# 'TONE AT THE TOP': FIGHTING MILITARY CORRUPTION IN LATIN AMERICA

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#### Abstract

This essay aims to discuss how tone at the top works in the traditional military contexts found in Latin America, and how the right tone could be adopted in corrupt military institutions to move towards an ethical role-modelling environment. For this endeavour, several strategies that can help military generals to fight military unethical culture in contaminated hierarchical organisations will be proposed, while a number of hypotheses on the institution's functioning will be provided. Differently from private companies' theoretical bias, the main suggested approach implies the initial establishment of a strong, transactional-based tone at the top as the main tool to fight military corruption. As a further step, after the corrupt culture has been neutralised, transactional leadership based on ethics could be slowly transformed into gentler versions of transformational style, but never letting the main fear of the harshest punishment evanesce. In summary, by showing that unethical leadership will necessarily pave the way for misconduct in traditional military organisations, we propose a cannonball strategy, based on a punishment and reward system, to reinforce integrity instead of gentler or charismatic leadership styles.

#### Introduction

Military corruption in Latin America is not only specifically acknowledged by international organisations indexes such as Transparency International UK,<sup>2</sup> but is also implied in other more general indexes which recognise the high risks of public corruption in the region. According to the 2014 Corruption Perceptions Index, two thirds of Latin American countries landed in the bottom half of the index, showing that corruption is not decreasing.<sup>3</sup> Besides that, bigger<sup>4</sup> or smaller

Scientia Militaria, South African Journal of Military Studies, Vol 43, No. 2, 2015, pp. 79–111 . doi:10.5787/43-2-1125 corruption cases,<sup>5</sup> as well as local red flags for military corruption in relation to procurement processes in the region are starting to be described by academia,<sup>6</sup> while the superethical aura traditionally attributed to the military is slowly being deconstructed.<sup>7</sup>

Although the citizen's confidence in the Latin American armed forces is still high, the historical, idealised image (often guaranteed by the lack of military transparency, according to Klaus) is not surviving the hard facts and media reports denouncing military officers and politicians. Scholarly attempts to understand the military culture and improve military administration are accompanying this uncovering bias. For example, specific tools and methodology are being developed to assess and measure military governance and integrity.

It appears that, despite the citizens' fear inherited from decades of violent dictatorship, the armed forces as a whole are losing their status as morally indefectible organisations and are being called into public accountability. Admitting that corruption exists in the military milieu is the first step to reach for a solution. My contribution will be to describe in this essay the typical social environment which can be found in more traditional military forces, such as the Latin American ones, while reinforcing the importance of the tone at the top coming from the higher ranks in order to maintain an ethical workplace environment.

According to ACFE<sup>13</sup> (the Association of Certified Fraud Examiners), tone at the top can be defined as the "ethical atmosphere that is created in the workplace by the organization's leadership". The association cites firms such as Enron, WorldCom and Tyco, whose employees followed the unethical lead of their bosses, who made it clear that profit should be attained at any cost. The ACFE (referring to 2005 National Business Ethics Study) explains that, by setting unattainable goals for employees or forcing them to do whatever it takes to bring money into their firms, unethical executives help to create "an entire culture of workplace fraud"<sup>14</sup>, allowing for ethical breaches to occur.

Some other possible definitions for tone at the top were described by the International Federation of Accountants (IFAC)<sup>15</sup> as "the standard set by the organization's leadership whereby performance is measured", "the culture within which the members of the organization operate", "the tone set by senior management", "irrespective of management's documented strategy and policies, it is the force that drives individual professionals", and the "unseen hand that directs activities regardless of management's proximity to the action". <sup>16</sup>

The IFAC agrees that strong discipline regarding core values is the key to success and lies within the responsibilities of leaders. Staicu et al.<sup>17</sup> analysed tone at the top in the accounting context, coming to the conclusion that, although a clear framework for the term has not been identified, the core concept is still able to achieve great influence, as they showed by means of relevant cases. Cases in which

leadership seems not to have as important an effect on ethical behaviour as other organisational factors<sup>18</sup> seem to be the minority.

Furthermore, by considering mediation effects, literature shows that the group – and the culture at a broader level – sometimes seems to compromise the moral of individuals, <sup>19</sup> and at other times, individuals are able to corrupt the group. <sup>20</sup> It seems clear that both directions often coexist<sup>21</sup> and that the ethical culture demonstrated by management provides example and direction to the whole organisation, thus strongly shaping its work culture. From a social learning point of view, some authors<sup>22</sup> state that this shaping occurs through role modelling, embedded in a structure of punishments and rewards, which influences the ethical behaviour of subordinates. Hence, when the question arises of what a corporation should do to mitigate corrupt behaviour, setting the tone from above seems to be quintessential.

On the relationship between ethical leadership and subordinate performance, Van der Werf<sup>23</sup> concluded that ethical leadership bears a direct influence on the performance and well-being of subordinates. Van der Werf meant, however, that this influence was mainly related to power sharing and transformational leadership, which are very rare in military environments but a growing trend (although not always authentic) in private organisations. Keeping in mind that military organisations are different from such private firms in this and many other aspects, it is essential to describe the typical specific context where tone at the top is introduced, and then to suggest how generals and higher officers could help fight a corrupt military environment more effectively by finding the right tone.

#### Method

This essay aims to discuss how tone at the top works in the traditional military contexts found in Latin America, and how the right tone could be adopted in corrupt military institutions to move towards an ethical role-modelling environment. For this endeavour, three methodological steps are necessary:

- 1. As a first step, the military context and tone at the very top are presented, in order to localise corruption inside a very specific work environment, putting focus on more traditional and authority-based organisations;
- As a second step, available literature will be used to build several hypotheses on the application of previous knowledge (related directly or indirectly to tone at the top) to Latin American military organisations; and

3. Finally, by showing that unethical leadership will necessarily pave the way for misconduct in traditional military organisations, we propose a cannonball strategy, based on a punishment and reward system, to reinforce integrity instead of gentler or charismatic leadership styles.

# Ethical leadership and tone at the top in hierarchical organisations

This essay deals with the environment at organisations structured around hierarchical levels and traditional inflexible military functioning, where professional skills are secondary to hierarchical rank. In such traditional structures, direct subordination exists between given positions on a power scale, where higher ranks have more power, and lower ranks have less power. Rank, rather than competence, dictates function and superiority.

A crucial piece of the definition of the military context in which the leaders addressed here are introduced is the role they play in society. They have no profit or production objectives, but a very high social purpose, concerning national security and people protection in general. In other words, the weight on the shoulders of military leaders is primarily social responsibility towards the nation and its security, including, but also sometimes in spite of, their staff, their government and their citizens.

