- measure specific ethics risk</td>
<td></td>
</tr>
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<tr>
<td>---</td>
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</tr>
</tbody>
</table>
| **6.** Educate stakeholders on code of ethics | - consult and engage all stakeholders on behaviour expectations  
- seek to address risks  
- signing of code by key stakeholders | - acceptance of the code of ethics  
- increased compliance  
- commit key stakeholders to the code |
| **7.** Develop ethics policies | Ensure suitable policies and ethics guidelines are in place  
- gift policy, conflict of interest policy, whistle blowing policy, anti-corruption policy | - guidelines to assist staff in ethical decision making  
- improved culture |
| **8.** Integrate ethics into the culture of the organization | - develop intervention strategies including training, mentoring, couching, help desk, hot line, whistle blowing and others | - integration of ethics into purpose strategy and operations |

**Operational Level**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.</strong> Include ethics in the performance appraisal system for all managers</td>
<td>- Managers take up the role of ethics champions for their units</td>
<td>- integration of ethics into the functions of the organization</td>
</tr>
</tbody>
</table>

**Reporting and Evaluating**

<p>| | | |</p>
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<tr>
<th></th>
<th></th>
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</tr>
</thead>
</table>
| **10.** Evaluation of ethics performance | - measure ethics performance  
- review plans  
- for continuous learning | - document ethical issues for continuous learning |
| **11.** Report and disclose to stakeholders on ethics performance | - report to stakeholders (triple bottom line reporting or sustainability reporting)  
- engage stakeholders in the process  
- Receive feedback | - boost stakeholders confidence |

Table 7.3

**Important Characteristics in Promotion of Ethical Culture**

1. **Be a role model and be visible** - employees look to the behaviour of top management as models of what’s acceptable behaviour in the workplace. When senior management is observed (by subordinates) to take the ethical high road, it sends a positive message for all employees.
2. **Communicate ethical expectations**- Ethical ambiguities can be reduced by creating and disseminating an organizational code of ethics as stated above. It should state the organization’s primary values and the ethical rules that employees are expected to follow. A code of ethics is worthless if top management fails to model ethical behaviours.

3. **Offer ethics training**- Set up seminars, workshops, and similar ethical training programs and use the training sessions to reinforce the organization’s standards of conduct, to clarify what practices are permissible and those not permissible, and to address possible ethical dilemmas.

4. **Visibly reward ethical acts and punish unethical ones**- Performance appraisals of managers should include a point-by-point evaluation of how decisions measure up against the organization’s code of ethics. Appraisals must include the means taken to achieve goals as well as the ends themselves. People who act ethically should be visibly rewarded for their behaviour as unethical acts are punished.

5. **Provide protective mechanisms**- The organization needs to provide formal mechanisms so that employees can discuss ethical dilemmas and report unethical behaviour without fear of reprimand. To complement the COCE clear responsibilities for steering ethics within organizations at different ranks should be defined as summarised in the table below.

<table>
<thead>
<tr>
<th>Cadre of Staff</th>
<th>Obligations in Promotion of Ethics and Integrity</th>
</tr>
</thead>
</table>
| Top Management   | i. Communicate ethics as a priority  
|                  | ii. Set good examples of ethical conduct, Keep promises and commitments  
|                  | iii. Provide information about what is going on  
|                  | iv. Are accountable for ethics violation  |
| Middle Management| i. Communicate ethics as a priority  
|                  | ii. Set good examples of ethical conduct  
|                  | iii. Keep promises and commitments  
|                  | iv. Are accountable for ethics violation  |
| Supervisors | i. Communicates ethics as a priority  
|            | ii. Set good examples of ethical conduct  
|            | iii. Keeps promises and commitments  
|            | iv. Support employees in following organizational standards |
| Co-workers | i. Consider ethics while making decisions  
|           | ii. Set good examples of ethical conduct  
|           | iii. Talk about the importance of ethics  
|           | iv. Support colleagues in following organizational standards  
|           | v. Employees hold one another accountable for ethics violations |

### Ethics Related Roles by different Staff Cadre

#### Indicators of Success

Organizations with strong ethics programs have found that these efforts can reduce potential costly fines, decrease vulnerability, improve reputation, provide access to capital, favorably influence their bottom line, positively affect their employees' commitment to work and enhance customer loyalty. Additionally, organizations that adhere to the roles assigned to different staff cadre as shown in the table above should exhibit the following success indicators.

i. Reduced observation of any type of misconduct.

ii. Increased reporting among those who observe misconduct.

iii. Increased satisfaction with management's response to reports of misconduct.

iv. Increased satisfaction with the organization.

v. Reduced exposure to situations that could result into misconduct.

vi. Increased preparations to respond appropriately to situations that could result into misconduct.

vii. Reduced pressure to compromise ethics standards or the law.

