Reducing Corruption in Public Organizations: An Assessment of the Role of Organizational Structure, Reward System and Ethical Leadership

Abstract

The extant research on the determinants of corruption has focused largely on the role of institutional factors with few studies examining the influence of proximal organizational conditions. In this article, we assess how perceptions of red tape, distributive fairness, procedural fairness and ethical leadership may relate with the prevalence of corruption in public organizations. We assess these linkages with survey data collected from 741 managers working in 154 USAID partner organizations throughout Pakistan. The analysis shows an inverted U type relationship between red tape and corruption. While distributive fairness is related negatively with corruption, procedural fairness has no such link. We also observe a negative link between ethical leadership and corruption and this relationship is stronger in organizations with low levels of distributive fairness. Implications of these results for research and practice are discussed.

Keywords: Corruption, ethical leadership, procedural fairness, distributive fairness, red tape.