



## Governance as a Conceptual Paradigm for Institutional Reform and Transformation

J.J. Coetzee

Department of Social Sciences, University of Science and Technology, Namibia  
[jcoetzee@nust.na](mailto:jcoetzee@nust.na); Cell: 081 237 5003.

### ARTICLE INFO

#### Article History:

Received: July 2017  
 Published: March 2018

#### Keywords:

Corruption, co-producers,  
 obstructions, development

### ABSTRACT

Due to the inherent weaknesses of colonialism, traditional cultures and liberation movements, neither colonial nor traditional regimes nor liberation struggles prepare leaders for good governance. The paper is a descriptive narrative that aims to integrate the Ackoff-Gharajedaghi five-dimensional design of institutional development with the normative principles of good governance as a paradigm for changing systemically corrupt institutions to promote integrity-driven performance. The research methodology is the 'soft systems approach' (SSA) to systems thinking.

Some of the findings are that obstructions to development are inherently part of governance failures. Corruption is, amongst other things, deviant human behaviour, a breakdown of the integrity of systems, which in turn leads to serious development failures that cannot be rectified by piecemeal reforms, but only by a complete transformation of the whole institution. From the research executed, it is possible to say that governance is an open system and inclusive approach. The aspiration to obtain influence and power in decision-making is one of the most critical drivers of development. Another finding from the study is that good governance as a construct goes beyond decision-making to promote integrity and has the potential to guide policies, strategies and values. The study also found that good governance can provide strategic, operational and technical direction necessary for changing corrupt institutions. Good governance is a conceptual paradigm for institutional reform and transformation of systemically corrupt institutions towards ones with integrity-driven performance.

### 1. Introduction

The democratisation process in developing countries that gained independence from colonial powers created vacuums of leadership during the transition process. Radical change in power relationships on all levels of society took place. Such vacuums co-produced a frantic endeavour for political supremacy. Discontinuity emerged during the transition process when institutional experiences and fault lines were created. The implication was the self-creation of opportunities for corruption (Coetzee, 2012: 137). Due to the inherent weaknesses of colonialism (such as complete disregard for human rights and dignity), traditional cultures (associated with autocratic leadership) and

liberation movements (radicalism and violence), neither colonial nor traditional regimes nor liberation struggles prepare leaders for good governance (Coetzee, 2012: 137). In many developing countries an autocratic leader emerged who stifled all opposition, for example Daniel arap Moi of Kenya (Russel, 1999: 9-94). This means that people were powerless, and power was centralised by the ruling elite. Immoral leaders excluded people from participation and decision-making. Illegitimate governments were created that contributed towards insecure futures. Corruption is an inevitable outcome of transformation processes in developing countries where moral and strategic leadership fails. In developing countries, there is a close relation between transformation, failed moral leadership and

systemic corruption (Coetzee, 2012: 137).

## 2. Research Objective

The paper is a descriptive narrative that aims to integrate the Ackoff-Gharajedaghi five-dimensional design of institutional development with the normative principles of good governance as a paradigm for changing systemically corrupt institutions to promote integrity-driven performance.

## 3. Methodology

The research methodology applied is systems thinking, and specifically a 'soft systems approach' (SSA) (Checkland, 1981) to systems thinking. SSA is aimed at tackling complex real-world problematic situations and the two best known applications of SSA are Checkland's (1981) soft systems methodology (SSM) and Ackoff-Gharajedaghi's 'social systems methodology' (Ackoff, 1999; Gharajedaghi, 1982 and 1999). Both of these approaches to complex problem research are useful, but the social systems approach is especially suitable because it focuses on outlining a multidimensional context to study contributors that may obstruct social development. In particular, idealised design and interactive (participative) planning are two facets of social systems methodology that are most relevant for the study of systemic corruption (Ackoff, 1999). Idealised design focuses on an appropriate framework that can be used and contextualised to dissolve complex systemic corruption, while interactive planning is a process design for involving stakeholders in the planning process. Idealised design starts with the premise that the environment must be changed in order to make the emergence of a systemic problem situation (Gharajedaghi, 1982: 30) – such as corruption impossible to occur by changing the 'whole system'.

## 4. Problem situation

To reform the 'whole' system, a society, systemic reform is needed. Systemic reform is multidimensional and includes economic and/or resource; legal-institutional; values, cultural and sociological; political, governance and transparency; aesthetical, innovation and entrepreneurial; and knowledge, scientific and technological drivers of development as outlined in the Ackoff-Gharajedaghi Five Dimensional Design of Development

(Gharajedaghi, 1982: 64). This interpretation of systemic reform is used for the purpose of this paper.