The definition above can be applied to a wide range of militarily structured organisations, such as the three armed forces (army, navy and air force), firemen and police. For the purpose of illustration and because of the author's professional experience in the field, the military context will be discussed, but generalisations could easily be applied to similar organisations as well.

In these kinds of structures, personnel have different origins and sometimes even different cultural backgrounds within the same country. Likewise, and given the authoritative spirit of military institutions, there is an obligatory socialisation for newcomers in order to make the employee fit into the culture of the organisation. Rank is more important than professional competencies for such institutions and it is not rare to find completely unskilled people running a whole procurement or internal control department. The first observation here is that military leaders are people with higher ranks. In other words, real leaders are the 'formal leaders'. Other kinds of informal leaders do not have sufficient reach inside the organisation, because formal leaders' decisions overrule any other thoughts. Formal leaders' behaviours, decisions and motivations therefore bear a natural influence throughout the whole hierarchical structure. Even at less hierarchical firms, they tend to follow a Mayer et al.<sup>24</sup> trickle-down model, although much more profoundly down employee levels

than these authors suggest. We argue that, in traditional military contexts, the influence of top management differs from Mayer et al.'s short spring weakened by supervisor mediations. Rather, because of the authoritative hierarchical structure, military top management tone carries almost like a straight arrow shot down the military stairway.

Because of their object study and empirical findings, for Mayer et al. there is a dichotomy between two schools of thought dealing with tone at the top: on the one hand, there is the Sarbanes–Oxley-influenced school that says tone at the top "is critical and thus top management should have the strongest influence on employee behavior"<sup>25</sup>. On the other hand, the other school of thought asserts that rather than senior management, supervisors have the strongest influence, because "they are mostly likely to serve as ethical role models due to their proximity to employees"<sup>26</sup>. Mayer et al. found evidence that the "influence of top management is mediated by supervisory ethical leadership"<sup>27</sup>, which means that influence of top management can also be weakened or changed in nature according to supervisory styles and interactions within groups.

In the military management world, this influence of supervisors would be much less strong because of administrative subordination to higher ranks. Unlike Mayer et al.'s implication that top management and supervisor styles could differ at some point in the firm, we argue that most military supervisors who hold such jobs are the (legal and traditional) reflection of their military top managers due to hierarchical subordination. If an unethical general or other high-ranking official gives an order for misconduct, subordinates do not have much freedom to do anything but obey. For example, if a general wants to go against regulations and use the military car for private matters, or wants to buy alcohol for a party or requests any other illegal or immoral act, and a colonel or a lieutenant refuses, that person will be (at minimum) relieved from supervisory duty to make way for another person to get the job done. Corrupt military top management are powerful enough to enforce their style, which will perpetuate within their scope of power, either by punishing dissidents or by not punishing perpetrators, allowing a permissive environment to flourish.

As a matter of fact, military supervisors, even when more technically skilled than their superiors, traditionally have no freedom to decide and act. Hence, while in other kinds of organisations, authority based on expertise could make all the difference between compliance and mere obedience,<sup>28</sup> in traditional military institutions, authority related to one's rank is what really counts. If one supervisor refuses to perform an unethical mission given to him/her, there will be another supervisor who will ultimately follow his/her superior's orders precisely, according

to this argument. The same thing happens down the hierarchy, so that subordinates' personal style in traditional military institutions is almost irrelevant if compared to strong formal leaders' influence, in the form of a general order and managerial ideals.

In other words, supervisors are indeed nearer to their under-ranked employees, but they can ultimately only act according to orders and strategy handed down by superiors. Thus, in the case of traditional military organisations, we could speak of an 'arrow down' effect, with influence coming directly from the top, so that supervisors are much less powerful mediators. Those allowed to perform a job as ordered (refusers or thinkers are expelled) are simply followers of the direct and indirect orders, cultures or motivations of their superiors. Any mediations or deviance will be seen as insubordination, and the deviant will consequently be expelled from the function and substituted by someone who will perform the task as ordered.

Hypothesis H1 – In traditional military organisations, there is an 'arrow down' effect coming directly from the top's influence.

Hypothesis H2 – Military staff consider that, among common rationalisations, a non-existent or unethical tone at the top coming from upper management is the main facilitator for corruption in military organisations.

This would mean that supervisors are much less powerful mediators than previously thought and that they cope with top management style, taking advantage of opportunities when the style is permissive of corruption. This would mean as well that lower and middle ranks are strongly influenced by the general's style and they should understand that this style reflects on their direct bosses as well.

This theoretical hypothesis of the 'arrow down' effect was already indirectly tested in Brazil by Klaus<sup>2930</sup> by means of a 2-year field study in military administrative contexts, which resulted in various in-depth interviews. The author collected evidence that people's rationalisation of fraud was very closely related to the group and to tone at the very top, that is, direct influence from top military staff seemed to be stronger than that of their intermediaries, because staff know that all orders or permissions come from above. The interviewees reported that they would only be allowed to perform inside a military structure if they coped with their superior's style, which ultimately came from the top boss (the general).

Following this path, we could also say that other theories applied to private companies, suggesting political skills,<sup>31</sup> group consciousness or voices,<sup>32</sup> or job autonomy, individual responsibility and initiative<sup>33</sup> as important mediators for

employee ratings of ethical leadership, could not properly explain the particularities of the military world, for these (autonomy, political skills, initiative) are elements that do not strongly characterise traditional military organisations, where subordination and work dependence are the rule, and initiative is usually not well seen and is often taken for insubordination or lack of hierarchical respect.

Hypothesis H3 – In the military context, political skills, group consciousness or voices, job autonomy, individual responsibility and initiative are NOT important mediators for employee ratings of ethical leadership, because these (autonomy, political skills, initiative) are elements that do not strongly characterise traditional military organisations.

# Different tones and practical strategies

The foregoing paragraphs provided a definition of tone at the top, and a theoretical context of traditional military institutions was depicted to facilitate an understanding of the topic. According to the chosen scenario, tone at the top could be seen almost as a proxy for ethical leadership in private organisations, being a very important variable to be considered when a corrupt environment prevails.

From the previous information we saw that, when it comes to military institutions, ethical leadership is formally defined and differs slightly from tone at the top, whereas the former is a prerequisite for the latter. In the traditional military world, formal influence through rank has the final word, which is carried down the hierarchical structure like the continuous simulacra of a chief executive officer (CEO). The research conducted by Mawritz et al.,<sup>34</sup> departing from social learning and social information processing theories, seems to reinforce this hypothesis by stating, "abusive manager behavior is positively related to abusive supervisor behavior, which in turn is positively related to work group interpersonal deviance".

