

Best practice approaches to leadership in averting fraud and corruption in selected organizations, Zambia and Lesotho: A good work culture

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Abstract

The purpose of the study was to establish the best practices through which leaders can influence all members to prevent fraud and corruption in an organization. The survey was descriptive in nature in which 60 managers, currently employed in organizations in Zambia and Lesotho were interviewed. The content qualitative and Microsoft excel pivot tools were used for data analysis. The purposive sampling technique was used to sample out organizations from different industries or sectors in this survey. The majority of the participants' work stations were located in the countries, Lesotho, 26 (43.3%) and Zambia 26 (43.3%) while a few were posted to work in other countries. 27 (45%), of participants held positions at senior management level, 22 (36.7%) at middle management level and 10 (16.7%) at lower level management. The study found there were high levels of awareness on how leaders can encourage and prevent fraud and corruption. The best practice of leaders in averting fraud and corruption adopted the Five Practices of Exemplary Leadership Model. Practical lessons were drawn from the past experiences of managers, amidst obstacles and challenges, on how to restore a good work culture. It was recommended that managers should: - Encourage and support training of its entire staff in the organization in fraud and corruption risk management to mitigate the effects; identify the indicators that show signs of a good work culture and that fraud and corruption is taking place, monitor and control it; exercise the five practices of exemplary leadership in getting people to commit to preventing internal fraud; and develop psychological hardness in curbing widespread fraud and corruption.

Keywords: leadership, corruption, fraud, culture, practice

1. Introduction

Fraud and corruption affects everyone in the society as it not only distresses the organization but may even affect the livelihoods of the communities served and the growth of the economy. (Taylor 2015) ^[22] "...corruption fuels inequality, poverty, conflict, terrorism and failures of development." Many organizations if not all have experienced fraud and corruption either internally or externally. For instance (CIMA 2009, 3) ^[3] reported that, "Some surveys put the proportion of companies suffering from fraud as high as 85%. Research shows that fraud is growing, with reported cases of fraud being much higher in 2008 than in 2007. Fraud is likely to continue to grow during economic difficulties." Thus intensified efforts through research can help provide the necessary body of knowledge on what are the new trends in preventing fraud and corruption. The Association of Certified Fraud Examiners (ACFE 2014) ^[1] study provided the frequency of occurrence of three categories of internal fraud and the estimated loss as follows:

Of these, asset misappropriations are the most common, occurring in 85% of the cases in our study, as well as the least costly, causing a median loss of \$130,000. In contrast, only 9% of cases involved financial statement fraud, but those cases had the greatest financial impact, with a median loss of \$1 million. Corruption schemes fell in the middle in terms of both frequency (37% of cases) and median loss (\$200,000 (ACFE 2014, 4) ^[1]

It was reported that, (CIMA 2009) ^[3] "no system is completely fool proof, but business can take steps to deter fraud and make it much less attractive to commit." Research summary findings indicated that:

The median duration- the amount of time from when the fraud commenced until it was detected- for the fraud cases reported to us was 18 months. Organizations with hotlines were much more likely to catch fraud by a tip, which our data shows is the most effective way to detect fraud. These organizations also experienced frauds that were 41% less costly, and they detected frauds 50% more quickly (ACFE 2014, 4) ^[1]

According to Kennedy (2012) ^[11], in the past decade there had been many large cases of accounting fraud among organizations. She presented a few of these case studies. Some of these organizations such as Enron even ended up collapsing while others like WorldCom successfully created a reorganization plan and emerged from bankruptcy under the name MCI.

1.1 Statement of Problem

Many managers might not know how they can effectively stimulate a good work culture free from fraud and corruption. For instance, (Meriwether 2000-2017) ^[17] "The organizational operating models that provide the baseline for a smooth-running enterprise during normal times evaporate during a crisis, throwing the leadership into a morass of uncertainty and chaos. But the chaos can be

managed successfully if its impacts are understood.” Fraud and corruption can cause a crisis in an organization. Thus the study investigated the following. What are the best practice approaches to leadership in averting fraud and corruption in an organization?

1.2 Objectives of the Study

1. To assess the awareness levels of leaders on how they can encourage or lose control of organizational fraud and corruption that yield a bad work culture.
2. To determine the current best practices of leaders in averting fraud and corruption and relate these to the five practices of exemplary leadership model.
3. To ascertain the organizational leaders past experiences in recreating a good work culture free from fraud and corruption.

1.3 Research Questions

This research asked, are there any best practice approaches to leadership in averting fraud and corruption that help to create a good work culture in an organization? The following were the sub questions:

1. What are the knowledge levels of how leaders can encourage or lose control of fraud and corruption that yields a bad work culture?

