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GOVERNANCE

LEADING WITH POWER: A FORCE FOR GOOD?

By Oscar David



■ Power is an emotive word. Depending on your reference anchor, it can be seen as something attractive and desirable, or it can be experienced as a prelude to corruption, or even a pathway to tyranny. In the office, power is often seen as a result of, or instigator of “office politics”. Its expression in an organisation will have fundamental influence on its relationships and organisational culture. In truth, it is of strategic importance. Yet how often is this topic broached, let alone discussed and seen as a factor to be managed in pursuit of strategic objectives? How many boards of directors consider the subject, not amongst “matters reserved by the board”, but amongst topics to be avoided? In this article, Oscar David aims to highlight some issues that come from dealing with power and how power can be viewed from a strategic perspective. Every leader has to work with power to their best ability – some may do so consciously, most do so instinctively. Our times have shown that when we exert power, integrity is needed more than ever. The combination is not always easy, but once consciousness of the relationship between power, integrity and culture is achieved, there is progress to be made.

From Instinct to Integrity

After the financial crisis, the Dutch financial authorities, including De Nederlandsche Bank, did extensive research to analyse what caused the crisis and how to go about it. One of the most remarkable conclusions was, that not only a better system of checks and balances needed to be installed, more than anything else, a culture change in the financial sector was required to prevent

future crises. Furthermore it was said that new ways of leadership was the key factor in making the changes happen.

Leadership, without power, is an oxymoron. Power accompanies leadership. Leaders are given the power to take, or induce decisions others cannot. They can decide or infer which topic will be on the agenda and enable open discussion, and which not. To a large extent, they can

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determine the strategy of the organization, and they are central to decisions as to who will be hired and who will be dismissed. The public expects leaders to exert power with integrity, but history tells us that power tends to corrupt. There are plenty of reasons why acting with integrity is not easy. Psychology can tell us why: leaders have the potential to act from a platform of integrity indeed, but that is not a given as they are tempted and seduced not to do so many times a day. This article explains some of the reasons why and offers alternatives as to how to deal with the question of power.

Instincts

Humans, like all sentient beings, have strong instinctual drives. Our instincts evoke us to dominate, to survive and to expand. The capacities to do so come from, what neuroscientists call, our reptilian brain. Especially under pressure, or when under threat, the reptilian brain gets highly activated. This is important to understand, as leaders work under high pressure most of the time. Furthermore, it is also true that to get into a position of power and to hold it, a leader needs to have strong instinctual drives otherwise

he or she won't have the capacity to keep his or her position.

So leaders need instinctual power, but we don't want them to abuse it. In order to prevent them, and the public in general in doing so, people invented already long ago what we call checks and balances. Rules and regulations, a juridical system, control mechanisms, feedback loops and so on. It is all there to minimize misbehaviour or abuse. This is all helpful and important, but the truth is, it might reduce abuse, but it doesn't stop it. At least it was not enough to prevent the recent financial crisis from happening and it didn't stop corruption or more subtle ways of abuse of power.

Values

The Dutch financial authorities, as mentioned above, pointed out that the cultural change they were talking about required not just a different type of leadership, but a specific approach: leaders in finance ought to lead from values, not from instincts. In order to lead from values, one has not only to enquire into the question as to which values one finds important, but also one

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Leaders in finance ought to lead from values, not from instincts

needs to inquire into the question of how to embody those values as a leader. It is easy to say that one considers honesty an important value. But how does that translate into the behaviour of a leader? As we all know, people are sensitive and perceptive to the degree that leaders walk their talk. When a leader says that honesty means a lot to him, how do employees and stakeholders notice? If a leader says that honest 360 feedback is important to improve his leadership, but people are still afraid to do so, what does that signify? It might be so that something is not completely aligned here, or that the culture in the organization is more fear based than was assumed. Or, to give another example, if one says that an important value is to serve society in a certain way, how does that then translate to self-interest? These questions are not easy to answer, but should be out there and on the table if one aspires to exert leadership from a place of integrity.

Power 1.0, 2.0 and 3.0

Talking about the importance to exert power with integrity, it is useful to start with a definition of power. I define power as the ability to determine. We can exert

power, or the ability to determine, from three levels. Over the years I made a distinction between what I call *Power 1.0*, *Power 2.0* and *Power 3.0*. To lead with power, a leader has to master all three levels.