Every official is a 'top' and has a 'tone', but this intermediate should comply with the tone of the 'very top'. Dissonant reactions, especially when defending ethics in a corrupt environment, are normally radically expelled. Generals' orders, role modelling and style therefore frame the power of each lower-ranked CEO, building a homogenous ethical climate. The formal leader, in traditional military organisations, is the real leader.

Hypothesis H4 – In the military context, military staff perceive that the REAL ethical leaders have little or no influence and that the FORMAL leader is ultimately the real functioning leader.

Changing an unethical military environment to an ethical one is a very difficult task indeed because of the strong and directly cascading influence, where unethical behaviour is (sometimes conveniently) accepted almost as an order, instilling misconduct deeply in the habitus and souls of personnel.

Quickly cutting out such deeply socialised behaviour requires a much stronger tone at the top strategy, surprisingly far more authoritative and punitive than if applied to business firms, but necessarily based on role modelling of authorities, to permeate the cascading lower ranks and make them understand how the ethical music plays. In the following section, a strategy of instilling the right tone in corrupt military institutions will be proposed.

# Instilling the tone - transactional ethical leadership

Contrary to the transformational leader<sup>35</sup> and its variations, the study reported here suggested that when a military institution is trying to revert an unethical culture inside its organisation radically, a more transactional style would be required, combined with a firm hand to guide, punish and set the example. For other issues, such as management, effectiveness and efficiency, there are sufficient findings in literature that describe more collaborative transformational strategies to achieve organisational objectives. As military institutions make no profit and should merely survive (economically speaking) in order to serve the nation and its citizens, introducing a strong ethical leadership strategy could do no harm to their operational goals, but only improve the chances of success, at least in the long term, after which a less severe ethical leadership could be adopted.

This work suggests that, in order to make an effective and radical change from unethical to ethical culture inside of a military institution, a transactional leadership approach is more appropriate when dealing with the realm of ethics and integrity. Critics of the transactional leadership style<sup>36</sup> state that transactional leaders would try to guarantee their status quo and ignore subordinates' needs and their real capacity or will to follow orders or assimilate values. This assertion applies only partially to the studied case.

Firstly, most military staff already have their status quo guaranteed over time through naturally tenured career development, and politicians only gain importance at the height of their careers, so that this transition from colonel to general and so on up the ranks of command implies status quo preservation. This is why becoming a general normally involves being chosen by others according to some kind of criteria.

Secondly, managerial styles based on punishment and rewards are intrinsic to traditional military organisations where there is a clear and natural chain of command and a historical tendency to behaviourist soldier training. Based on Kelling, Wasserman, and Williams, by comparing leadership style needs, Murray<sup>37</sup> states

police officers, unlike assembly line workers or military troops, do not work under the direct scrutiny of supervisors [and consequently, and amongst other things, brings about] considerable role strain on officers who are portrayed as professionals on one hand but treated as recalcitrant semi-skilled workers on the other.

Murray further points out what a typical full militaristic model would be:

... has authority linked to rank; relies on one-way communication – from the top to the bottom; requires unquestionable acceptance of directions from a superior rank; involves no consultation in decision-making; neither seeks nor encourages initiative; and incorporates a discipline within a rule based system on the assumption that the employees cannot be trusted and should be punished when they breach the rules.

Thus, considering that most military institutions work within such traditional structures, transactional management styles related to ethics would then be more natural and efficient tools for making the transition from an unethical to a more ethical culture.

Moreover, if corruption is so widespread and so embedded, no small talk about ethics will keep officials from doing wrong, for they have long been rewarded along the other path and they have their uniforms and ranks to hide behind. A corrupt military institution would need more of a cannonball to overcome highly immoral cultures quickly, showing the internal and external enemy that there is no more mercy whatsoever, and no waiting time available for citizens' trust and money to be valued. Other techniques and leadership strategies could also be used in order to maintain the effects in the long term, transforming the cannonball into a continuous, but never weak, fire.

Some studies suggest that authority will not oblige subordinates to behave ethically and that duty or legal obligation to obey will not overwhelm people's personal moral standards. Skitka et al.,<sup>38</sup> for example, claim, "authorities' ability to lead rather than simply coerce compliance is tied closely to subordinates' perceptions of whether authorities share their moral vision". Inside a corrupt military environment, the moral vision of subordinates is already distorted and cannot serve

as basis for acceptable moral vision. Accepting what the authors say would mean that an ethical general willing to turn the table would not exert any influence, for the employees would not share the same moral vision as their higher boss. In traditional military environments, it does not work like that: subordinates' every step and breath are subjected to orders and oversight from above. This does not in any way mean that role modelling does not play a big part in the process. If generals are corrupt, they will provide the situational context so that they can spread corruption as well, no matter what they say. Even when their orders are to 'behave ethically', while they do not, they will need their military subordinates to act corruptly in their name, and that would open all practical doors for misconduct to happen. Therefore, it is not a question of sharing moral views, but rather of providing practical conditions and signs for corruption in spite of the spoken law. The way that leaders embody their moral identity towards subordinates portrays their ethical behaviour better than the highly internalised values they may indirectly show.<sup>39</sup> That is why an ethical tone at the top in military organisations is so important: just as reprehensible behaviour from every boss at every rank level would inspire and motivate subordinates to imitate the style, these ethical bosses would likewise provide the ideal practical conditions for avoiding corruption, punishing perpetrators and rewarding honesty.

Although not an absolute impediment, a nation's cultural moral vision can be a very strong enemy for ethical military bosses. With a strong desire to fight a culture where corruption is taken for granted, one has to bear in mind that the cannonball strategy using punishment-based transactional styles could better serve countries like Brazil or even other more developed countries, where "the tolerance for bribery can be exacerbated by a series of cultural values that characterize Latin American countries such as collectivism, particularism, subjugation to nature, and high power distance". Tackling a traditional military organisation is therefore to tackle many of these characteristics – including relationship orientation, historical political and business domination by large families – which other studies mention as determinants of a greater tolerance for misconduct.

This means that, in some environments, corruption is not only taken for granted inside the organisation but outside as well. It is therefore even harder to convince corrupt military people (who rely on their authoritative power, who cannot lose their jobs easily, and whose actions are often fully or implicitly supported by higher ranks) with beautiful words of ethics through more charismatic or transformational leaders. Military work life in Latin America is strongly characterised by paternalism and collectivism, placing "a high value on interpersonal harmony, group solidarity, interdependence and group achievement", according to Sanches et al., revealing a tendency to favouritism and consequently to justify

misconduct using specific circumstances and external attributions, reducing the perceived level of control and unfortunately "increasing the manager's tolerance of employees' accepting bribes" All deviances from these values against organisational success will be seen as betrayal. This kind of context serves as another good reason to reject a gentler tone at the top styles and to embrace a more aggressive strategy that could serve as our cannonball to shift the boat towards value-based ethical management.