2. What practices of leaders successfully avert fraud and corruption in an organization?
3. What steps/ actions have leaders taken to help restore a good work culture after a bout of organization wide spread or excessive fraud and corruption? What do managers recommend are the crucial steps that a leader, new to an organization that is fraught with wide spread fraud and corruption, should take to revive an organization and recreate a good work culture?

1.4 Significance of the Study

This was an important study that would provide managers the current information on how leader’s practices can keep an organization work atmosphere healthy and free from fraud and corruption. From this study leaders and managers can gain knowledge on protecting their organizations from the damaging effects of fraud and corruption. It shares learning from others on strategic moves and leadership practices that have been effective in shaping a good work culture that reacts quickly and proactively eliminates fraudulent and corrupt behavior.

2.0 Literature review

Below is the information on the literature review in tabular presentation.

2.1 Awareness Levels among Managers on Leadership that Fails to Prevent Fraud and Corruption

Table 1

Title	Author	Findings	Gaps
Fraud Awareness Training	Wafield and Associates (2016) [23].	Educating staff on what to look for and how fraud happens, empowers them to take the necessary action to mitigate the risk of it or when it does occur, address it in the correct way.	Was leadership in organizations were actually practicing educating staff which was deemed to be the first line of defense from fraud and corruption.
An Analysis of the Main Forces of Workplace Fraud in Zimbabwean Organizations: The Fraud Triangle Perspective.	Mawanza (2014) [16]	This investigation on the main forces of workplace fraud confirmed that organizational leadership can through observation of the behaviors of the individual members detect red flags that fraud might be taking place.	There was need to find out, what the current knowledge levels on the impact of leadership and work culture in preventing fraud and corruption in organizations in Zambia and Lesotho were.
Organizational Culture In Corrupt Companies	Taylor (2015) [22]	There was no guidance on what a culture of compliance looks like, how to understand whether a problem exists or how to build a compliance culture.	Establishing the distinct signs of a good versus a bad work culture and the behaviors that stimulate a bad work culture as hints to a culture of compliance.

2.2 The Practices that Work Best in Providing Organizational Leadership that Prevents Fraud and Corruption in an Organization

Table 2

Title	Author	Findings/ Experiences	Gaps
Fighting Fraud With Research	Fraud Magazine (2010) [5]	There was little research on effective methods to identify, deter and prevent fraud and corruption. Such issues and experiences were not acknowledged, disclosed and shared.	This study sought to bring out the reasons why some organizations more than others thought they were successfully averting fraud and corruption.
A Study of the Impact of Three Leadership Styles on Integrity Violations Committed by Police Officers.	Huberts, Kaptein & Lasthuizen, (2007) [8]	The leadership qualities of role modelling was important in reducing unethical conduct while strictness appeared to be effective in controlling fraud, corruption and the misuse of resources.	This study sought to bring out the factors that were currently hindering managers in preventing internal fraud and corruption.
KPMG Forensic: Fraud Risk Management: Developing A strategy for Prevention, Detection and Response.	KPMG International (2014) [13]	Provided a list of sample elements of a comprehensive compliance program designed to prevent, detect and respond to fraud.	To assess knowledge levels on the availability and use of standard compliance programs in organizations and gaps.
Empowering Employees To Prevent Fraud In Nonprofit Organizations	Bradley (2016) [2]	Established that organizations must integrate employees into its entire system of combating fraud and corruption in order for it to be effective.	Applying best practices in integrating and influencing employees into design, implementation, and enforcement of strategy and procedures that deter fraud/ corruption.

2.3 The purpose of the study was to establish the best practices through which leaders can influence all members to prevent fraud