POWER 1.0 is called ‘the survival of the fittest’ or instinctual power. It is the ability to adapt to the formal and informal requirements of the organization, so as to reach the highest hierarchical level possible and become the top dog. It does not *necessarily* imply a bully: in most organizations the success factor is more the ability to be ambitious while building strong coalitions. Sometimes aggression is needed, but it needs to be expressed strategically in order to thrive. Characteristic for *Power 1.0* is that one’s efforts ultimately mainly serves one’s own interests.

POWER 2.0 is about ‘checks and balances’. It is the response to the risk of abuse or threat of *Power 1.0*. Leaders need to be able to apply *Power 2.0* to keep order and reach their targets. If one is lazy or incapable of exerting *Power 2.0*, there is a risk of disorder and ultimately

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corruption. Too much *Power 2.0* involves the risk of bureaucracy, which can limit creativity and entrepreneurship.

POWER 3.0 is ‘the integrity of power’. It is the ability to lead from values in an authentic way. Taking responsibility as a way to serve a higher purpose is the central characteristic for *Power 3.0*. *Power 3.0* leaders regularly speak of an inner calling to make a contribution that goes beyond their own interests. It requires that one has overcome the single minded focus on *Power 1.0* and that one can apply *Power 2.0* in a functional way, not as a way to keep one’s own power. However, *Power 3.0* has its shadow too: in the name of serving a higher purpose, one can defend or promote an ideology that in its best case might only serves self-interest, and in its worst case can be a destructive force for humanity.

It is important to see that the three ways to exert power as presented here, are not of a hierarchical nature: it is not valid to say that *Power 3.0* is better than *2.0* or *1.0*. As said before, a leader should master all three levels, so he can act from the level that meets the situation in a particular

time. Sometimes it is important to fight a battle and use all capacities *Power 1.0* offers us, or to control the books as the best way possible to exert *Power 2.0*.

The Challenge of Integrity

The abuse of power transcends all generations. Where human beings tread, we hear stories of corruption: The guidelines seem simple: just behave as a decent human being. How come integrity is so difficult?

First of all, we must take note that there are plenty of leaders that lead with integrity and behave impeccably. Mostly we don’t know about them, as their behaviour is deemed “normal” and stays unnoticed, not reaching newspaper headlines. These leaders are not just CEO’s, but also head teachers in schools, team-leaders in banks, heads of police and so on. This said, it is difficult to lead responsibly, and not to fall foul of corruption. There are several reasons:

Instincts

As discussed before, our instincts are survival mechanisms and, survival is not primarily pre-wired to integrity.

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Leaders are used to large supplies of mirroring that keeps the self-image of being valuable in place

Extreme examples come from survivors of concentration camps and people who were in comparable humiliating and life threatening circumstances: people have reported how their survival instincts dominated, while their dignity was gone. Thanks to neuroscience, that can explain the instinctual behaviour through the understanding of the reptilian brain: all animals have a reptilian brain that helps them to get food, find shelter and defend themselves against enemies and threats. Acting from the reptilian brain, with no ethics in mind, can be ineffective in its best case, and devastating in the worst case.

■ Psychological factors ■

In contrast to other animals, as far as we know, human beings are the only species with a psychological make up. As human beings we have a personality and a self-image we can be aware of. The good news is that awareness of who we are can help us to improve ourselves. The bad news is that our personality or self-images needs a lot of maintenance: it needs to be confirmed by outside impulses over and over again. Psychologists say that the self-image is a construct. To keep the construct in place, just as in the case

of buildings, it needs support. Our self-image needs confirmation and mirroring from the outside. In psychoanalysis, this is called the need for narcissistic supplies: the food, so the speak, that keeps us feeling great about ourselves. For most people, for example, it is the need to be affirmed that they are valuable, in order to keep a sense of esteem. We are however not only dependant on outer affirmation, it is also a highly addictive need. As with all addictions, as long as we get enough of it, we might not be aware of the dependency. However, as soon as we lose it, we know we miss it. Many people a report loss of sense of value when in the unfortunate situation of being dismissed. On the other hand, leaders are used to large supplies of mirroring that keeps the self-image of being valuable in place. It can be experienced as a sense of support or the bliss of success. Whatever it is, it is highly addictive, and as we know, once we are addicted we want more of it. And in the desire for more, one can easily set aside, or lose one's judgement and integrity.