Hypothesis H5 – Military leadership in developing countries is set in paternalistic, collectivistic, particularistic cultures, with high tolerance for employee misconduct.

Another argument for transactional leadership in military ethics is that military officials are public officers who rely greatly on their stable positions. They perceive that misconduct will ultimately not bring them serious consequences, namely not losing their stable jobs, so rare in the unstable modern world. A transactional approach using punishment will be able to reach this rationalising argument in perpetrators, demonstrating that any deviance related to corruption will be punished harshly, even with job loss. Military punishments, when they happen, are much harsher than private ones and such a possibility becoming real would be a first factor to avoid.

Lastly, implementing a transactional leadership style of ethics based on contractual mutual benefits does not prevent the institution from using other more appropriate styles for other activities and issues by means of a situational or contingency leadership strategy. Referring to transactional and transformational leadership, Bolden et al.<sup>42</sup> argue, "both kinds of leadership are necessary. Transactional leadership has remained the organizational model for many people and organisations who have not moved into or encouraged the transformational role needed to meet the challenges of our changing times". This is the case, for example, of the Brazilian armed forces, formed by many men and women who belong to different cultural classes and local cultures. Campbell and Kodz,<sup>43</sup> referring to police leaders, also say that using a mixed style leadership (combination of transformational and transactional styles) "may be more effective than leaders that rely purely on transformational behaviors".

Moreover, many military issues are urgent in their missions and significant. When a general has to deal with highly corrupt environments, he/she is dealing as well with corrupt men and corrupt soldiers, who would probably betray their bosses and their nation again during a possible conflict or war. In this case, where corruption is deeply embedded, there is no time to transform slowly, but rather to demand, expect and press staff deliberately to act immediately according to their

legal and moral duties as men/women of war who were entrusted with power by the people.

Despite contrary opinions,<sup>44</sup> Brown and Treviño declare, "discipline sends powerful signals about the value of organizational norms and leaders' willingness to stand behind them", so that inappropriate behaviours are discouraged. Brown and Treviño explain that systems of rewarding desirable actions should feed an ethical culture within organisations, concluding that unethical behaviour in organisations could well be explained by means of a social learning approach where "employees will pay attention to and mimic leaders' behavior, and they will do what is rewarded and avoid doing what is punished in the organization"<sup>45</sup>.

Brown and Treviño<sup>46</sup> explain that ethical leaders are "rarely described as transformative or visionary, terms that are consistent with the transformational and charismatic leadership literature". Storr<sup>47</sup> also considers that transformational leadership can be unethical as well, for the transformational leader could be evil and manipulative instead of righteous and virtuous, motivating followers to do the same. Other authors rely on authenticity rather than on a transformative style, arguing that authentic leaders encourage better performance from followers, helped by followers' own positive emotions, even in extreme situations.<sup>48</sup>

Authentic military leaders must be authentically ethical to achieve these performance benefits. Tang and Liu<sup>49</sup> identify that authentic supervisors with a high level of personal integrity and character (ASPIRE) are able to create an ethical culture and motivate subordinates to behave ethically, also curbing unethical behaviour intentions in people without this high level of integrity and character. They explain, "with the presence of high ASPIRE, high love-money people are likely to obey authority figures" <sup>50</sup>

However, if a military leader's authenticity must necessarily be accompanied by personal ethics, a transactional style does not mean that military leaders cannot be charismatic or demonstrate respect and consideration for their subordinates. Generals can be highly inspiring and charismatic figures by being examples (instead of purely exploiting rank-based power differences to achieve compliance) and at the same time being transactional in their ethical leadership to cut corruption radically. This work thus defends the possibility of a transitional style to bear the right tone at the top content for the (not always homogeneous) military staff whose working structure is based on formal influence. Tone at the top as suggested here implies that generals must act and serve as role models for the whole institution and strongly demand the same behaviour from every component of military ranks through a strict policy of punishments or rewards, at least at first. As Cialdini and Goldstein<sup>51</sup> admit, the problem in achieving compliance is not that

authority would not work, but rather how authority is put into practice. In the case of traditional military institutions, the ethical position of a general is decisive for fighting a corrupt military institution, regardless of his/her personal profile. However, the higher the administrative technical expertise of the general, and the more respectful behaviour he/she authentically presents, the more effective and the quicker he/she will be fighting corruption inside his/her military institution.

Studies on the relationship between integrity and transactional leadership have been conducted mostly at private firms<sup>52</sup> and it was found that transformational leadership can especially be linked to perceived integrity. Generals can profit from these findings at a later stage, after having shown that corruption is intolerable in every possible way and for every possible rank, and will be punished no matter the subject and no matter the expressed motive. After the first cannonball has been launched against corrupt officials, a slow awareness process that will outlive the cannonball can surely be built. However, imagining that traditional military forces would ever allow a shared form of leadership (or thinking that such non-autocratic form could cut corruption deeply at its roots) is not realistic, although forces could certainly progress to that once a sustainable ethical climate has been built.

Corroborating our proposed approach, a very interesting research study on police integrity and leadership style showed that –

specific leadership qualities are required to curb specific types of integrity violations. Role modeling is important and especially significant in limiting unethical conduct in the context of interpersonal relationships (...). Strictness is important as well, but appears to be particularly effective in controlling fraud, corruption and the abuse of resources. The impact of openness is less evident. (...) Existing theories emphasize the importance of value- and culture-based strategies. Role modeling and openness are considered more effective than strictness, including sanctioning. Our research results show that the significance of strictness is often underestimated and that it is vital to differentiate more clearly between types of integrity issues. This is an unexpected result with significant consequences for both theory and practice.<sup>53</sup>

Baxter et al.<sup>54</sup> draw attention to the fact that training and discipline could cause a negative effect on organisational integrity when misused or unfair (or "tokenistic, simplistic or patronizing", according to the authors). It is therefore important to invest time in planning and developing appropriate and fair punishments, solutions and procedures, so as not to fall into such cases. At the same time, Baxter et al. recommend rewarding ethical behaviour, although they reveal that

the rewarding technique is very seldom utilised in organisations. This could well be the case with traditional military institutions, where doing good is merely doing one's duty and nothing more. Indeed, feeding the social learning schema defended by so many scholars as previously stated could help to make good behaviour habitual and show staff that there are many additional advantages in proceeding that way, aside from fulfilling their obligations.

