



CHANGING CORPORATE CULTURE AND BEHAVIOUR: A GLOBAL STRATEGY FOR BUSINESS INTEGRITY

Dr. Rainer Geiger

**Deputy Director, Financial and Enterprise Affairs
Organisation for Economic Cooperation and
Development**

SUCCESSFUL ANTI-CORRUPTION STRATEGIES DEPEND ON:

- **availability and application of credible and dissuasive sanctions for misbehaviour**
- **public awareness**
- **integrating integrity in management practices (good corporate governance)**
- **effective prevention programmes at company level (company codes of ethics, training and internal controls)**
- **building coalitions for business integrity at national, regional and international levels (government, business, civil society)**

THE VALUE OF BUSINESS INTEGRITY FOR CORPORATE STRATEGIES

- Risk management
- Performance and competitiveness
- Staff motivation
- Stakeholder relations

THE ROLE OF GOVERNMENT IN SUPPORT OF BUSINESS INTEGRITY

- **transparent, efficient and accountable public sector**
- **availability of impartial and timely settlement of disputes**
- **rules to ensure fair market competition**
- **rules of the game for international business**
- **public/private sector partnerships**
- **fight against economic crime**

THE OECD INTEGRITY PACKAGE

- **The Anti-bribery Convention**
- **The Principles of Corporate Governance (Revision 2004)**
- **The Guidelines for Multinational Enterprises**
- **The Financial Action Task Force (to combat money laundering and the financing of terrorism)**



KEY COMPONENTS OF GOOD CORPORATE GOVERNANCE

- **Rights and responsibilities of shareholders**
- **Cooperative stakeholder relations**
- **Transparency and disclosure**
- **Responsible boards of directors**

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

- **Strengthening the role of shareholders including institutional investors**
- **The growing role of socially responsible investment (ethical funds)**
- **Protection of minority shareholders**
- **Regulating conflicts of interest (e.g. insider trading, related party transactions)**

PRODUCTIVE STAKEHOLDER RELATIONS

- **The importance of social capital and stakeholder relations**
- **Information and protection of rights established by law or mutual agreements**
- **Employee participation**
- **Protection of whistleblowers**

TRANSPARENCY

- **Disclosure of reliable information on:**
 - corporate structures and beneficial ownership
 - performance
 - risk management
 - corporate governance patterns
 - environmental and social impact
- **Independence and integrity of external audit**
- **Rules of behaviour for corporate service providers**



RESPONSIBILITY OF BOARDS OF DIRECTORS

- **competence and independence from management**
- **selection and remuneration**
- **ethical behaviour/ company codes**
- **business compliance programmes to prevent corruption**
- **internal procedures of audit and control**

THE OECD GUIDELINES AND THE FIGHT AGAINST CORRUPTION

- standards of corporate social responsibility
- broad coverage
- multilateral endorsement
- non binding but backed by implementation procedures
- universally applicable (MNE operations worldwide)
- supply chain

THE IMPLEMENTATION OF THE GUIDELINES

- **The role of National Contact Points (NCP)**
 - composition and procedures
 - treatment of specific cases
- **The role of the OECD Investment Committee**
 - monitoring the activities of NCPs
 - providing clarification of the Guidelines on request
- **The dialogue among Governments, business, trade unions and NGOs**
- **How to deal with bribe solicitation by corrupt Governments?**



CHALLENGES AHEAD

- **Ensuring credibility and public support**
- **Building incentives and pressures for responsible management**
- **Strengthening international standards and ensuring impact on national rules and policies**
- **Stepping up education at all levels**
- **Encouraging coalitions for integrity**