Table 3

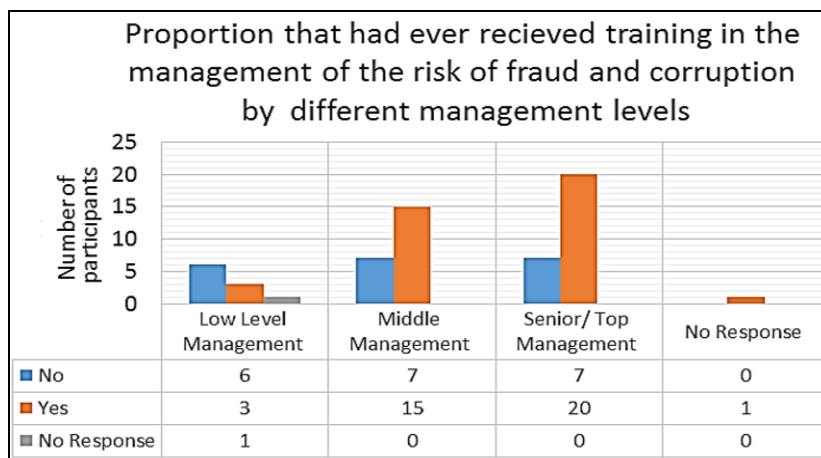
Title	Author	Findings/ Experiences	Gaps
How Fraud Hurts You and Your organization	Freedman (2017) ^[7]	Fraud hurts employees and organization as its effect is great loss in different areas of unassailability.	Sharing of manager’s hands on experience of internally widespread fraud and corruption, the nature and impact on the organization.
The Effects of Corruption	Ray (2017e) ^[20]	Corruption creates inefficiency in running the business and inhibits the growth, precipitates criminal activity.	“
Management Controls: the Organizational Fraud Triangle of Leadership, Culture and Control In Enron.	Free, <i>et al</i> (2007) ^[6]	Established how that a comprehensive set of management controls failed to prevent and detect widespread and continued corporate -wide fraud, information manipulation and dishonesty in Enron.	The need to gain more information on experiences on how organizations successfully restored normal functionality after the adverse effects of widespread fraud and corruption.
What is organizational Culture	Management Transitions (2012-2016) ^[15]	Strong cultures in organizations tend to have stronger influences on employees than do weak cultures.	The crucial steps to take in recreating a good work culture free from wide spread fraud and corruption.
Management	Robbins & Coulter (2014) ^[21]	Research suggested seven dimensions that seemed to capture the essence of an organizations culture.	“

3. Research findings

3.1 Awareness Levels on how Leaders Encourage or Lose Control of Preventing Internal Fraud and Corruption

The survey found that 39 (65%) out of the entire population of research participants had in the past received training in

fraud and corruption risk management while 20 (33.3%) had not. The figure 1 presents the proportion of research participants that had ever received the aforementioned training disaggregated by management level in the organization.

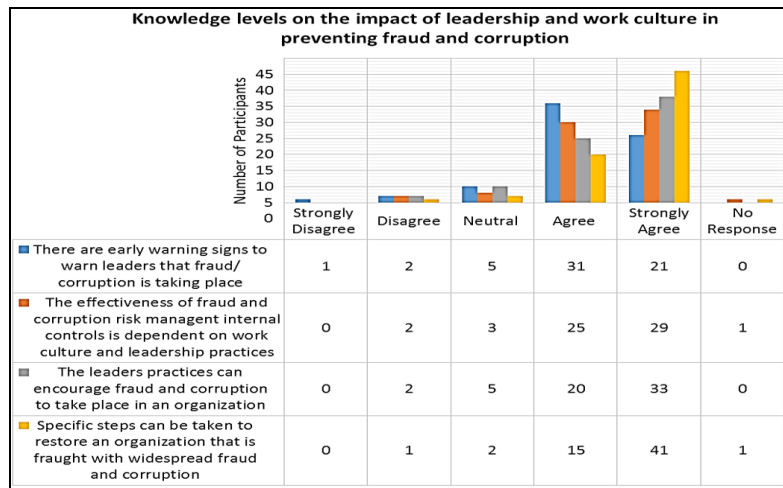


Source: Field Data, 2017

Fig 1: Research participants that had ever received training in the management of risk of fraud and corruption, disaggregated by management level.

The figure 1 indicates that the middle and the senior management staff were better covered with such trainings represented by the ratios 7:15 and 7:20 respectively. The participants were aware by agreeing with the findings of the

previous research done on the impact of leadership and work culture on the internal control systems of preventing fraud and corruption.