In summary, the ethics program can be effectively realized through:

i. Identifying risks and putting in place an inclusive code of conduct and ethics with a staff integrity pact.
ii. Managerial team should demonstrate high-level oversight to ensure compliance with the code of conduct and ethics e.g. the appointment of a dedicated ethics officer.

iii. Due care should be taken not to place individuals with a propensity to engage in misconduct in positions of authority where they can negatively influence others.

iv. Sensitization and or training of all employees on the provisions of the agreed code of conduct and ethics, which culminates into signing of the Staff Integrity Pact to inculcate a sense of ownership and mitigate litigation.

v. Establishing watertight systems to safeguard the integrity of the organization, monitor conduct and encourage employees to report unethical conduct.

vi. Enforce standards, rewards and punishment consistently across the organization (employees are more likely to engage in conduct that earns them, reward and less likely to engage in behavior that results punishment).

vii. Review, monitor and evaluate the systems and improve where applicable.
Introduction

Ethical dilemmas, also known as moral dilemmas, are situations in which there are two choices to be made, with neither being able to resolve the situation in an ethically acceptable manner. In such cases, societal and personal ethical guidelines cannot provide any satisfactory outcome for the chooser. Ethical dilemmas also assume that the chooser will abide by societal norms, such as codes of law or religious teachings, in order to make the choice ethically possible. Ethical dilemmas present situations of competing values.

Ethical dilemmas do not always have a prescriptive and clear cut response (unless there is evidence of breaking the law or accepted regulations). You may have discovered something you believe to be illegal or fraudulent, or someone may be pressuring you to mislead, or to report in a way that is against or marginal to accepted standards or outside the law. Conflicts of interest and confidentiality also raise ethical issues.

Public Sector Managers and Ethical Dilemmas

Controversies surrounding the behaviour of high profile leaders seem to be commonplace in public life. That there has been a resurgence of interest in the study of ethics is not surprising. The spotlight on ethics in the public domain has been due in part to the crisis in confidence about government and a lack of public trust in organisations. Furthermore, a complex organisational environment where managers are being required to juggle a multitude of competing obligations and
interests’ (Cooper 1998, p. 244) has provided fertile ground around for the emergence of ethical dilemmas.

Spotlight on Ethics in the Public Domain

Corruption, fraud, illegal conduct and other types of criminal activities have characterised both public and private sectors around the world. Controversies surrounding the behaviour of ministers, senior public sector managers and other high profile leaders seem to be commonplace in public life and never far from the headlines. There is little doubt that different types of unethical behaviour have contributed significantly to increased cynicism and scepticism by the larger public. This trend is evident in the growing public concern over the inappropriate conduct of leaders and other officials. For example a leader displaying inappropriate behaviour in public i.e defending illegal squatters. It has resulted in a resurgence of interest in ethics in many countries around the world.

The spotlight on ethics in the public domain has been due in part to the crisis in confidence about government and a lack of public trust in public organisations and personnel. Some public policy analysts (see. for example, Kimber & Maddox 2003) argue that much of the mounting concern over public sector ethics may be related to the effects of economic rationalism, managerialism and privatisation, all of which raise questions about the public good and what is in the public interest. Other commentators (e. g. Sherman in Preston 2000) have raised concerns about the arbitrariness of public sector appointments and the growing politicisation of the public service (Sherman in Preston 2000; Ashkanasy, Falkus & Callan 2000; Mulgan 2000, 1998).

Allegations of the politicization of the public service bring the whole area of ethics and the ethical conduct of public officials sharply into focus because public officials are expected to perform their duties in the public interest, not swayed by party, political or other pressures. Politicization also runs counter to the ideals of a public service established on independence and impartiality (Kimber & Maddox 2003). Indeed ‘the notion of the public service’ is indisputably value laden. This understanding implies that public officials are often required to choose among multiple and complex values, thus making their decisions contestable (Preston 1994, p. 1). For some writers, public sector ethics goes beyond avoiding corruption, being responsive to the government of the day, being efficient or providing a quality service. It involves pursuing wider moral principles in the public interest, such as ‘justice, fairness, individual rights (e.g. privacy
and due process), equity, respect for human dignity, and pursuit of the common
good' (Denhardt in Niland & Satkunandan 1999, p. 84). Furthermore, it is argued that
‘without an underlying moral purpose [ethics] is a hollow shell’ (Edwards 2001, p. 17).
This understanding of public sector ethics derives from the Westminster principles of
representative and responsible parliamentary government, on which the majority of
western democratic polities have been founded.