Corruption represents a breakdown in integrity. According to Rose-Ackerman (1996: 2), integrity implies "honesty, probity, uprightness, moral soundness, moral stature, principle, character, virtue, purity". Antonyms of integrity are "deceit, venality, corruption" (Shepherd, 2006: 447). The Latin word for 'integrity' is in-teger, meaning "what is not touched, taken away from, or interfered with" (Stanford Encyclopaedia of Philosophy, 2010a). In-teger can therefore be interpreted as 'wholeness'. Consequently, 'integrity' should be a central concept in any root definition of corruption, because it represents consistency in "actions, values, methods, measures, principles, expectations and outcome" (Stanford Encyclopaedia of Philosophy, 2010a & 2010b).

Corruption can be defined as "an impairment of integrity, virtue or moral principle; depravity, decay, and/or an inducement to wrong by improper or unlawful means, a departure from the original or from what is pure or correct, and/or an agency or influence that corrupts" (Merriam-Webster Dictionary, 2010: n.p.). A scholar may argue about "what is pure or correct", but it can be construed that the essence of the definition is about the deterioration of integrity. .

The focus shifts now towards the construct of development. Within the sphere of socio-economic studies, the concept of 'development' is normally associated with any improvement which enhances the ability of an entity to perform its functions. The learning and creative process "by which a social system increases its ability and desire to serve its development is more specific. It defines the development of a social system as "a learning and creative process by which a social system increases its ability and desire to serve its members and its environment by the constant pursuit of truth, plenty, good, beauty and liberty" (Ackoff, as cited by Gharajedaghi, 1982: 54). The underlying logic in this definition should be clear, namely that for effective and efficient behaviour, any system (human and otherwise) should have efficient functions as well as effective interactions between these functions – the contribution of each function to the whole must be according to the design of the whole, in order to create meaningfulness and wholeness.

In their quest to develop themselves, all humans have the following aspirations (Gharajedaghi, 1982: 57):

- Generating and distributing wealth through producing goods and services (economics);
- Generating and distributing information and knowledge to create understanding and insight (knowledge, skills and technology);
- Creating beauty, meaning and hope (aesthetics). Aesthetics is a “branch of philosophy that studies the principles of beauty” (Hornby, 2005: 24);
- Creating and maintaining peace, conflict resolution and harmony. Appreciating empathy, love and a strive towards the good and what is right (ethics/morality);
- Generating and distributing power, influence and authority (politics/governance).

If these aspirations are not fulfilled, they manifest into obstructions to development, e.g. poverty (economics), obsolescence (knowledge), meaninglessness (aesthetics), fanaticism (morality), and powerlessness (governance).

Given the discussion on corruption and development, corruption’s systemic nature, its negative impact and unfulfilled human aspirations that manifest as obstructions to development, the focus now shifts towards the aspiration for influence in decision-making.

## 5. Governance

The question that needs to be answered is: What is governance? Governance is “the manner of directing and controlling the actions and affairs of an entity” (King, 2006: 1), which “involves fairness, accountability, responsibility and transparency on a foundation of intellectual honesty” (King, 2006: 15). The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2009: 1) states that governance is “the process of decision-making and the process by which decisions are implemented”. In essence, governance is about how decisions are made and how they are implemented. Governance will be good “when government attains its ultimate goal of creating conditions for a good and satisfactory quality of life for all citizens” (Gildenhuis & Knipe, 2000: 91). This definition of

governance includes global governance and quality of life.

Good governance can be partially illustrated in terms of eight principles of UNESCAP (2009: 1-3). This type of governance can be described as follows: participatory, consensus oriented to accommodate all views, accountable (answerability about decisions), transparent (openness about decisions taken, how they are taken, how they are implemented or not, and declaration of interests), responsive to questioning and criticism, effective and efficient, providing equitable opportunities and services, inclusive of role players, and following the rule of law. Good governance ensures that corruption is minimised, the views of minorities are taken into account and the voices of the most vulnerable – such as the abjectly poor, street children and orphans – are heard. Good governance focuses on the long term.

UNESCAP’s view on good governance corresponds with that of Gildenhuis and Knipe (2000: 111- 121), who said that good governance include principles that follow. Political principles, namely participation and representation, responsibility, transparency and accountability of political representatives, decentralisation, a systems approach open to external influence, and global politics. Economic principles, namely economic freedom, private property, a free production process, privatisation, deregulation and small business. Social principles, namely non-racism and non-sexism, nationalism, inclusiveness, and civic pride that implies civic responsibility and adherence to law and order.

From the discussion, it is possible to deduce that good governance is a multi-disciplinary concept and is of a systemic nature. Good governance is a driver for enabling development.

