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# Anti-Corruption: OECD Releases Practical Guidelines to Promote a Cultural Shift in Society and Businesses

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Preventing corruption is a day-to-day challenge that requires society as a whole to become aware of the necessity to foster a real cultural shift. Although legislation and internal policies remain essential, they are not sufficient to prevent corruption. They must be supplemented by a genuine anti-corruption culture – that is, a mentality and values that make corrupt practices unacceptable and that promote integrity as part of the daily routine of all actors in society.

The Organisation for Economic Co-operation and Development (OECD), which has always been a world leader in combatting corruption, recently confirmed the need for all stakeholders to foster public integrity. On 20 May 2020, the OECD released its new <u>Public</u> <u>Integrity Handbook</u>. More than a mere checklist, the Handbook provides practical guidance to help organizations achieve and better promote public integrity, including in the business sector.

## A Cultural Shift: The 2017 Recommendation on Public Integrity

The traditional approach to combatting corruption was to focus on more rules, stricter compliance and tougher enforcement by governments. This approach led to major instruments in the fight against corruption.<sup>1</sup> However, this rule-based approach does not fully

- address the complexity of interactions between the public sector and private organizations; and
- factor in the many consequences of corruption on everyone, including waste of public resources, economic and social inequalities and distrust in public institutions.

In 2017, in order to address this specific issue, the OECD published its <u>Recommendation on Public Integrity</u>, which outlines 13 principles to achieve public integrity beyond strict rules, integrity policies or "checklists."

According to the Recommendation, corruption can only be tackled if society as a whole deploys concerted actions grounded in the "three pillars of integrity" – namely,

- i. a cultural shift to make corruption socially unacceptable,
- ii. systems that reduce opportunities for corrupt behaviour, and
- iii. accountability by everyone.

# The Public Integrity Handbook: Key Takeaways for Businesses

The recently released Handbook is meant to be a significant tool in helping organizations achieve the 13 principles set out in the 2017 Recommendation.

The main takeaways for businesses include the following:

- Both *rules* and *values* should be memorable and actionable and form part of the organization's policies and strategies in order to ensure they are effective. Policies and training must provide practical examples for *everyday* ethical dilemmas.

- Rules are not enough. Integrity must be openly advocated and brought forward by management in *day-to-day* and regular discussions with members of the organization.
- An open organizational culture must be fostered so employees, managers and leaders can regularly engage in conversation with the aim of raising concerns and, ultimately, reporting suspected violations. Ethical dilemmas and errors should be discussed freely without fear of retaliation.
- A proper *tone from the top* plays a big role in fostering a culture of integrity. Senior managers should systematically and regularly commit to integrity in their communications and have adequately staffed and equipped integrity departments.
- Integrity leadership a concept defined by the OECD as both a trait and a style by which leaders exhibit high standards and promote ethical decision-making – should be part of the criteria for hiring, training, evaluating and promoting managers at all levels of an organization.
- *Who is accountable for what* in the design, lead and implementation of the organization's integrity system should be defined and understood by the members of the organization and its departments.
- A clear and comprehensive whistleblower protection framework is necessary, but not enough. Employees must *feel safe to blow the whistle* when deemed appropriate, understand how to do it and be informed about the potential repercussions of disclosing. *Many options for denunciation* should be made available to facilitate reporting without fear of reprisal.
- A violation that is reported or uncovered within the organization should be promptly *investigated*, *sanctioned* and, when possible, *remediated* through preventive measures.

### Mitigating the Risks

This new Handbook forms part of a larger set of tools made available for organizations in their anti-corruption efforts – for example, the <u>World Bank's Guidelines</u>, the U.S. <u>Resource Guide to the U.S. Foreign Corrupt Practices Act</u> and the U.K.'s Guidance on The Bribery Act, 2010.

While it is for businesses to decide how to implement anti-corruption guidelines and undertake a cultural shift that places anti-corruption at the heart of their priorities, the guidance and advice provided by the Handbook are useful to identify and mitigate the integrity risks constantly faced by organizations of all industries, especially when heightened in times of crisis. In particular, vulnerabilities resulting from global economic disruption are concrete examples of challenges that the Handbook aims to address.

<sup>1</sup>Most notably, the <u>Convention on Combating Bribery of Foreign Public Officials in International Business Transactions</u> (incorporated in Canada by the <u>Corruption</u> <u>of Foreign Public Officials Act</u>) and the <u>United Nations Convention Against Corruption</u>, New York, 2004.

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