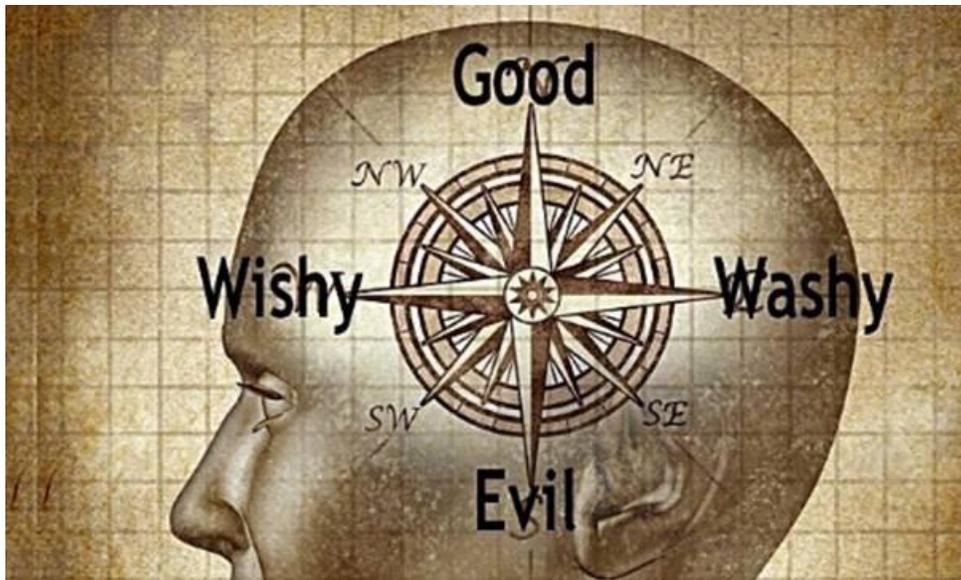


think
**supply
chain**
think SAPICS

Dealing with corruption
in business when rules
alone just don't seem to
work.

ROB REICHE


SAPICS
your supply chain community



Dealing with corruption in business when rules alone just don't seem to work

A brief article in the technology section of a local daily (The Star, April 6 2018) recently caught my eye. It described the rise of what it called “Dark AI”, a world in which intelligent cyber-attacks are now a reality. In response to this very real threat, organisations are employing sophisticated automatic security systems incorporating ever more intelligent algorithms, adopting a defensive approach in a way that is in fact comparative to cyber warfare.

Who wasn't fascinated by the spectacle of Mark Zuckerberg, head of Facebook, when he recently appeared before the US Congress to face questions about the role of his social media organisation in the Russian interference of the 2016 US Presidential election? The members of the Congressional Committee were clearly out of their depth in understanding the nature of the technology and what actions were necessary to prevent attacks on the personal data of citizens. The knee-jerk reaction of some committee members was to control or punish. Laws, rules and regulations seem to be the extent of solutions to counter the manipulation / corruption of those with evil intentions.

But we know that rules (or controls) alone don't seem to work. So what is to be done?

The strategy of “name and shame” for instance is ineffective in the case of long-lasting immoral behaviour, particularly when it is habituated and deep-seated (McWhinney and others provide important insights into worldviews and mindsets). In these cases, changing habits is significantly more challenging and yet has proven to be not only attainable but highly effective in rooting out and dealing with this kind of unwanted and shunned unethical behaviour.

Ethics in society has long and respected tradition. However, my aim is to look past the nature of rules that must be put in place to counter the scourge of corruption and rather draw on some reflections of personal experiences.

Here I'd like to touch on the field of neuroscience and how by using neuroscience principles and creative exchange processes I have had great success in getting leaders to change their worldviews.

Neuroscience has developed rapidly in the previous decade or so, from evolutionary neuroscience (the broad study of the evolution of the human nervous system) to the more specific neuromorality (the connection between morality and neural function – see the work of Patricia Churchland).

Experience has also shown that individuals seek to validate their beliefs and behaviours with those high on the “pecking chain” (those with power). Leadership therefore plays a pivotal role in the embedding a new cultural norm in the group. After all, regarding ethics “the fish rots first from the head”.

Getting leadership to manifest the desired behaviour is often a challenge – “it is sometimes easier to change the individual leader than it is to change the worldviews and behaviour of the leader.”

An inadequately prepared leader can produce devastating organisational consequence – a leadership crisis. Should the leader ask for the “lights to go on” and nothing happens. With each repeating demand and no tangible change the resulting leadership impotence causes increasing self-doubt and the organisation is effectively decapitated.

Of all the discoveries in recent times, the notion of neuroplasticity is probably the most ground-breaking; the fact that the brain does and can be changed – even into old age (see Mindsight by Dan Siegel).

The brain functions by way of electro-chemical processes in which detectable electrical waves are emitted and chemicals known as neurotransmitters ebb and flow. Astonishingly, neural activities in the brain can now be linked to identifiable behaviour.

I would like to illustrate neuroplasticity and how we can use it to our advantage in shaping behaviour. To do this I would like to focus on only three regions of the brain; the hippocampus, the prefrontal cortex (PFC) and the Anterior Cingulate Cortex (ACC).