Hypothesis H6 – Given that psychological or social aspects would not apply or be effective to mediate the ethical leadership towards an environment without corruption in order to overcome a corrupt environment in the military context, a system based on reward and punishment would be seen as more likely to function by military staff, instead of a transformational system.

#### Suggestions to improve the process

In order to bring about a change in an ethically soiled corporate military culture, the following suggestions could be taken into consideration when choosing the proposed 'cannonball' ethics-related transactional strategy: selecting the right personnel and regulating situational variables

Fine<sup>55</sup> comments on integrity testing in personnel selection in order to predict what he calls "counterproductive work behaviors", which we generalise here as bureaucratic corruption. Fine's findings show that, although the integrity test result had "impressive validities for predicting"<sup>56</sup>, situational variables of reported employee engagement and perceived security control norms would be a moderator of the reverse relationship of integrity to misconduct when integrity showed to be low. The author concludes, "high integrity seems to have a strong enough personal control to deter individuals from committing serious counterproductive behavior, but that when this personal control is low, situational variables will influence behavior"<sup>57</sup>.

This leads to the next suggestion concerning the need to control and manipulate these variables inside the organisation. This should be achieved not only by reinforcing and monitoring control tools to avoid corruption, but also by developing a positive work environment in which people are happy and feel engaged with the firm's ideals.

Based on the influence of tested integrity on predicting corrupt behaviours, it is important for personnel to be selected carefully and independently, which contradicts a very common practice in Latin America of employing relatives and children of high-ranking military officers as temporary staff. Being a relative of a

military official is no guarantee that a person is ethical. It could be exactly the other way round – the employee could use his/her position to break the rules, knowing that he/she will be protected or feared due to family ties.

Another conclusion is that, for generals as well, it is not enough to have personal integrity. They need to understand the environment they are dealing with and actively transform it into a flourishing place for ethical behaviour together with their peers. On the basis of the social learning theory, studies cited and conducted by Mayer et al.<sup>58</sup> have shown the inverse correlation between active ethical leadership (that moulds organisational ethical climate through punishment and reward) and employee misconduct.

Another suggestion related to military personnel is choosing and managing people according to competence<sup>5960</sup> and not according to rank when it comes to specific functions within the military organisation. Career military personnel, whose training was more focused on issues of weaponry, geography and war, do not necessarily have the required professional skills to deal with procurement, internal or external controls and other money-related processes that strongly require specialists and that are corruption-pervasive.

A very important element, however, is that these specialists must have decision-making power over unskilled staff, regardless of rank, when it comes to professional issues of their specialties. Such analytical capacity combined with veto power in skilled professionals will be extremely valuable for preventing misconduct and corruption in a kind of organisation where power is often the perfect opportunity for corruption. If, for example, an ethically skilled manager could use his/her veto power to deny the use of military planes or personnel for the private matters of a colonel or general, many instances of fraud could be prevented.

#### Maintaining openness at lower levels

While striking hard from above for ethical behaviour and compliance, a measure of openness between subordinates and immediate direct superiors should be preserved, allowing informal channels for discussion and whistle-blowing to work.

In private firms, openness related to ethics tends to be more powerful and more valued, because flexible management styles so permit. Also, because profit is usually the highest aim, employees must be creative and productive, discuss and work in group structures and spread important information quickly in order to react. Without openness, this would not work.

When it comes to military institutions, the situation is not the same. To start with, there is the problem of authority. Every official has some kind of authority, which is inflexible due to the very nature of military tasks. Communication does not flow freely due to bureaucratic and rank obstacles. It would thus be neither simple nor even possible to maintain openness as the core directive inside a military institution, especially if dealing with the armed forces, characterised by a stronger hierarchical and work-dependent structure than police officers have. In peacetime, which characterises modern times and most countries, military work happens much more inside an office than out in the field, with almost no autonomy in it, contrary to the work of a police officer. Hence, openness does not seem to be the main or natural key when dealing with an unethical military environment, especially when the culture is open to corruption.

Another typical aspect of military life that minimises the value of deep member exchange is the frequent occurrence of transfers to other locations and states (in Brazil, it is typically every two years), adding career points for later or constantly collecting transfer pay for the future. However, this unfortunately breaks up freshly started relationships all the time.

What Walumbwa et al. call "leader member exchange" of and which is reported to be positively linked to job performance is not very natural or is sometimes even avoided in traditional military environments in order to avoid disobedience or undesirable discussions. Additionally, in military organisations, there are typically no production or profit goals, but rather a kind of efficiency whose top measurement would be seen in Brazil as merely fulfilling one's obligation. Hence, if you have just one document on your table to tackle, and you do it, you are showing good performance, and your boss would see it exactly the same way. That is why it is difficult to measure and even identify performance in the military environment, even if it is an administrative environment we are dealing with. Some military departments have more concrete workloads or urgency, such as building, procurement or logistics, but others have more subtle final products or none at all.

Thus, the notion of performance in the military environment is not uniform and does not seem to be very relevant. Even though quality of work (difficult for both internal and external measurement) could be influenced by a strong communicative exchange, creativity or quantitative productivity is not perceived as very pertinent to the military context.

Consequently, and contrary to the private firm-related suppositions of Van Knippenberg et al.<sup>62</sup> and Walumbwa et al.<sup>63</sup> in military environments, organisational identification would play no significant part. Even having a strong level of

organisational identification, military staff would typically produce no more and no less than expected, not only because they are mostly public employees with guaranteed job stability, but also and mainly because of the organisational culture in which they are included. In Latin America, for example, this culture implicitly allows military staff to go against regulations and start a private business outside of work, with the excuse of low salaries and the absence of extra financial rewards within the organisation. This is another reason why staff generally do not do more than expected, despite an eventual high level of organisational identification or a perception of self-efficacy. This is because in Latin America, military officials often have enough time to pursue external activities in addition to their work in the forces, so they tend to do just enough inside the organisation to justify their jobs. This draws attention to the fact that, without a strong tone at the top controlling such things, a permissive environment is created, so that military personnel understand that they can also profit from internal procurement by illegally creating their own firms to win tender processes.

Different from private organisations, in the military context, self-efficacy is also not so relevant, as Walumbwa et al.<sup>64</sup> and cited works propose, because within traditional military organisations, people are often assigned to do jobs due to a need in the region they are sent to, because of the possibilities allowed for each rank, because there is not enough available workforce in a given department, or for some other reason unrelated to appropriate professional qualifications. Thus, self-efficacy is traditionally low in an administrative military environment and would not be a good mediator between ethical leadership and employee performance, just as the communication aspect called "the leader member exchange"<sup>65</sup>.

Hypothesis H7 – Military staff perceive soft communication styles, omissions and ethical gaps in their favour (such as for opening their own firms) as a weakness in tone at the top and permission to do other similar things.