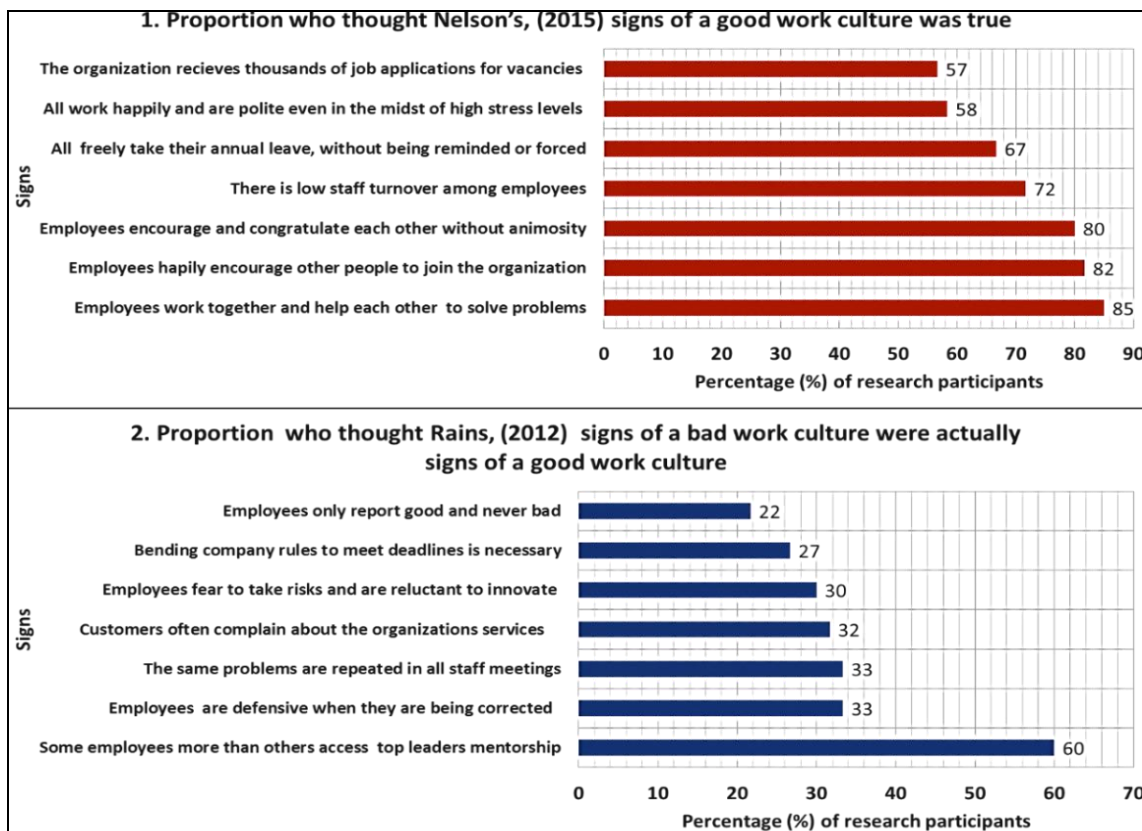


Source: Field Data, 2017

Fig 2: Knowledge levels on the impact of leadership and work culture in preventing fraud and corruption

The study found that, on average 54 (90%) of the research participants agreed or strongly agreed with the four statements that they were presented with. For example in figure 2 the first statement, there are early warning signs in an organization that can tell a leader that fraud or corruption is taking place without anyone voicing it out, had 31 total participants who agreed to it and 21 who strongly agreed to it adding up to 52 (86.7%) responses for the statement. The same reading is applied to the other statements and then the average percentage was found to depict the knowledge levels.

The study found that more than 50% of the research participants agreed with each of the presented set of Nelsons (2015) signs that show a good work culture. The figure 3 below illustrates these findings. While of Rains (2012) signs that show that the organization has a bad work culture it was surprising to note that on one statement 36 (60%) of the respondents argued that, it was impossible for all members to have access to the mentorship and coaching of the top leader and especially in large organizations thus it was seen as a sign of a good work culture.



Source: Field Data, 2017

Fig 3: The signs that show that there is a good work culture in an organization

The study disclosed 16 behaviors of leaders that managers thought stimulate a bad work culture in which fraud and

corruption is perceived as normal including the following: Not encouraging openness among workers, intimidation of

workers/ issuing threats, spending lavishly on senior management at the expense of operations, occasionally allowing or bending organizational rules, not taking action against those committing fraud and corruption in the organization, showing favoritism or favoring certain workers, not disclosing conflict of interest, having extramarital affairs at work with employees, lack of seriousness, showing lack of commitment, avoiding documenting their communication on financial transactions, not communicating what constitutes a bad work culture, the lack of providing incentives so staff rationalize rewarding themselves through fraud and corruption, discouraging bad reports, not acting immediately on bad behaviors of employees and not being transparent. The study also found out that many managers, that is 20 (33.3%), perceived that the current status of their organization's work culture was good, 17 (28.3%) thought that it was fair. Only four (4) or 6.7% of them thought that it was bad.