Long-term memory formation involves the function of the hippocampus. In particular, learning what is “right and wrong” (viz. values and beliefs) can begin at infancy. This occurs long before the rational part of the brain has fully developed.

The PFC is one of the last regions of the brain to mature and it is here that rational thinking occurs; where personal reality-making takes place. This is where we translate our experiences into the “rules” that define and make sense of our reality.

The ACC is a brain region/structure that connects many of the neural circuits and most importantly, the hippocampus and the PFC. So a strong ACC is necessary to help the PFC make sense of the powerful emotional responses of memory.

By chance, when studying people who practice mindfulness techniques, scientists discovered that these practitioners had abnormally well developed ACCs. Consistent mindfulness practice in the form of meditation and daily activities such as mindful walking, eating and other simple tasks has been shown to thicken the neural circuits of the ACC.

The benefits of a well-developed ACC are stress reduction, clear thinking and an ability of reframing mindsets (and the willingness to re-evaluate values and beliefs).

The work of Dr. Paul Zak has proven conclusively that oxytocin, a hormone and neuropeptide (chemical used by neurons to communicate with each other) and vasopressin, has a decisive impact on human morality, and is so eloquently described in his book “The Moral Molecule”.

Produced in the brain, oxytocin has been produced artificially but dissipates very rapidly outside the body. This is most unfortunate because it has been shown to stimulate strong empathetic responses in people and result in a “do unto others as you wish them to do unto you” states. This then has been the ground-breaking finding from many validated and peer-reviewed studies he has conducted over many years.

The challenge then is to stimulate empathetic states in people, make them receptive for change and influence them to respond favourably to appeals for fairness and morality. Zak’s work offers some surprising practices that will naturally stimulate oxytocin in the brain.

Over the previous five years, we have tested the applicability of some of the key findings from neuroscience in a number of leadership programmes and identified some that have worked in practice.

Next I’d like to elaborate on how working with an intact team and establishing a formal process for engagement within the group has proven critical to success.

As humans, we learn from an early age from others - we internalise beliefs and values in our interaction with our caregivers (not in isolation). So we designed interventions for group settings (with only the occasional coaching used to clarify changes to individual thinking and behaviours). This strategy has proved to be most effective because it allows participants in the group to experience oxytocin at work viz. make them responsive to ethical choices.

Envisioning, persuading and negotiating may be some of the important leadership skills and competencies, however, in my view, it is the capability to effectively engage with others to find a creative and mutually acceptable solution that determines the successful leader undertaking “deep cultural change”.

The general precept that humans “operate at multiple levels” means that we are more than our thoughts and emotions. After all we constantly experience physical sensations usually without being aware of them. So, by equipping leaders with two “tools” - a basic understanding and experience of the brain that underpins their thinking and behaviour, and also a creative process that they can be used to engage with their team and others (viz. Creative Interchange) - it is possible to effectively deal with deeply-held beliefs and values.

A year and a half ago the global order was shaken in a most unexpected way with the election of a new President in the US. Although Facebook and Cambridge Analytica claim “neutrality”, the evidence suggests that new technology / social media were unethically (if not unwittingly) used to subvert the normal US election process. This has given rise to a highly controversial investigation and political turmoil in the US.

At the heart of the Trump campaign was the objective of challenging and withdrawing from trade agreements that had been shaped and refined over many years. Supply Chain technology has been central to the emergent global manufacturing and trade regime. What the implications of a new trade

arrangement will be are uncertain but I am convinced that this sector will need to act proactively to prevent a massive disruption to the current trajectory.

In my view, the change to a new protectionist global order will probably lead to further opportunities for immoral behaviour. Relying on rules alone to prevent corruption is sadly naïve. It is only once leaders from all walks of life, society and business declare their commitment to ethical practices and then model acceptable behaviour that we can expect a harmonious economic order in the world.

We may not be able to get world leaders to adopt practices such as Mindfulness or Creative Interchange, but we can make a difference by practising them ourselves and expanding the base of moral and ethical behaviour in our organisations and communities.

Author:

Rob Reiche, Director, Inclusivity Human Capital Services, roberthr@neurocapital.co.za



Rob Reiche has been a consultant, facilitator and practitioner in the field of transformation and change to a wide range of businesses, in many industries, for over twenty-five years. His unique approach to change and transformation amongst business executives and senior managers provides a practical and proven alternative to traditionalist thinking in this field. In particular, through his experiences in leadership development, he has developed a deep insight into shifting values-based behaviours and thinking. Rob has had a varied career that has allowed him to develop his particular strengths and skills of systematic and innovative thinking and goal driven execution. His early career includes IT and project management experience (project leader of a multi-million multinational research and development project, which, at the time was a “high-tech” world-first) and management of a major national data network for a large utility. For 10 years, he was IBM practice leader of a team of organizational change consultants. In this capacity he had direct involvement in change and transformation assignments with many global organisations. During the course of his career, Rob has authored and co-authored articles, presented at seminars and conferences and acted as advisor to top business leaders. Above all, Rob believes in a holistic lifestyle and so he balances his work with his love for reading, enjoyment of the outdoors, fishing, live music (opera and symphony concerts), and, above all, relaxing with family and friends.