Without an internal premium from the corporation and understanding corruption as not harming the organisation, corrupt military officials are usually motivated by the rewards derived from corruption (usually money or desired transfers). Moreover, due to the very nature of military functions, staff will perceive any soft style or omission as a reflection of top management style and permission for misconduct. To achieve the social goals of military forces by overcoming the abusive authority of perpetrators – who necessarily move inside a permissive environment – a firm hand from top management is needed. A transformational strategy based on interaction, communication and openness would not work to remove corruption effectively from local military culture. The main strategy this

work defends is the establishment of a strong tone at the top within a strict transactional style that can preserve the social mission assigned to armed forces. This would probably not bring an impression of despotic leadership at all, as shown by De Hoogh and Den Hartog. 66 Their research revealed, "leaders high on social responsibility were rated higher on ethical leadership and lower on despotic leadership. Ethical leadership was also positively related to perceived top management team effectiveness and subordinates' optimism about the future of the organisation and their own place within it". As a matter of fact, according to De Hoogh and Den Hartog, the concept of ethical leadership involves the leaders' capacity to influence staff towards the expected objectives in a socially responsible way. 67

Provided that there is strong guidance for ethical values towards the military social mission, and provided that there are expectations to be met, actions to be controlled and public certainty that perpetrators will be punished, then and only then could openness be secondarily used, possibly in smaller groups of peers and work teams to discuss values, real fraud cases or potential situations where enforced ethical principles are at stake. This information could feed the higher ranks so that they build reward—punishment systems that are seen as fair, and obtain the voluntary and willing support of staff in the long term.

Leading by example. This should be the headline in the internal war against military corruption. According to interviews conducted by Brown and Treviño, leaders are moral persons (when dealing with their own values and behaviour) and moral managers (dealing with leaders' expectations of followers). According to Brown and Treviño, as moral persons, leaders should be "honest and trustworthy, take good care of their people, and do the right thing in both their personal and professional lives. They make decisions based on values and ethical decision rules, and they are fair and concerned about stakeholders' interests and long-term outcomes" This means, if a military general claims to defend ethical behaviour and family values, he/she should live accordingly, presenting a mirror to reflect his/her subordinates.

As Pricewaterhouse Coopers (PwC)  $\rm UK^{69}$  explains, based on a survey of 144 PwC Fraud Academy members –

while leaders are articulating the ethical values and principles they want others to work by, these are not regularly measured or evaluated and are often undermined by their own leadership teams' behaviours. More than 40% of the survey respondents said that, on occasions where tone from the top had been undermined it was due to leadership not acting as role models and their actions not matching the ethical message being communicated.

Hoyt et al. <sup>70</sup> describe another mechanism, aside from the blinding effect of being in power, which can lead leaders to misconduct and to refuse their modelling role. For Hoyt et al., leaders believe themselves to be more justified than others to engage in morally deviant behaviour to achieve their group's goals. This justification is associated with the value leaders place on their group's goals. This explanation makes sense in some cases where generals think of themselves as very important pieces of this group. For example, when a military leader in Latin America uses a hospital that is not accredited in the military system, creating a major and unnecessary cost for the military health public system, he/she may rationalise the misbehaviour in a sense that he/she has to be healthy to lead his/her staff.

Other authors<sup>71</sup> explain this rationalisation as a product of too much work borne by passionate (and morally unstable) leaders. These excessive activities poach the necessary mental energy needed for processes which depend on cognitive resources, such as ethical behaviours. Additionally, unethical behaviours from leaders may even be supported by employees as in a cult of corporate directors. Prentice<sup>72</sup> explains, "humans are often so enamored of corporate titans that they let them get by with decisions and actions they would condemn in other people". The problem is, when a general is an ethical exception, he/she will produce exceptions en masse, not only because he/she will require other people to justify his/her ethical failure administratively, but also because he/she will inspire the same kind of behaviour all the way down the ranks.

Leading by example means that there should be no room for exceptions – no luxury, no using government airplanes, no free services, no gifts, no private misuse of security or service men, and no extra money and power for leaders or their families. There should be no alcohol at parties, even if just socially. There should be no wrong or missing paperwork, even if just to make a procurement process possible, or even if a legal gap should so allow. There should be no sign that misconduct would be tolerated in any way, because every exception will be seen as an example to follow, and examples easily turn into orders to misbehave.

Sometimes top management may allege that they needed to do something for the sake of the office. A very common example in Latin America, where funds are scarce and procurement is bureaucratic, is to consent to 'harmless' misconduct that allows a barrack to function. For instance, a contract that allowed for buying 50 pencils is sometimes used to purchase 25 pencils and one computer chip, off the record. This is called 'chemistry' by Brazilian insiders, comprising an illegal transformation of goods in order to meet immediate needs rather than what is written in the contract, with the help of providers. Another example of 'chemistry' is the use

of food allowances to purchase alcohol for internal parties, which is normally forbidden in all armed forces. Military leaders should be aware that ends do not justify means if a general is to be taken as an ethical pillar and that such things make clear to staff that their own misconduct is also excusable. If a general allows irregularities to happen, he/she will never be taken seriously when pleading for consistent and universal ethical behaviour.

Brown and Treviño<sup>73</sup> partially question the 'cascade effect' or the 'trickle-down effect' presented by Bass et al. and Mayer et al., respectively, finding some other sources of ethical inspiration provided by their respondents, among which childhood models were the most frequent. While stating that these will eventually be replaced by more relevant references to their workplace context, Brown and Treviño see a possible reason for the fact that in their survey, the top management model was not significantly related to ethical leadership. They understand that (in the private firm context where they conducted research) top managers are far away from most employees, generating few personal relationships and little explicit behaviour for lower-level leaders to mimic.

In the traditional military world, ethical influence happens differently. Although it is true that a distance exists between a general and other high-ranking leaders, the distance is not as wide as in private corporations. Soldiers and other low- to mid-ranking staff have extensive access to top management and even to their families in work, training and private situations. This happens because military leadership works locally and also because military work life often mingles with private life, even as an additional form of control. In Brazil, for example, almost every state has its own general, who always has the last word. The general is received by lower ranks in the many daily and official routines. He/she needs to visit and supervise all military institutions under his/her command and not only the higher ranks will report directly, for the military work context of managing, training and even partying brings people much closer together than the private context of big firms does.