3.2 The Current Best Practices Approaches to Leadership in Successfully Averting fraud and Corruption

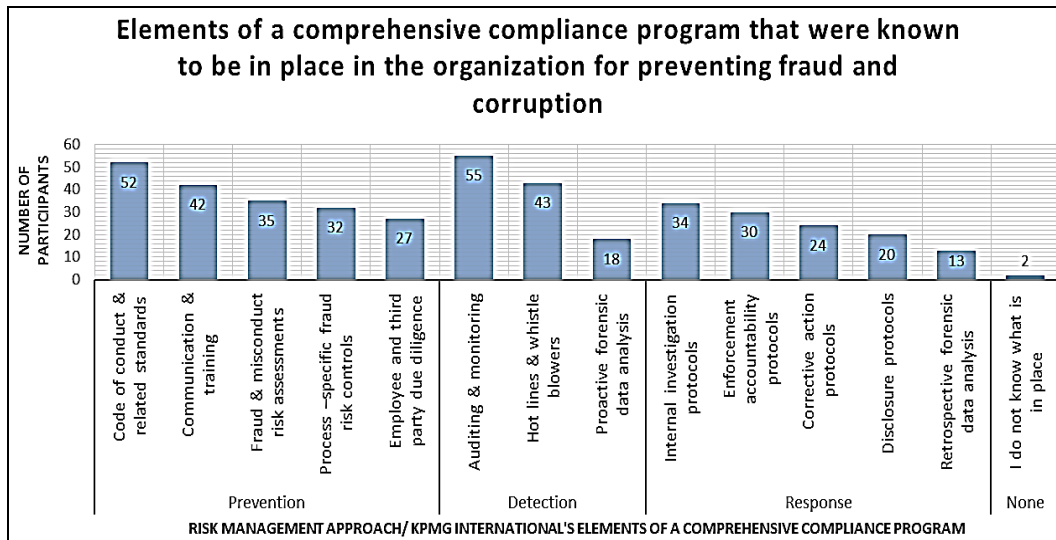
The survey sought to determine the current best practices that managers were using to influence others to want to prevent fraud and corruption in the organization. After ascertaining that there were participants whose current organizations were successfully preventing fraud and corruption, the researcher drew out the reasons why, the challenges that leaders were facing in preventing internal fraud and how these were being overcome. This led to respondents sharing the leadership practices that they were committed to, in contributing to alleviating fraud and corruption in their organizations. The study results show that 49 (81.7%) of the total of 60 participants said that their current organizations were successfully preventing internal fraud and corruption. 10 (16.7%) of the research participants did not think that their organizations were successfully doing so and 1 (1.7%) did not respond.

The following were the reasons why the managers thought their organizations were successfully preventing fraud and corruption. [See figure 7 in the full report that illustrates this finding. The majority thought that it was because they had in place strong policies and systems that help management to detect and prevent fraud and corruption early and take corrective action in good time. For example having an integrity framework in place with an integrity committee spearheading the fight against fraud and corruption. This was followed by the reason that managers were regularly communicating and educating employees against fraud and corruption. For example anti-fraud/ corruption awareness campaigns were being done regularly by the relevant department assigned. The other reasons included Employees are empowered to speak out on suspected fraud and or corruption; standards of appropriate behavior are shared

widely in the organization; there is zero tolerance of fraud and corruption in the organization; employees own the fraud and corruption risk prevention program/ system; the organization has assigned the responsibility to manage fraud and corruption; reported cases of fraud and corruption have reduced overtime; the organization collaborates/ networks with others on the fight against fraud and corruption and employees issues are addressed amicably for example conditions of services are addressed harmoniously.

The study uncovered factors that hinder senior and middle managers in preventing organizational widespread fraud and corruption. The results show that the most common factor was the failure of leaders to have in place, enforce, implement and ensure that their employees adhere to the fraud and corruption risk management systems, internal controls and standards of behavior represented by 18 (31.6%) of the participants that said so. This was followed by the factor, the leaders own poor leadership practices represented by 16 (28.1%) of the participants that said so. The other factors mentioned included the following. Fear to face fraud and corruption issues and the lack of openness on fraud and corruption issues; lack of clear and strict policies, rules and regulations on preventing fraud and corruption; when the work culture is not conducive to stimulate the right behavior; when the organization does not educate, enable, equip, mentor and monitor employees in preventing fraud and corruption; hard economic conditions prevailing in the country/ poor remuneration so leaders sometimes fall prey to gain through fraud and corruption e.g. through committing conflict of interest and bribes; when fraudulent or corrupt behavior is normalized in the organization due to lack of action against it over time; when departments/ business units within the organization operate in isolation; when communication is a challenge in the organization; lack of employee ownership of the fraud and corruption risk management systems/ controls; when the support of the board and management does not seem genuine; lack of planning in prioritizing issues. However there was one different opinion and that was nothing hinders leaders in preventing internal fraud and corruption.

The study further revealed that all managers except for 2 (3.3%) were able to identify the elements of a comprehensive ethics and compliance program for preventing fraud, detecting and responding appropriately to it, that they knew were in place and being used in their current organization. The most common were the auditing and monitoring elements and the code of conduct and related standards elements represented by 55 (91.7%) and 52 (86.7%) of the participants that attested that they were in place and was being used in the organization respectively. Figure 8 illustrates these result. On average the number of responses per risk management approach/ category was prevention = 32, detection = 39 and response = 21.