Ethical Dilemmas
Ethical dilemmas rarely present themselves as such. They usually pass us by before
we know it or develop so gradually that we can only recognize them in retrospection -
a little like noticing the snake after you have been bitten. But what are the signs that a
snake might be present? An ethical framework could be likened to the restlessness of
animals prior to an imminent earthquake. The following principles could be considered
as landmarks - generic indicators that can be used as compelling guides for an active
conscience. However, they are NOT absolute rules or values. They are more like a
rough measurement where an exact one is not possible. They often conflict with each
other in practice, and some will trump others under certain circumstances, but remain
as principles that need to be considered, as they appear constant.

During this module learners will be exposed to numerous ethical dilemmas in
different professions in public and private sector.
"The crisis-prepared organization understands its risk profile, minimizes risks by lowering risks that can be controlled, minimizes risks by creating countermeasures to risks that cannot be avoided, re-evaluates its risk profile frequently, considers the impact on ethical risk of new strategies, structures, policies……"

(Hanson)

Introduction

Recent scandals within public and private sector corporations have made management, investors, and the public at large to become increasingly interested in evaluating companies for ethical performance and risk. Internally, frauds and relationship management are costly. Externally, there are movements concerning tightened ethical risk assessment. Thus, there is a lot of pressure from both internal and external stakeholders towards increasing ethical risk assessment in organizations. It is not just the explicit regulatory push, but there’s also the heightened awareness in society that these things matter. Once fraud taints an organization, it is costly to make amends in terms of both image and finances. The key is to proactively determine where risks lie and either eliminate the source or mitigate the risk before it reaches headline proportions.
The Concept of Risk Assessment

The concept of risk is not new. The hunter gatherer had to consider the risk to himself when hunting a large animal capable of harming the hunter, and the wider population was at risk if poisonous berries were mistakenly gathered for the evening meal. Thus, risk assessment is an attempt to estimate the likelihood of either positive or adverse outcome if a specified course of action is followed. Risk assessment is inherent in all human activity, not only in respect of tasks undertaken in course of work.

The term "risk assessment or analysis" implies not merely an assessment or attempted quantification of the risk, but the concept incorporates elements of managing the risk by risk reduction processes and consideration of tolerability of the residual risk. Above all, the process of risk assessment in a work place is meant to be a guide to action. No activity can be risk free, and in our societies, risk assessment is about making judgments as to whether or not to accept a given level of risk. Effectively, the question is whether or not the risk is low enough to be acceptable by the risk-taker. A risk taker's own assessment may not accommodate the risk tolerance of other persons.

Risk Tolerance and Acceptance

The level at which risk is tolerable to an individual varies with a variety of factors. Although the precise numerical value of the probability of the adverse event occurring cannot be given in all circumstances, an estimate based on experience can be provided in most cases. Consideration of the mathematical value of the risk is combined with the voluntariness of the risk, immediacy of the adverse consequence, and easy identification of the individual or body who might be blamed for the adverse event. It is this combination that forms the basis of an individual's judgment of what is acceptable. Where no reasonable estimate of risk can be given, further uncertainty is added to the consideration, uncertainty itself is normally an adverse factor for most people.

New Emphasis on Ethical Culture in Organizations

There are two main drivers:

i. Recognition that tone at the top can help predict unethical behavior.

ii. Implied and explicit push for companies to evaluate ethical risk.
Where the Risk Comes From

There are four main sources of ethical risk:

1. The Industry.
2. The Company / Organization.
3. Community.
4. The Individual.

Why Risk Assessment?

The Ethics Risk Assessment provides a critical component in an organization’s strategy to reduce the risk of fraud and criminal conduct and maintain high ethical standards. This Assessment is used in conjunction with an organization’s Code of Ethics and its internal controls management. The Code of Ethics should reflect the organization’s efforts to manage its legal risks as indicated by the standards and policies outlined in the code document. {CoE is used to assist members of an organization to understand the difference between ‘right’ and ‘wrong’ and in applying that understanding to their decisions. An ethical code generally implies documents at three levels: codes of business ethics, codes of conduct for employees, and codes of professional practice}. The organization’s internal control reflects its efforts to manage risks related to insufficient controls and processes. Ethics Risk Assessment supports the organization’s efforts to manage its Ethics Risks by providing the Board of Directors, the Audit Committee and Ethics and Compliance managers with data on the success of the organization’s efforts to maintain an effective ‘tone at the top’ and the ethical environment in the organization.