Generals also do their training and courses inside the force and they will have direct contact with all ranks during such situations, sometimes assuming the role of trainees. Their families are treated in military hospitals and they meet other military officers and their respective families at festivities and ceremonies many times during the year. Hence, just by simply performing routine functions, every single move a general makes will be closely watched and taken as role model, for the good and for the bad. In order for the role modelling influence to work, this precondition of 'side-by-side influence', mentioned by Waever, Treviño, and Agle<sup>74</sup>

exists in the military environment, at least indirectly, and on a much broader scale than in private firms.

Another aspect of the military context is that most personnel start their military paths at early ages (as plain soldiers or as cadets aiming for higher positions in command) but they are also typically influenced to follow such paths by military relatives. Their role models acquired at early ages are thus usually military leaders as well, though not only from top ranks. We believe that, when dealing with the military context, the divergent literature questioning or minimising the influence of role modelling from top management should make peace, acknowledging that the considerable influence of armed forces generals makes them formal and, therefore (at least in this context), real leaders.

There is much debate about what makes a good role model. Campbell and Kodz, referring to police leaders, found that leaders who are "active, out in the field, who set a good example and employ role-modelling strategies may be more effective at influencing subordinates' behaviour (including impacting on integrity and the ethical culture of their force) than transformational leaders that rely too heavily on inspirational motivation and interventions such as mentoring". As a matter of fact, tone at the top is often a very good proxy variable of leadership integrity, as Baxter et al.'s interviewees revealed:

I think the biggest danger is the failure to practice what you preach ... that is the most damaging thing to an organisation ... when you have people in responsibility at the top of an organisation, then people aspire to be like them.<sup>76</sup>

In military organisations, the power of higher officials brings a magical aura to cadets and soldiers who try to follow their path. Because being and remaining in the military is often a calling (at least in the beginning, for younger people aspiring to serve their nations), false tone at the top can do much more damage to a soldier's soul and behaviour pattern than a private employee would suffer with a dishonest boss. The employee (at least in the modern world) will tend not to spend a lifetime at the same firm and can eventually find better influences. Soldiers, however, tend to stay, also because the things they learn in the military are very unique and cannot be applied anywhere else. By staying, a soldier or officer who has a bad example to follow will, for instance, be a bad soldier and a bad man. As a bad man, his actions affect his private circle. However, as a bad soldier, his behaviour has a far more powerful reach, for it deals with the well-being, security, rights, sanity and lives of other people and nations.

A corroborating study by Hannah et al.<sup>77</sup> was conducted in a military environment, acknowledging, "military contexts also have salient hierarchal systems and unique attraction and selection processes, which may have influenced the effects of leadership in the current study. Because of their formal status, for example, military leaders may be more salient as role models". The authors understand that, in the military context, exemplary behaviour is essential for soldiers acting under extreme conditions and they argue that the moral courage shown by a leader can be "positively related to the extent to which followers behave ethically and restrain from unethical acts"<sup>78</sup>. Moral courage is, above all, actively serving as an example of good behaviour and always doing the right thing even under hard conditions, no matter what the personal cost.

Hypothesis H8 – Military staff follow the role model of the general under whom they work, adopting his/her style instead of their direct supervisor's style. The general's role model, for the good or for the bad, will exert more influence than that of direct supervisors.

Hypothesis H9 – Military staff perceive supervisors' leadership style, and tone necessarily follows the tone at the very top.

Hypothesis H10 – Military staff consider tone at the top as the main tool against corruption, followed by the other tools suggested by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (such as standards of conduct, evaluation of adherence to these standards and addressing deviation in a timely manner) and by training.

Hypothesis H11 – Corrupt tolerant organisational cultures supporting employee misconduct are linked to management style.

Hypothesis H12 – Individual psychological aspects are not seen as main causes of misconduct.

# Formalising expectations

For Braxter et al.,<sup>79</sup> "having a list of values, as long as it is properly embedded and genuinely able to guide behaviour, crystallises organisational tone and allows it to be spread throughout the organisation". To do this, Staicu et al. speak of a variety of formalisation levels of desired standards, including missions and value statements, standards and codes of conduct, policies, practices, operating principles, specific guidance to management and the board, and responses to deviations, among others.

However, just writing and formalising principles are not enough. In 2013, COSO issued a new version of its internal control framework, which helps firms with guidance on leadership, internal control and risk management, ultimately aiming at deterring fraud. This version states 17 principles associated with the five main complements of internal control, together with four points of focus related to the first of the principles, which were very valuable for this research.

In order to show commitment to ethics in a context of environment control, firms should set the tone at the top (through directives, actions and behaviours), establish codes of conduct (which should be disseminated and understood by employees and outsourced service providers), evaluate adherence to these standards (individuals and groups should be assessed regarding their ethical performance) and address deviation in a timely manner (misconduct and deviations should be identified and corrected without delay).

This means there should be strong formalisation and follow-up on what is expected from top executives and general staff in relation to what they are really doing. Leadership, policies, strategies, information and culture are the main drivers of integrity, according to the FEE (Federation of European Accountants), who pleads that codes of conduct must be formalised and transformed into practical and realist powers for good. The FEE argues that successful embedding of ethical values can be indicated by providing awareness and predictability of ethical dilemmas, transparency about behaviour, proposing long-term visions and goals related to integrity, and supporting employees to uphold the organisation's ethical values.

A typical obstacle for traditional military institutions is wrongly assuming that they already have all of this on account of their military laws. These are often incomplete, unclear and too general in relation to the ethical (ever-changing) dilemmas that people face, not only in business issues but also from a personal point of view. Not every already issued military law will be able to tackle specific situations, such as the presence of gays in the armed forces, or the newest kinds of corruption derived from technological advances or human creativeness, or specific bad behaviour of higher officials. Military laws are the legal basis for punishment, but not the main ground for ethical dissemination, which should be done in a much more particular way, using all possible tools to ensure that the ethical environment will be controlled, for example, according to the COSO suggestions.

Apart from the general values publicly stated by a military institution, there could be parallel but interconnected codes of conduct for all staff, sometimes equal, sometimes different, according to the ranks, responsibilities and functions within the institution. There should be frequent training on integrity requirements, on typical

dilemmas, on possible solutions and on existing and functioning punishment systems. There should also be frequent evaluation of individual performance, but this should be well adapted to avoid the hierarchical constraints provided by the military system, in order to prevent any form of persecution, protection or unfairness.