Source: Field Data, 2017

As regards to the actual practices of preventing fraud and corruption, the study findings showed that managers were purposely engaged in five core practices of exemplary leadership. That is modelling the right way, inspiring a shared vision, challenging the process from the status quo, enabling others to act and encouraging the heart to act. The Table 2 illustrates this result. For example, it shows that, 60

(100%) managers were currently committed to modeling the right way to prevent fraud and corruption in the organization. This study also obtained 60 illustrative real life examples of what managers were actually doing when they were engaged in each of these five core practices of exemplary leadership and specifically to prevent fraud and corruption.

Table 2: The five core practices that managers were engaged in doing in order to get others to want to prevent fraud and corruption in the organization.

The five core practices of the exemplary leadership model	Participants Who Responded True	
	Number	Percentage
1. I model the right way to prevent fraud and corruption in the organization	60	100%
2. I continuously inspire a shared vision of creating a good work culture free from fraud and corruption.	54	90%
3. I continuously challenge the process from the status quo, (i.e. the existing state), of a bad work culture to a good one free from fraud and corruption	57	95%
4. I enable others to act in implementing and enforcing fraud and risk management policies and standards.	45	75%
5. I encourage the heart to act against fraud and corruption	53	88.3%

Source: Field Data, 2017

The study shared 22 values that the research participant’s organizations currently held. [See the main report for figure 9 that shows these different kinds of values.] Some leaders explained how they were using their values to model the right way to prevent fraud and corruption in the organization. Example 1 of the 60 illustrative examples was given as follows:

“I inform the team members of my own set of values that are in line with the organization. These are respect and integrity which are in line with the organizations value of trust. I say if you respect others you will not generate an inaccurate report or manipulate the data. I also tell them to maintain integrity in generating reports as people in the decision making positions need to have accurate data/ information on which to make decisions that will take the organization to greater heights in success. It does not matter how bad or negative the report generated. Stick to the actual data, just tell it as it is.”

The research findings also indicated that managers perceived that their best practices yielded some positive

effects in the organization. For instance, the majority respondents that is 48 (84.2%) of them, noticed enhanced motivation and willingness to work hard among employees. 40 (70.2%) of them said it created higher performing teams. Other perceptions included it: fostered greater organizational commitment; fostered renewed loyalty, reduced absenteeism, generated increased sales and customer satisfaction levels, increased staff retention, enhanced spirit of transparency and accountability and created a culture of a fraud free environment by promoting professionalism.

3.3 Experiences on Curbing Organization Wide Spread Fraud and Corruption

The study found that 31 (51.7%) out of a total of 60 participants had experienced a situation in which the organization was faced with excessive or organization widespread fraud and/ or corruption. The most commonly reported type committed was the misappropriation of finances or assets represented by 17 (54.8%) participants that reported it. [See full report for figure 10 that illustrates this. Among these reported were also: conflict of interest; taking advantage of the weaknesses’ of the system to justify fraud/ corruption; falsified receipts; manipulation of reports/

data to deceive the other party; embezzlement of large amounts of money; soliciting or offering bribes; forgery; use of personal connection to get favors on a contract; kickbacks, revenue evasion; receipt or solicitation of secret commissions; negligence of duty for example receipts not obtained when payments were made to vendors; and customers not honoring their monthly installments on goods purchased on credit.

The study also revealed the impacts of this excessive fraud and corruption that managers had experienced. For instance, 31 respondents who said had ever experienced excessive fraud and corruption 22 (71%) said their organization lost large amounts of finances, 16 (51.6%) said that their organization lost its reputation and only 4 (12.9%) said that their organization eventually closed down. [See full report for figure 11 that illustrates this result] Other impacts shared included the following. A damaged business image, withdrawal of donors from projects funded, business efficiency and productivity suffered due to improper use of available resources, loss of clients and reputable business partners, and the organization faced sanctions and lawsuits, and there was less demand from investors to invest in the company's shares/ projects. The study found that 26 (83.9%) out of 31 (100%) participants who had experienced excessive organizational fraud/ corruption had their organizational functionality restored and was up and running again. Only 4 (12.9%) participants said that their organization eventually closed down and 1(3.2%) did not respond to the question.

Study found that the challenges encountered during restoration were as follows. Firstly, it was difficult to regain competitive advantage of the organization. Secondly, the organization experienced reduced financing, insufficient funds for operations and replacing lost funds was not easy. Thirdly, the excessive fraud and corruption had a negative psychological impact on employees. For instance prosecuting the erring staff members was emotionally straining and staff morale was affected. Fourthly, managers faced resistance from employees and senior managers on their attempts to change the status quo. The fifth challenge was that engaging the right personnel to transform the organization was challenging too. For example reduced finances for operations brought about the company losing talent when their professionals and specialists endowed with the company's technical knowhow left for greener pastures. This made it difficult for them to compete favorably in the market; as the company employed the lower skilled non-professionals.