The remaining paragraphs that follow under this section about governance, focus on the manifestations of governance and its principles. Public management principles (public sector governance) include: choice of public services; economy, efficiency and effectiveness; flexibility and management of change; sustainability and consistency; accountability, responsibility and transparency; and adhering to batho pele principles (Gildenhuis & Knipe, 2000: 111-121, 123-133). Batho pele is a Sotho term meaning “people first”. It includes creating a framework for the delivery of

public services that treats citizens as customers and enables them to hold public officials accountable for the delivery and the quality of public services (Gildenhuis & Knipe, 2000: 130-133). The concept ubuntu also needs to be included in the concept of good governance: 'I am because of you'. An ubuntu style of governance means a 'humane' style of governance based on collective solidarity (Gildenhuis & Knipe, 2000: 271).

Corporate governance is generally the governance of public and private companies (King, 2006: 1). Good governance is about the ability to govern an enterprise with integrity. Quality governance implies steadfast quality called "intellectual honesty" (King, as cited by Bisoux, 2004: 35). Good corporate governance is about the ability to govern an enterprise with integrity-driven performance (quality governance) by applying systems and processes to protect the interests of diverse stakeholders. King's reference to 'integrity-driven performance' does have in common the earlier reference to corruption as the antithesis of integrity. It is possible to deduce that good governance is aimed at increasing integrity and trust and reducing corruption. Quality governance also applies to public sector institutions. Principles of quality corporate governance include the following: sound economic, social and environmental practices; the triple bottom line; financial accounting and management; integrated risk-management processes; systems for effective decision-making; organisational integrity; effective monitoring and controls; independent auditing and verification; accounting and responsibility; and sustainability and transparency (Khoza & Adam, 2005: 32). From the discussion, it can be said that good corporate governance has a broad framework of decision-making that are guided by values, policies and technical competencies that are driven by integrity.

Good governance cannot be described without including moral governance as well as visionary and transformational leadership to inspire people to make sacrifices for the common good of society. The term 'moral' is used here "to cover those practices and activities that are considered importantly right and wrong; the rules that govern those activities; and the values that are embedded, fostered, or pursued by those activities and practices" (De George, 1999: 19). A systemic definition of a transformational leader is "one who can produce, or encourage and facilitate the production of, a

mobilizing vision of a transformed system" (Ackoff, 2009: 11). Such a leader must be able to inspire people for the voluntary achievement of a vision, and to mobilise and coordinate, not command and control. Role models of moral and transformational leadership, such as Mahatma Gandhi (who united oppressed Indians in India), Nelson Mandela (who united South Africans after the Apartheid regime) and the Dalai Lama (unacknowledged head of the state of Tibet), can play the most inspiring role in transforming a dysfunctional society.

It is possible to deduce that the concept of governance is in essence how decisions are being made and implemented and it affects development. Good governance means to govern an institution with integrity-driven performance. Good governance for the purpose of this paper includes public sector -, corporate -, quality - and global governance. Visionary, moral and transformational leadership is one of the most influential drivers for changing an institution towards good governance.

## 6. The nexus of governance and development

Within the context of the five aspirations for human development, the construct of governance can be integrated with institutional development as follows:

Economics (Gharajedaghi, 1982: 57): corporate governance, i.e. the triple bottom line, meaning profit, environmental and communal benefits; batho pele principles, e.g. creating access to services; and public management principles, e.g. economy, efficiency and deregulation (Gildenhuis & Knipe, 2000: 111-121, 123-133).

Scientific/knowledge (Gharajedaghi, 1982: 57): corporate governance, e.g. fiduciary powers of directors, specific skills and diligence; risk management to adapt to changes and to mitigate the impact of high-risk activities; and batho pele principles, e.g. providing timely information (transparency) (Gildenhuis & Knipe, 2000: 111-121, 123-133).

Politics (Gharajedaghi, 1982: 57): batho pele principles, i.e. courtesy and respect for customers, consultation with role players, recognition of and influence of vulnerable groups, and visionary and transformational leadership (Gildenhuis & Knipe, 2000: 111-121, 123-133).

Ethics/morality/(Gharajedaghi, 1982: 57) spirituality (Coetzee, 2012: 183): moral governance, i.e. fairness, accountability, responsibility and transparency based on intellectual honesty (King, 2006: 15); and corporate governance, e.g. equality to create a just society.

Aesthetics (Gharajedaghi, 1982: 57): innovative and creative solutions are needed (to respond to the ever faster changing global world) to create meaningfulness.