Matveev and Lvina<sup>81</sup> add that an important attribute of effective leadership is the choice of communication strategies, which depends on different cultural environments. Military institutions need to have proper guidance and research sources to formalise their internal codes, also profiting from cultural differences among their own staff. Patelli and Pedrini<sup>82</sup> call attention to the fact that communicating values in a "complex and not engaging" narrative way indicates a dangerous CEO style of tone at the top, related to financial reporting aggressiveness that inspires accounting fraud, corruption and misconduct. Just like the CEOs from private firms, military generals have also accumulated great decision-making power and their communication strategy and content can work a positive or negative effect on the military institutions they command.<sup>83</sup>

#### Training

Training is an opportunity to make leaders and followers aware of the values and codes of behaviours at stake. It is an opportunity for newcomers to integrate into a highly ethical environment, and for active staff to understand and follow it. Training makes expectations from generals clear to subordinates and helps to build a discussion around important ethics-related situations, promoting individual and corporative strategies to mitigate risks. Researchers also see cases in which misconduct is pursued in spite of the theoretical good nature of staff, being not always a product of evil and greed.

That is the case of Palazzo et al., 84 who define moral blindness as the "temporary inability of a decision-maker to see the ethical dimension of a decision at stake ... good people behave in pathological ways that are alien to their nature", because they cannot "assess ethical values or prototypes that, in principle, are available to them". For Palazzo et al., based on Punch and on Tenbrunsel and Messick, a strong economic thinking frame sometimes tends to wipe out ethical dimensions of the problem for the employee. This could be the case when a military staff member, who does not find enough competitors on the market to submit price bids, chooses to falsify documents in order to achieve the legal condition for procurement and therefore to provide the institution with the goods it needs from the only provider available. However, it is not the case when the desired, bribe-paying winner is already chosen and fake price bids are produced to fill the legal gaps. How to tell one from the other, as military leader? There is no room for exception in

military organisations, because of the very values these organisations preach and for the delicate and life-related mission they are entrusted with on behalf of an entire nation.

Training is therefore important to raise awareness of this missing ethical framework to accompany every decision made by military chiefs and staff. Armed forces are there to serve the nation, and therefore the national citizens. If corruption takes place, the public trust would be betrayed, regardless of any possible and seemingly just reasoning.

Develop whistle-blowing and other processes to support ethical conduct

To support tone at the top enforcement, processes related to control, investigation, evaluation and reporting should be developed, together with specific investigation procedures and protection of a whistle-blower's anonymity. Managerial and technical tools should be able to make words function and to provide staff with knowledge, means and techniques to identify, report and react to fraud, turning the process into a transparent canvas. While there are research studies (e.g. Baxter et al.<sup>85</sup>) claiming that whistle-blower hotlines are one of the best available tools for detecting fraud, the perception of their effectiveness can vary among different cultures.<sup>86</sup>

In the military world, whistle-blowing without an organised system (or anonymous, as per Apostolou and Apostolou<sup>87</sup>) is synonymous with public exposure of the whistle-blower, given that the normal, hierarchical way to report is to write a formal and signed communication to superiors telling the facts. Referring to private firms (and citing Martin and Rifkin, <sup>88</sup> Faunce et al. <sup>89</sup> and Rhodes and Strain, <sup>90</sup>) Jackson (2008) <sup>91</sup> states that whistle-blowing can bring serious professional and personal consequences to the whistle-blowers, who can be treated as enemies of the institution and suffer "a range of hostile and retaliatory consequences" <sup>92</sup>, including career termination and grave health distress. Berry <sup>93</sup> suggests some elements that should be embedded in the organisational culture, such as commitment, courage, accountability and engagement in order to allow whistle-blower systems to work successfully.

Military personnel could claim that they do not need these systems, because they already have intelligence departments, which in traditionally organised armed forces are primarily focused on the outside world and only very rarely would have people with the expertise to judge financial or ethical failure. Actually, because they do not have this expertise, some internal misconduct tends to be conveniently seen more as irregularities than as corruption, placing priority on the administrative survival of a barrack at some 'bearable' administrative cost.

Thus, by focusing primarily on a nation's security against national or international enemies and not exactly on the internal, technical ones, the existence of an intelligence department is not enough to mitigate and understand the pervasiveness of administrative and financial corruption (these, and not war, are the real daily routine) inside a military barrack. Intelligence departments, as traditionally built, thus cannot sufficiently support and enforce the right tone at the top. For this reason, better designed processes, more specific risk assessment procedures, and more technically trained staff should be gathered for the corruption deterrence task.

#### Conclusion

One possible determinant for 'tone at the very top' to work with is the cultural environment the institution presents. Like the chicken and egg dilemma, it is hard to say whether unethical leadership or unethical culture came first in unethical traditional hierarchical institutions. Literature provides at least two approaches for describing the antecedents of unethical behaviours, analysing them under the bad apples and bad barrels perspective, which Baek et al.<sup>94</sup> describe (and try to combine):

according to the bad apples approach, one can attribute organizational unethical behavior to personal characteristics of individuals (undersocialized perspective). The bad barrels approach, in contrast, focuses on the primacy of organizational and situational variables in influencing the unethical decision and behaviors (oversocialized perspective).

When dealing with corrupt military organisations, a possible argument is that an unethical leader pertains to the culture, so that cultural influences came first. Anyway, studies confirm that the leader's behaviour is critical for the solution, for creating an ethical climate and reducing employee misconduct.

But when it comes to practical improvement needs in corrupt military institutions, the focus must first be on the top's efforts and on its authority to change things radically. Generals must understand that no small fraud exists and that there are no differences between fraud and irregularity, so that a good explanation or intention is not enough to justify anything immoral, whether legal or illegal. If exceptions are permitted, and if the (hypothetically speaking) ethical top obviously has no control over every exception because of the natural distance from everyday life problems (since managing a country is not the same as handling a firm), and even worse, if leaders allow exceptions in their own favour, which spread bad simulacra seeds, then there can be no right tone.

Although the military ethical mentality comes like an arrow from the top, soldiers can only feel the strong punitive hands of their general from the point of view of their sergeants, and these from their lieutenants, these from their captains, and so on, in order to identify and report the misconduct. If misconduct can normally just be perpetrated with the acquiescence of immediate higher ranks, the control and punishment must come straight from the top down, so that the ethical leadership of a general can reach each one of his/her subordinates like a long arrow. Internal control could be provided from general to general and from civilian ministry to generals, as Montesquieu's <sup>95</sup> checks and balance once thought. Unethical generals should thus be pointed out to the corporation with the help of internal supervision committees.

This work proposes some strategies that can help military generals fight military unethical culture in contaminated institutions. The focus was the initial establishment of a strong, transactional-based tone at the top as the main tool. As a further step, after the corrupt culture has been neutralised, transactional leadership based on ethics could be slowly transformed into gentler versions of transformational style, but never letting the main fear of the harshest punishment evanesce.

Contrary to what Gamliel and Peer<sup>96</sup> concluded for the business world, under normal conditions, the fear of being caught and the certainty of military punishments would make a half-reasonable soldier tremble and sweat in the harsh and arid traditional military world.

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