Impacts of anti-corruption interventions: measures in the shipping industry

Mirana Rabarijaona
IMPACTS OF ANTI-CORRUPTION INTERVENTIONS: MEASURES IN THE SHIPPING INDUSTRY

By

MIRANA DIMBISOA LOUISIA RABARIJAONA
Madagascar

A dissertation submitted to the World Maritime University in partial Fulfilment of the requirements for the award of the degree of

MASTERS OF SCIENCE

In

MARITIME AFFAIRS
SHIPPING MANAGEMENT AND LOGISTICS

2017
Declaration

I certify that all the material in this dissertation that is not my own work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

(Signature): ..........................................

(Date): 18th September, 2017........

Supervised by: * Associate Professor Lisa Loloma Froholdt

World Maritime University

ii
Acknowledgments

At the forefront, I would like to thank my dissertation supervisor Dr. Lisa Froholdt for her continuous support and supervision throughout the dissertation stages.

My gratefulness goes to the maritime professionals who worked with me in the process of elaborating the questionnaire as well as in the answers they provided.

I would like to express my deepest appreciation to the Faculty members of the World Maritime University who provided their guidance and advice.

Finally, I would like to thank the International Maritime Organization who supported me financially by awarding me the scholarship.
Abstract

Title of Dissertation: Impacts of Anti-corruption interventions: Measures in the Shipping Industry

Degree: MSc

The Moral and Cognitive Development (MCD) theory has been established by Kohlberg and suggests that an individual acquires the moral principles and moral behavior through a learning process. According to the MCD theory, an individual is categorized within an evolutionary and irreversible sequence of three moral levels: The Pre-conventional, Conventional and the Post-conventional levels. The higher one’s MCD level, the less likely that person is to do unethical practices. Applying this theory to the maritime industry and focusing on the issue of corruption, the objective of the study is to determine the impacts of the anti-corruption initiatives, assumed to represent morality learning processes for professionals.

The collected data has been organized to analyze different sub-groups and to present overviews through different angles of observations. Although the sub-groups are not evenly represented, those who are not statistically relevant are observed individually and present the MCD levels’ distribution. The overall study provides an overview of the anti-corruption awareness within the shipping industry and serves as a starting point for further in-depth analysis. A considerable percentage of the maritime organizations use Anti-corruption policies while another significant part has not engaged in any form of anti-corruption initiative. The findings show that for one group or another, the majority of the participants present a pre-conventional level, which might suggest that anti-corruption policies are not effective enough to inculcate moral behavior. However, the observations made on the anti-corruption training sub-group
present exploitable potential as most of its subjects belong to the post-conventional level.

Emergent findings were collected from other variables and from interviews; which offer different angles of the perspectives to understand corruption through the scope of gender, age, experience and the dimensions of corruption.

