

Chapter 8

Strategic Management and Organizational Policies Against Corruption

Nilüfer Rüzgar

Bursa Technical University, Turkey

ABSTRACT

Strategic management is the identification and description of the strategies that managers implement in order to achieve their organizational long-term goals via better performance and gaining competitive advantage in the process. Corruption, on the other hand, is known as dishonest or fraudulent conduct by the people/managers in power. In this sense, it becomes inevitable in organizations, where there is always a conflict of interests, not to experience corruption behavior. At this point, preventing and coping with corruption constitutes importance. In this context, the purpose of this chapter is to scrutinize the literature in the frame of strategic management, strategy, organizational policies, corruption, and the strategies and policies that are effective for coping with corruption. In addition, the chapter also consists of some international corruption scandal examples.

INTRODUCTION

Strategic management is an important support mechanism especially for companies in their fight against environmental uncertainty. In addition, applications within the scope of strategic management have a very important place in determining the medium and long-term goals determined by the management level of the companies and in achieving these goals (Acar, 2022). However, it should be kept in mind that these goals are achieved via human resources of the organizations. This is to say that it is inevitable to experience corruption in every place that consists of humanbeings.

Corruption is all kinds of behaviors and methods that people and groups who receive public service, sometimes with the encouragement of those who benefit from the service, in order to provide special financial benefits or status gains to themselves, their relatives or those who benefit from the service, for any reason, contrary to the legal and moral rules adopted by the society (Öztutkan, 2011).

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One of the main purposes of today's organizations is to include the human element that is aware of its ethical and moral responsibilities and has adopted corporate values (Usta, 2011). However, it is possible that the human factor may cause some structural and functional negativities in the organization. At this point, initiatives to prevent these deteriorations, this is to say that corruption, which may affect the organization and its internal and external stakeholders, gain importance. For example, uncovering a case of negligence by an accountant, lawyer, engineer or doctor can prevent damages or even save lives. In this case, revealing an organization's misapplications that threaten human life in terms of health or social aspects will benefit the whole society (Mansbach & Bachner, 2010; Aksu et al., 2016).

After the emergence of the state organization, it has never been possible to prevent corruption and remove it from being a social reality. Social reality and the resulting human nature are the source of corrupt behavior. In this frame, this situation constitutes an important problem for both profit and non-profit organizations. The fact that organizations cannot be considered without human resource, which is the main and the most important resource of an organization, makes it compulsory for organizations to build a strong organizational culture, to shape strong mission and vision and to shape strong strategies and organizational policies in order to prevent corruption within the organization. Therefore, measures and practices that can reduce the intensity of corruption behaviors are possible (Şaylan, 1975). In this sense, some organizational methods and improvement efforts are required in order to best channel and utilize the energies of the distinguished personnel of these organizations (İnan, 1982).

BACKGROUND

Strategic management refers to the strategies that serve for achieving long term goals via competitive advantage, which requires an effective human resource. Organizational policies are documents that present guiding principles on a particular topic (e.g. human resources, IT use) and that are established by senior management to shape employees' actions and perceptions in regard to this topic (Foote et al., 2005; Six & Sorge, 2008). In this sense, when the classical approaches and precautions are inadequate, corruption in organizations can be prevented or eliminated via professional organizational policies. In this context, the purpose of this study is first to draw a general frame of strategic management, organizational corruption and organizational policies. Upon drawing a general frame of the mentioned concepts, it is aimed to scrutinize the literature in terms of today's organizations and it is also aimed to present some examples from the organizations that try to cope with corruption and/or implement effective policies and strategies. The effective strategies and organizational policies that are thought to be effective in eliminating and/or preventing corruption in organizations are also aimed to be presented in detail.

STRATEGIC MANAGEMENT

Business education, which started as Business Policy at the beginning, later turned into *strategic management*, especially since the 1980s. In the periods when the understanding of business policy is dominant, a perspective that accepts the internal perspective of the organizations and the environment of the organizations has been dominant. However, the change experienced today affects both organizations and their environments in many ways. This is to say that, the rapidly increasing global competition and technological change have revealed the inadequacy of the internal perspective and the necessity of new

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