From the discussion it can be construed that governance need to be integrated with the aspirations for human development. The next section concludes and recommends what needs to be done to harness governance for institutional change.

## 7. Conclusion and Recommendations

The significance of this paper lies in its integration of the constructs of development and good governance, within the context of their suitability to radically change dysfunctional and/or corrupt institutions. Corruption is a social pathology, the purpose of which is to serve the corrupted, and to impair or corrode the integrity of society, not to destroy the whole, but to utilise it to serve the corrupted selfishly and exclusively. The outcome is the deterioration of the integrity of the whole society, because a breakdown in integrity is a systemic breakdown. Integrity can be interpreted as 'wholeness', which is the antithesis of corruption.

## References

- [1] Ackoff, *Re-creating the Corporation: A design of Organizations for the 21st Century*, Oxford University Press, 1999.
- [2] Ackoff, *A Systemic View of Transformational Leadership*. Available at: <http://www.alasa.upenn.edu/leadership.pdf>. (Retrieved 29 May 2009).
- [3] Bisoux, *What is Good Governance?* Article in *Biz Ed*, March/April, 2004.
- [4] Checkland, *Systems thinking, systems practice*. John Wiley & Sons Ltd, 1981.

The contribution of the study about governance as a conceptual tool for institutional reform and transformation, is that it demonstrates that good governance can provide strategic, operational and technical direction necessary for changing corrupt institutions.

Unfulfilled human aspirations manifest as obstructions to development that can be addressed by good governance initiatives such as: equitable delivery of services to create wealth for everybody; empowering board members with fiduciary powers; maximum participation and ownership of decisions; enabling equitable services and equal opportunities; and providing hope and meaningfulness.

From the study about governance as a conceptual paradigm for institutional reform and transformation, it is possible to deduce that governance is an open systems and inclusive approach. The aspiration to obtain influence and power in decision-making is one of the critical drivers of development. Good governance as a construct goes beyond decision-making to promote integrity and has the potential to guide values, policies and strategies. Good governance is critical for changing corrupt institutions towards institutions with integrity-driven performance.

## Acknowledgements

The Author wish to acknowledge the assistance of the NCRST and the organisers for the NCRST Symposium which enabled the results of the study to be presented.

- [5] Coetzee, *Systemic corruption and corrective Change management strategies: A Study of the co-producers of systemic corruption and its negative impact of socio-economic development*, 2012.
- [6] De George, *Business Ethics*. Upper Saddle River: Prentice Hall, 1999.
- [7] Gharajedaghi, *Towards A Systems Theory of Organization*. Pennsylvania city: Intersystems Publications, 1982.
- [8] Gildenhuis & Knipe, *The Organisation of Government: An Introduction*. Pretoria: Van Schaik Publishers, 2000.

- [9] Hornby, Oxford Advanced Learner's Dictionary. International Student's Edition. Oxford: Oxford University Press, 2005.
- [10] Khoza & Adam, The Power of Governance: Enhancing the Performance of State-owned Enterprises. Johannesburg: Pan Macmillan and Business in Africa, 2005.
- [11] King, The Corporate Citizen. Governance for all Entities. Johannesburg: Penguin Books, 2006.
- [12] Merriam-Webster Dictionary. (2010). Corruption. Available at: <http://www.merriam-webster.com/dictionary/corruption>. (Retrieved 13 February 2010).
- [13] Rose-Ackerman. (1996). The Political Economy of Corruption – Causes and Consequences, Public Policy for the Private Sector, The World Bank, (74). Available at: <http://www.worldbank.org/viewpoint/HTMLNotes/74/74ackerman.pdf>. (Retrieved 1 February 2004).
- [14] Russel, Big Men Little People: Encounters in Africa. London: Macmillan, 1999.
- [15] Shepherd, Reader's Digest Family Word Finder. A Family Guide to English Words, their Meanings, Synonyms and Antonyms. London: Reader's Digest Associated Limited, 2006.
- [16] Stanford Encyclopaedia of Philosophy. (2010a). Integrity. Available at: [http://stanford.library.usyd.edu.au/search/searcher.py?query=latin+integrity\\_chive=fall2007](http://stanford.library.usyd.edu.au/search/searcher.py?query=latin+integrity_chive=fall2007). (Retrieved 9 December 2010).
- [17] Stanford Encyclopaedia of Philosophy. (2010b). Aristotle's Categories. Available at: <http://stanford.library.usyd.edu.au/archives/spr2009/entries/aristotle-categories>. (Retrieved 15 February 2010).
- [18] UNESCAP. (2009). What is Good Governance? Available at: <http://www.unescap.org/resources/what-good-governance>. (Retrieved 21 July 2014).