It seems that managers can successfully overcome these challenges as the findings of this study show that 23 participants reported that their organizations normal functionality was restored. Therefore this study presented the following lessons: Firstly it is good practice to re-start the organization on a new slate in order to regain competitive advantage. For example some of them said, that they gathered more data on the fraud/ corruption experienced; determined the extent of the damage to the organization and the causes of the fraud. Secondly, rebuilding the image of the organization was key in bringing back the funds and restoring public trust and loyalty. For example, the managers mobilized funds and reimbursed donors/ company owners the lost or unaccounted for funds. Thirdly open communication after the incidence of widespread fraud and corruption and its impact helps

members of the organization to heal from the psychological trauma of the disturbance. Thus managers had provided psychological support to employees such as open, constant and regular communication and feedback between management and employees, including one on one counseling to affected employees whose morale went low e.t.c. fourthly developing a zero tolerance to fraud and corruption helps to curb resistance to change. Thus managers became more consistent about applying remedial measures e.g. acting against defrauders and many other steps mentioned in this study. Lastly, with the impact of fraud and corruption comes the loss of talent in the organization. Thus it appeared that the top leaders were ready to recruit or identify and retain professionals who will not only transform the organization but also rebuild its competitive edge. Thus one of steps was that they avoided blaming anyone of the retained personnel instead encouraged team work and unity.

The study to draw out the crucial steps that leaders, new to an organization that is fraught with widespread fraud and corruption can take to recreate a good work culture. The study determined 8 major steps that a new leader should take. First the successor should ensure sound leadership and shape a good work culture in the organization for example, the top leader should communicate what constitutes a good work culture clearly with all levels of management and make integrity a quality for performance appraisal among senior, middle and junior managers. Secondly, the successor should work on strengthening, revising and implementing the internal controls and risk management policies and systems to avoid re-occurrence For example, the successor should take time to study the history of fraud and corruption and determine the reasons for its existence not be quick to judge but come up with solutions if need be. He or she should encourage the existing staff and superiors to freely talk about the details of past fraudulent and corrupt activities pointing out areas that needs immediate attention to avoid a relapse. Then work with the team to review internal controls, identify loopholes. Thirdly the successor should conduct change management processes to reduce resistance such as train all staff in new rules and regulations, on the types of fraud and corruption and on how to identify fraud and corruption and what is appropriate behavior or actions to display. Fourthly the successor should start the organization on a new slate for example recruit new management or employ a totally new work force because sometimes it is difficult to influence those who are persistently resistant to change. The fifth step was to embark on building a team by acknowledging and celebrating good behaviors and results. Engage in conducting orientation of both new recruits and old staff to zero tolerance of fraud and corruption and encouraging relationships to strengthen team work.

The sixth step was that the successor top leader should improve communication internally and externally like exercising an open punitive measure policy against violators of company procedures for external stakeholders to have confidence in the organization and encourage open culture where there is freedom to report any suspected matter internally. The seventh step was, the successor should institute a zero tolerance to fraud and corruption in the organization such as correcting or punishing any signs of bad work culture immediately. Lastly, provide psychological support to traumatized employees due to the

impact with the focus on moving on to a better tomorrow. The findings on the 8 major steps to take seem to indicate that upon joining an organization, a new leader must be prudent enough to first check the history of fraud, corruption and the culture, the current status quo and set the future position of the organization. Thereafter assess where improvements must be made while applying the exemplary leadership practices to shape a good work culture free from fraud and corruption. These appeared to be the most important steps that a leader should put on top of the agenda when finding their feet in a new work environment having the said issue.

4. Discussion of findings

4.1 Awareness and Knowledge Levels on How Leaders Encourage or Lose Control of Preventing Internal Fraud and Corruption

The findings seem to suggest that in some organizations leadership was not up to date with their organization's first line of defense against fraud and corruption, which is to get everyone in the organization on the same page as suggested by previous literature. The findings also seemed to show that the awareness levels among managers was very high on the fact that leadership and work culture have an effect on the successful implementation of even the strongest internal controls for preventing fraud and corruption. It also appeared that since managers have the knowledge on what signs show that the organization has a good work culture, then it is possible for them to set performance indicators on which to base measurement of progress towards creating a good work culture that is free fraud and corruption.