■ Biochemistry and addiction ■

Power is not only addictive on a

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Leaders are rarely educated when it comes to leading with power

psychological level, it is even more so from a biological perspective: biochemistry research shows that being in a power position is associated with a release of neurotransmitters and hormones in the body that are highly addictive. The cocktail of adrenaline dopamine and Cortisol that is released once we act out of a place of power, is highly satisfying and attractive. Adrenaline makes us alert, alleviates tiredness and suppresses sensations of hunger. Dopamine, which is also released through sex for example, makes us feel happy, joyful and content. Cortisol is released when in the midst of battle. Competitive athletes know the cortisol hormones very well: it makes one feel strong while the capacities for empathy fade into the background. For an athlete this is all very useful: too many feelings of empathy towards the adversary are not helpful to win the match. For a leader the lack of empathy might sometimes be helpful, but damaging when it comes to building trust with employees and colleagues. Once the competition is over, an athlete has to adjust to the loss of these hormones. Most leaders though, stay in this loop of addiction, as their “fight” is continuous

and doesn't really stop at night or in the weekend.

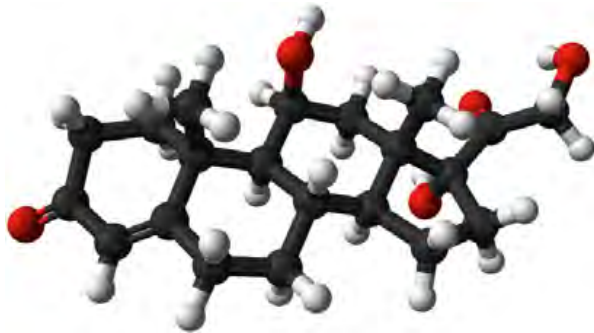
■ **The impact of context**

The pressure leaders are exposed to should not be underestimated. One of the responses to continual external pressure are deadlines, deal closure and the defence of interests that make it difficult to reconnect with one's values. It means that executives are continuously pressured to react to what comes from the outside, instead of having the time and peace to align outer actions with inner values, which is what is needed to exert *Power 3.0*. The continual release of hormones and neurotransmitters help to deal with the external demands, but don't serve the processes of reconnecting with oneself either. And staying in touch with oneself is exactly what is needed to act from a place of integrity.

■ **Lack of education**

Another factor that makes dealing with power from a place of integrity challenging, is that leaders are rarely educated when it comes to leading with power. The exertion of power and influence is not a subject that is generally

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taught in school or college. Most MBA programs don't have a class raising student awareness and understanding of the dynamics of power. So far, we expect leaders instinctively to exert power with integrity, while we don't educate them specifically on the practical application of neither ethics, nor influence and power.

Our social relationship to power is, at best, ambivalent. As has been the case in other cultures, Europe has suffered a lot from the abusive use of power in her recent history. Europeans have suffered from the effects of *Power 1.0* relations between Nation States leading to the First and the Second World Wars. Europe had to deal with clashing ideologies such as Communism, Fascism and National Socialism at a *Power 1.0* levels and have seen the excruciatingly dangerous, and potentially apocalyptic effects that can have. It is clear that we never want these kinds of expressions of power again. As a result European countries improved their checks and balances, raising European power dynamics to version *Power 2.0*, through a deeply rooted system of democracy and many other checks and balances culminating in the Treaty of Rome.

What still needs to be improved however, is to bring consciousness to individuals, by teaching students about their personal relationship to power, in order that they can exert power in a better way, once they are in a position to lead.

■ Limited focus on reflection ■

Mindfulness has become a fashionable management concept that is dismissed by many as fanciful and unproductive. On the other hand, one who takes the time to reflect and to diligently gather the relevant facts required to make informed decisions, and who evaluates processes and behaviour is considered wise. What should concern us is that such wisdom is considered exceptional. Learning to raise one's consciousness of one's values and to stay in touch with them is at the base of a leader's ability to act in line with them consistently - it is one of the best things leaders can do.