**KEYWORDS:** Anti-corruption, Moral and Cognitive Development, training programs
## Table of Contents

Declaration .......................................................................................................................... ii  
Acknowledgments .............................................................................................................. iii  
Abstract ............................................................................................................................... iv  
Table of Contents ............................................................................................................... vi  
List of Tables ...................................................................................................................... viii  
List of Figures ..................................................................................................................... viii  
List of Abbreviation ........................................................................................................... ix  
1. Introduction .................................................................................................................... 1  
   1.1 Ethics, morality and Business Ethics ................................................................. 1  
   1.1.1 Factors influencing business ethics ............................................................ 2  
   1.2 Definitions of corruption .................................................................................... 4  
   1.3 Corruption in the maritime industry ................................................................. 5  
   1.3.1 Factors of non-integrity in ports ................................................................. 6  
2. Literature review .......................................................................................................... 10  
   2.1 Kohlberg and the theory of Moral Cognitive Development (MCD) ............ 10  
   2.2 Anti-corruption espoused theories .................................................................. 13  
       2.2.1 Theories of action: Espoused theory vs Theory in practice ............... 13  
       2.2.2 Anti-corruption espoused theories ....................................................... 14  
   2.3 The morality learning process .......................................................................... 16  
   2.4 Aim of the study ................................................................................................. 17  
       2.4.1 Research question .................................................................................... 17  
       2.4.2 Elements of comparison ........................................................................ 19  
   2.5 MACN .................................................................................................................. 19  
3. Methodology ................................................................................................................ 21  
   3.1 Material, data and analysis method .................................................................... 21
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>Elaboration and publication of the questionnaire</td>
<td>22</td>
</tr>
<tr>
<td>3.3</td>
<td>Presentation of the Defining Issues Test (DIT-1)</td>
<td>24</td>
</tr>
<tr>
<td>3.3.1</td>
<td>Presentation of the DIT-1</td>
<td>24</td>
</tr>
<tr>
<td>3.3.2</td>
<td>DIT consistency tests</td>
<td>24</td>
</tr>
<tr>
<td>3.4</td>
<td>Limitation of the DIT-1</td>
<td>26</td>
</tr>
<tr>
<td>3.4.1</td>
<td>The use of short 3-story form</td>
<td>26</td>
</tr>
<tr>
<td>3.4.2</td>
<td>The ethical judgment versus the ethical action</td>
<td>26</td>
</tr>
<tr>
<td>3.4.3</td>
<td>The use of DIT-1 instead of DIT-2</td>
<td>27</td>
</tr>
<tr>
<td>3.5</td>
<td>Leading the interviews</td>
<td>28</td>
</tr>
<tr>
<td>4.1</td>
<td>Limitations of the data collection and impacts on the research</td>
<td>31</td>
</tr>
<tr>
<td>4.2</td>
<td>Data presentation and analysis</td>
<td>32</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Moral and Cognitive Development: general findings</td>
<td>32</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Awareness of corruption</td>
<td>33</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Importance of anti-corruption for the subject</td>
<td>35</td>
</tr>
<tr>
<td>4.2.4</td>
<td>Organization, position and MCD</td>
<td>38</td>
</tr>
<tr>
<td>4.2.5</td>
<td>MCD levels observed through gender</td>
<td>44</td>
</tr>
<tr>
<td>4.2.6</td>
<td>Espoused theories confronted to MCDs</td>
<td>46</td>
</tr>
<tr>
<td>4.2.7</td>
<td>Espoused theory: the MACN observation</td>
<td>49</td>
</tr>
<tr>
<td>4.2.8</td>
<td>Age and experience opposed to MCD</td>
<td>49</td>
</tr>
<tr>
<td>4.3</td>
<td>Interview outcomes: dimensions of corruption</td>
<td>53</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Mr. D</td>
<td>53</td>
</tr>
<tr>
<td>4.3.3</td>
<td>Mr. H</td>
<td>55</td>
</tr>
<tr>
<td>5.</td>
<td>Conclusion</td>
<td>58</td>
</tr>
<tr>
<td>References</td>
<td></td>
<td>62</td>
</tr>
</tbody>
</table>
List of Tables

Table 1: Awareness of what is a situation of corruption (Author, 2017) .................. 34
Table 2: Distribution of MCDs according to the type of organization (Author, 2017) .......................................................... 41
Table 3: Distribution of MCDs according to the position within the organization (Author, 2017) .......................................................... 43
Table 4: MCD distribution in Gender (Author, 2017) .................................................. 44
Table 5: MCD levels confronted with espoused theories (Author, 2017) .................. 47
Table 6: MCD level distribution for each espoused theory (Author, 2017) ........... 47
Table 7: Distribution of MCD levels according to the age (Author, 2017) .......... 50
Table 8: Distribution of MCD levels according to the experience (Author, 2017) . 52

List of Figures

Figure 1: Three Factors that Influence Business Ethics (Ferrell, Hirt, & Ferrell, 2004) .......................................................... 2
Figure 2: Adapted from Ferrell, Hirt, & Ferrell, 2004 (Author, 2017) ................... 3
Figure 3: MCD levels distribution (Author, 2017) .................................................. 33
Figure 4: Declared importance of anti-corruption for maritime professionals (Author, 2017) .......................................................... 36
Figure 5: MCD levels confronted with declared position on anti-corruption (Author, 2017) .......................................................... 37
Figure 6: MCD distribution in Gender (Author, 2017) ........................................... 44
Figure 7: MCD evolution through the age (Author, 2017) ..................................... 50
Figure 8: MCD evolution through the experience (Author, 2017) ...................... 52
Figure 9: Who benefits from corruption? (Inspired by interview, Author, 2017) ..... 54
List of Abbreviation

BDN: Bunker Delivery Note
BPP: Bureau of Public Procurement
CIPE: Center for International Private Enterprise
DIT: Defining Issues Test
EU: European Union
ICPC: Independent Corrupt Practices and Other Related Offences Commission
MACN: Maritime Anti-Corruption Network
MCD: Moral and Cognitive Development
MET: Maritime Education and Training
NGO: Non-Governmental Organization
OECD: Organization for Economic Co-operation and Development
PPP: Private Public Partnership
SIRC: Seafarers International Research Centre
TUGAR: Technical Unit on Governance and Anti-Corruption Reforms
UK: United Kingdom
UNDP: United Nations Development Programme
1. Introduction

1.1 Ethics, morality and Business Ethics

Aiming to study the human behavior and encouraging its ideal expression, ethics is a branch of philosophy whose notion has varied throughout history. Aristotle described ethics as the pursuit of the good, *eudaimonia*, which is the ideal behavior as it leads to a high level of happiness (Gammel, 2009). Kant, in the 18th Century, defended ethics through the lens of humanism by preaching that the human being has to be treated with dignity while staying free to exercise autonomy or self-determination. Ethics, observed as a philosophical discipline, can be defined as a conceptual framework which takes one through a process of detecting, then analyzing, understanding and distinguishing the substance of right and wrong, good and bad, the admirable and the despicable. This process, whose output would ideally be to encourage the choice for good behavior, is called normative ethics. The ultimate objective is to ensure the well-being of society, through the establishment of comfortable and peaceful relationships between its members (Rich, 2016).