Best practices in maintaining high standards dictated by the Ethics and Anti-Corruption Commission Act and other relevant Laws of Kenya (our weakest point in Kenya) as well as the audit governing bodies emphasize the need to be alert to employees’ perceptions in the implementation and enforcement of code standards and internal controls. The American Institute of Certified Public Accountants (AICPA) recently noted that perceptions of management’s commitment to uphold ethical standards influence the degree to which employees and other parties follow the code and /or report violations of the code.
Risks to Integrity

The extent to which management is perceived to be committed to a conduct sanctioned by the code will influence the organization’s ability to deter, prevent, or detect management override of internal controls and violations of the code. Equally important, an evaluation by the audit committee of how effectively management communicates information about the code and motivates employees to comply with the code also provides key information about the culture.

Employee awareness and training about the code may signal information about management’s commitment to the code and indicate the likelihood that employees will report management code violations. Conversely, a lack of awareness by employees may signal management’s lack of commitment to ethical conduct.

Using the Results of the Ethics Risk Assessment

The results of the Ethics Risk Assessment should be used to create a benchmark for the organization’s programme and serve as a basis for critical comparisons of data. In developing an action plan, an organization should look for variances in relative scores among the six categories as well as among the various demographic segments chosen to be surveyed. The six categories known as the B CLEAR categories are: Beliefs, Communication, Leadership, Equity, Awareness and Rules and Regulations. The assessment results will help the organization deploy more focused ethics and leadership training to the areas that need it most. The organization should review the
survey periodically to determine if sufficient progress is being made in closing gaps the organization identified in particular categories and among selected demographic segments.

Three Models for Ethical Risk Assessment
Currently, there are three main Models for Ethical Risk Assessment namely:

1. Global Reporting Initiative (GRI)
   - Pulls together many social performance measures
2. Ethics Resource Center (ERC)
   - An example of a culture survey
3. The Santa Clara Alternative (SCA)
   - Gets at all three sources of risk

Global Reporting Initiative
i. Multi industry level - sets common criteria for reporting about interactions with stakeholders and sustainability.

ii. The guidelines - the idea is to limit ethical risk by assuring compliance with multinational standards.

iii. Backward looking - lots of social performance measures.

GRI I- Guidelines
i. Guide the preparation of organization-level sustainability reports.

ii. Assist organizations in presenting a balanced and reasonable picture of their economic, environmental, and social performance.

iii. Promote comparability of sustainability reports.


v. Serve as an instrument to facilitate stakeholder engagement.

GRI II - Guidelines
The Guidelines do not:

i. Provide instruction for designing an organization’s internal data management and reporting systems.
ii. Offer methodologies for preparing reports, or for performing monitoring and verification of such reports.
iii. Offer much help in assessing future risk.

Ethics Resource Center (Ethics Effectiveness Quick-Test)

ii. Focuses on 12 areas of assessing the organization’s commitment to ethics, examples are whether or not organization has guidelines for ethical decision making and an assessment of the organization’s ethical climate.

Main Drawback: Overly focused on the organization

Ethics Effectiveness Quick-Test I (Values and Strategy)

i. Organization values: Does the Organization have Clear and consistent values?
ii. Strategy, goals, and objectives: Is ethics part of the strategy of the Organization?
iii. Ethics policies and procedures: Are ethics policies clear and communicated effectively to all employees?

Ethics Effectiveness Quick-Test II- (Ethics in the Organization)

i. Organizational incentives: What behaviors are rewarded in the organization?
ii. Decision making: What’s the consideration of ethical factors in decision making?
iii. Building support for ethical practices: Are ethical practices of the organization’s DNA?

Ethics Effectiveness Quick-Test III-The Last Steps

i. Ethical leadership practices: What is the tone at the top?
ii. Evaluation of ethical practices: Does the organization monitor the impact of its ethical practices?
iii. Ethics education and training: What types of ethical training are offered?
The Santa Clara Alternative

1. The Industry
2. The Company
3. The Individual

i) The Industry
1. How intense is the competition? (More=Higher Risk)
   • Where is the competition most severe? Sales, Design, etc.
2. How valuable is information about the competitor? (More=Higher Risk)
   • What type of information? To what unit of the company?
3. How differentiated is the product? (Less=Higher Risk)
4. How important are a few large customers? (More=Higher Risk)
5. How important are trade associations? How much contact is there between companies? (More=Higher Risk)
6. Is there overcapacity in the industry? (More=Higher Risk)
7. Does the industry have multiple relationships with its customers or business partners? (If Yes=Higher Risk)
8. How closely regulated is the industry? (More=Higher Risk)
9. How involved is organized crime in the industry? (More=Higher Risk)

ii) The Company

The section of the Santa Clara Alternative dealing with the company itself focuses on three separate aspects:
   a. structure or strategy;
   b. the ethics system and,
   c. the culture.