The paradox is, that the more leaders are required to be decisive, the more they could benefit from reflecting, yet the less time there is available to do so. To put it differently: learning to act from *Power 3.0* engaging the integrity of power, requires

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*Managers manage situations
within a given framework.
Leaders create the framework
that guides the organization*

time, energy and focus to reflect and reconnect with one's values; to ground one's actions in conformity with those values. However, once someone is in a leadership position, this orientation is often experienced as counter-instinctive simply because it conflicts with the demands of time management under pressure. Reflection is a mid- and long-term investment: it takes a while before insights get translated into measurable results. Daily concerns however, require immediate action.

This is perhaps where management and leadership part ways. Managers manage situations within a given framework. Leaders create the framework that guides the organization, its employees and its stakeholders, applying a strategy born of reflection, that is sustainable and has long term vision. In order to guarantee the best leadership possible, taking time to educate one-self, and to reflect assures the leadership that is needed to face the challenges of the future in a responsible way. That is why learning about leadership and power should be a part of the 'life-long learning' objectives of every leader.

However, one doesn't need to go to a business school to learn about power and leadership. Every leader can easily apply some of the learning principles 'on the job'.

Ways to Reflect on Power and Leadership

Everyone relates to power in a different way. To understand one's relationship to power, it is helpful to write, and discuss one's biography of power. From a young age, even from the cradle we are exposed to power. How did it impact our behaviour? We can ask questions like:

- How did our parents exert power? And how did we experience it as a child?
- We experience power in school, both in relationship to our teachers and our schoolmates. Did we navigate ourselves to a place of power? Or did we shy away?
- How have we related to power in our professional lives? Have we enjoyed exerting power and influence? Have we had mixed feelings about it?

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- How has it been to be on the other side of the spectrum? Have we had times that we felt unusually empowered or powerless? How was that? How did it impact us and how did we meet with those situations?
- Finally, how do we experience and react to power today?

Most leaders exercise either more or less power than their positions allow or require them to have. Neither is comfortable: if one claims more power than the position allows, challenge and conflict may be a legitimate consequence. If one claims less power than is expected, others can wonder if we are the right person in the right place.

Whatever your answers to these questions, it is a base from which to become more aware of one's relationship to power, so that one can choose more consciously how to go about it. ■

Oscar David graduated in psychology from the University of Amsterdam and has 25 years experience as a leadership consultant and executive coach. Amongst many others, he has worked with senior executives in companies like Shell, Philips, ABN Amro, ING, Rabobank, PwC, KPMG, the Dutch National Government and healthcare. He is the author of *The Enneagram in Management and Power!* from instinct to integrity (originally published in Dutch, currently being translated into German and English). He has extensive experience in developing and facilitating cultural change projects, leadership courses and team development programs applying approaches like open space technology, 360 feedback, organizational constellations, the Enneagram and open-ended inquiry. Since 12 years he is one of the faculty members of Intercoach teaching top civil servants coaching skills and systems dynamics. Oscar David has also provided courses and training projects in cooperation with management institutes in the Netherlands such as De Baak, Nyenrode, Sioo and Focus.

The image on page 21 shows the molecular structure of Cortisol

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ENGAGING THE TEAM

At a team level, leaders can invite their team to reflect on these questions for themselves and can designate time to reflect collectively on the theme of power. To do this, the leader might invite team members to discuss how they themselves, and each other relate to *Power 1.0*, *2.0* or *3.0*. It Enlarging the discussion to include the organisational, divisional and department cultures and to assess the leadership culture in the organisation at large can be less confrontational where social norms do not encourage immediate candour. If *Power 3.0* is identified as an objective, group discussion as to what is needed to encourage more value based leadership for oneself and others can lead to engagement and support. The group might consider:

- Is there sufficient time for reflection?
- Is there a need, for greater clarity on the organisational values of the company and its leaders?
- Do the *Power 2.0* checks and balances in the organisation work well? Are they effective, inefficient or lacking, and so on.
- Last, but not least, it can be insightful to discuss *Power 1.0*: How do we deal with instincts and conflict. Is it constructive to act from instincts? Or result in disrespect? Will more awareness improve power dynamics, or is it okay as it is?