4.2 The Current Best Practices Approaches To Leadership In Successfully Averting fraud And Corruption

The findings on the reasons for successfully preventing fraud and corruption in their current organizations, could possibly provide input into what constitutes a culture of compliance as questioned in previous literature. Top leaders can therefore commit to reinforcing and ensuring that it is implemented by all levels management as a best practice approach. For example, the standards of appropriate behavior are shared widely in the organization on a monthly basis or zero tolerance to fraudsters could be constituents of a culture of compliance. The results seemed to indicate that of the KPMG Risk Management Approach, leadership in organizations were weaker when it came to responding appropriately to cases of fraud and corruption than preventing and detecting it. Refer to the results presented in figure 8. It is no wonder it was listed as one of the factors that hinder managers in preventing internal fraud and corruption in some research participants pointed it out. Thus having a comprehensive compliance program in place for use in the organization should be a best practice of leadership. The research findings confirmed that the manager's best practices to preventing fraud and corruption were in line with the five practices of exemplary leadership model. On this paper, the illustrative examples that the research participants provided were easily associated with the ten commitments of the five practices of exemplary leadership model. It is evident then, that the five practices of exemplary leadership model can be applied to guide an organizations leadership in making decisions on how to effectively influence others to prevent fraud and corruption

in an organization.

4.3 Experiences on Curbing Organization Wide Spread Fraud and Corruption

This research finding affirm previous literature that many managers had experienced organization widespread fraud and or corruption given that more than half of the research participants attested to it in this study. Their experiences on the effect of the organizational wide spread fraud too was in line with Ray, (2017)^[20] and Freedman, (2017)^[7] articles on the impacts of internal fraud. Managers were also very much aware on how to curb organization wide spread fraud and corruption as was revealed in the research findings. From the experiences on challenges and lessons that could be learned in curbing widespread fraud and corruption, we see that some of the steps that the research participants reported were similar to the previous literature i.e. the case studies shared by Kennedy (2012).^[11] For example strengthening the organizations brand name or emerging under a new name which is similar to what World Com did. It appeared also that managers were making use of the turnaround strategies and change management strategies to revamp their organizations from the damage caused by excessive fraud and corruption. For example restructuring the organization, applying remedial measures, mobilization of funds and reimbursements etc.

5. Conclusions

The study established the signs that managers need to look out for to show that there is a good work culture in an organization as well as what behaviors and practices managers should avoid or engage in, in order to create a good work culture free from fraud and corruption. It found out that many managers had received some form of training on the management of the risk of fraud and corruption. The low level managers as compared to the senior and middle managers did not seem to have easy access to such trainings but relied on policy documents passed on down to them. Many managers were aware that the effectiveness of internal controls in preventing fraud and corruption was dependent of a leaders practices and the work culture. They knew that there were early warning signs that could hint to them that fraud or corruption was taking place without anyone necessarily voicing it out. Thus they could act by investigating to ascertain this. It found out that an organization did not need to close down, go bankrupt or face legal sanctions as many managers had devised best practice approaches, through their own experience, for curbing widespread fraud and corruption to re-create a good work culture. The study also brought out that it is good practice for managers to keep an eye on (or be monitoring) the signs that show that there is a good work culture and the signs that fraud is taking place so that early detection of risk is strengthened other than just through the whistle blowing mechanism or hotlines. Sixteen behaviors of leaders that stimulate a bad work culture with excessive fraud and corruption become known from this study illustrating to managers what they should avoid.

The study also determined the current best practices of the managers in successfully averting and stamping out fraud and corruption. It was learned that the current best practices of managers were very much related to the five practices of exemplary leadership model. Thus it indicated that managers should be practicing these in order to influence

others, employees, colleagues and their superiors to want to act in preventing or avoiding fraud and corruption. Organizations do not need to close down or face stringent sanctions or lawsuits as managers can actually take some crucial steps to restore an ailing organization's normal functionality. A successor top leader need not fear upon discovering that their new job entails tackling a huge problem, i.e. organizational widespread fraud and corruption and a bad work culture. They need to take encourage themselves, (i.e. develop what is called psychological hardiness), that they can do it. This study determined the crucial steps that leaders can take while being committed to the five core practices of exemplary leadership to make this extraordinary change happen in an organization. Given all this, it can therefore be concluded that the three objectives of this study were met.

6. Recommendations

In the light of the above research findings it was therefore recommended that top leaders of organizations should consider the following:

- Encouraging and supporting all levels of the management team to obtain training in fraud and corruption to ensure that all members of the management team are speaking the same language.
- Managers should be incorporating in their monitoring and evaluation framework or programs, the monitoring of its work culture and the signs of risk of fraud and corruption.
- Managers should be constantly guided and committed to the five practices of exemplary leadership model in influencing all in the organization to want to prevent fraud and corruption.

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