Under structure or strategy, questions delve into how hierarchical the company is (the more hierarchical, the greater the risk), how flexible it is in adjusting goals to changing conditions, and how much the company deals with “problematic” countries, industries, suppliers, and business partners (the more dealings, the higher the risk).

The ethics system section asks about a company’s code of ethics and values. Does the company conduct meaningful ethics training? Does it incorporate ethical
and value-oriented behaviour formally into the performance evaluation system and reward ethical behaviour? Does the company ever punish senior executives for unethical conduct?

iii) The individual

The tool’s last section centres on how the company deals with individual employees. Questions in this section include: Does the company’s ethics program credibly emphasize that ethics is every employee’s business? Does the company seek to rein in arrogance and hubris? How decisive is the company in dealing with ethical violations that arise? How effective is the employee assistance program in helping employees with personal or financial problems? This section scrutinizes more closely how individuals understand, trust, and use the systems in place to aid in ethical conduct—not just whether or not the company offers them. Another recommendation was to ask how employees perceive the fairness of company policies.
Delivery of program on Mainstreaming Ethics and Integrity in 3 phases in 15 days

Mainstreaming ethics is the only ethics program with comprehensive combination of a scholar practitioner’s curriculum. The program offers theoretical knowledge as well as practical application skills that will enable participants promote ethical conduct.

The comprehensive program is offered through instructors (face to face delivery) in 3 phases of 5 days each from 9.00am – 5.00pm at the institute’s selected venue. Two months break is taken after phase one and three months break after phase two. Practical examples, group discussions, videos, case studies and role plays are used throughout the delivery to reinforce concepts learnt.

Phase One: - Introduction
This phase covers modules 1- 6 and focuses on theoretical concepts of ethics, integrity and related areas. Mastery of subject is expected at the end to this module. Participants will take home two assignments that must be submitted within four weeks.

Phase Two: - Application of concepts
During this stage delegates will revise the assignments. Modules 7 – 9 will be covered with emphasis on the application of ethics and integrity concepts to develop an ethical organization culture. Delegates will take home a final assignment which will test their ability to apply the learning. This assignment is designed to demonstrate the delegate’s competence, confidence, deserving and capable of being an integrity officer. The assignment must be delivered within 60 days from the date of completion of this phase.
The successful completion of this assignment will earn the delegate a designation of a Integrity Officer (IO) from a recognized institution. This designation will be elevated to Certified Integrity Officer (CIOF) once formalities are completed. This qualification is a testimony of a resolve to promote moral conduct in all spheres of life. The delegate gets an opportunity to join a community of moral agents that will continuously further their learning on ethics and integrity through Continuous Ethics Education (CEE). The delegate can join the Ethics and Integrity Institute as a member. The IO will be relied upon to strengthen ethics and integrity structures for character transformation.

1. Conduct Ethics Risk Assessment and develop a risk management framework.
2. Conduct a corruption risk assessment and develop remedial measures for the risks identified.
3. Review and recommend appropriate ethics management structure for a public or private organization.
4. Develop risk minimization strategies for an organization.
5. Develop code of ethics.

Phase Three: - Final stage

Presentation of the assignments followed by a thorough review of the experiences and challenges based on the second and final assignments. This is to ensure participants thoroughly understand the processes of promoting a culture of integrity in the organization.

During this final stage a 3-hour written examination will be administered.

General support:-

i. Delegates will have access to an instructor and a course administrator whose contacts will be availed during the first phase.

ii. A participant’s course booklet will be delivered to each delegate.

iii. Web references, texts and extra reading lists will be availed during the training.
SAMPLE ASSIGNMENTS

Assignment will be varied by the facilitators to take into account current and emerging issues

1. Using examples, discuss ethics concepts including values, morals, virtues, principles and norms.

2. Is wealth declaration an effective tool for corruption prevention, critically discuss.

3. Formulate a wealth declaration strategy for your organization.

4. Discuss the major ethical issues that have affected companies in your industry. Using relevant examples such as newspaper cuttings, demonstrate the effectiveness of national or local systems in responding to such issues.

5. Do you agree that ethical conduct is deficient for most individuals in organizations? Discuss strategies that can enhance ethical behaviour of individuals and organizations.

6. Discuss the concept of fair trade in an ethical context. Should the underdeveloped countries enforce trade restrictions with the more developed partners?

7. Discuss the changes at organizational or policy level that can be made to encourage or compel managers to respond more effectively to ethical issues in their organizations.
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