Ethics consists of choice: although the principles and theories of what is correct or not are established and understood, they just serve as guidance since the ultimate decision belongs to the individual. In a context without any choice, a decision might have the worst impact on the lives of others, while the individual is not held to be unethical (Billington & Waters, 2003).

Ethics finds expression in diverse aspects of the everyday life and of course, in the professional one. Business ethics gathers the principles and norms that shape the conventional conduct within business organizations. According to Ferrell, Hirt, & Ferrell (2004), it involves all the stakeholders of a company: employees, customers, government entities, controllers, financial institutions, partners, and competitors.
Business ethics has grown in popularity because there are benefits to be gained: first, ethical companies are more profitable. Second, sticking with ethical decisions incurs to lower stress for decision-makers and employees. Then, the image of the organization is improving, which is value-adding, while ethical behavior fortifies leadership. Finally, if the members of an organization are reluctant to conduct ethically, the other alternative is to implement strict and sanctioning regulations to limit the opportunities of misconduct, which are costly for the organization (Ferrell, Hirt, & Ferrell, 2004).

The authors explain that each company develops its own habits, culture, and processes. Consequently, the subtleties deriving from each company’s way of practicing morality vary. This is why employees might have difficulties to determine which behavior is acceptable if the firm does not adopt clear ethical standards and policies. In the absence of such a normative ethical framework, the common way to deal with ethical matters would simply be to mimic hierarchical superiors (Ferrell, Hirt, & Ferrell, 2004).

1.1.1. Factors influencing business ethics

According to Ferrell, Hirt, & Ferrell (2004), three factors impact on business ethics: individual moral standards, the influence of managers and coworkers and finally, the opportunity to misconduct. One could have strong individual ethics principles outside the organization, gained through education. However, the management authority exerts control over the choices made at work. If the management fails to set the right example, it encourages perceptions of misconduct opportunities. At this stage, the codes and compliance are required (Ferrell, Hirt, & Ferrell, 2004).

Figure 1: Three Factors that Influence Business Ethics (Ferrell, Hirt, & Ferrell, 2004)
Considering individual standards and values, the managers’ influence, opportunities, and codes, the process is explainable as follows: it takes a manager with inner values to influence his/her team to be ethical. The habit could be conveyed by the organization’s culture and enforced by the codes. To observe business ethics, the organization should be considered as a whole entity, with its own behavior through which ethics is expressed. From the perspective of Human Resource Management, the Company culture can be viewed as the personality of the organization which should be the main focus of business ethics’ implementation and improvement.

As Gartenstein (2015) notes, “The most important influence on ethical behavior in the workplace is overall company culture, (…). A company that bases its policies and decisions on deeply rooted ethics will create a culture in which employees are naturally disposed to act ethically, too”.

The more ethics-oriented the company culture is, codes and procedures are often implemented in order to encourage moral behavior at the workplace. As suggested by Mccabe, Trevino, & Butterfield (1996), Codes of conduct are viewed here as a community's attempt to communicate its expectations and standards of ethical behavior”.

Figure 2: Adapted from Ferrell, Hirt, & Ferrell, 2004 (Author, 2017)
1.2 Definitions of corruption

Based on the definitions provided by the United Nations Global Compact and Transparency International (2011), the distinction between the words corruption, bribery and extortion are being clarified. Bribery is defined to be the promise, offering or giving to a public official an undue advantage, whether directly or not. The bribery occurs when the corrupting agent expects the public official to act or to refrain from acting in the exercise of his or her official duties based on the bribe offered. When the initiative comes from the public official to the private agent, it is still bribery through the solicitation of the unjustified advantage. The act of bribery becomes extortion when the public official makes a demand for an advantage together with intimidations and threats on the private actor’s personal integrity or even his/her life (United Nations Global Compact and Transparency International, 2011).

As bribery and extortion are subsumed in the umbrella term “corruption”, this word will be used in its broader sense in this study.

Defined by the Center for International Private Enterprise (CIPE), corruption is “the intentional non-compliance with the arm’s-length principle aimed at deriving some advantage for oneself or for related individuals from this behavior.”

Begovic (2005) has defined corruption based on its components. This definition considers three combined elements: first, the arm’s-length principle which stands for the equal treatment of all agents in the economy to preserve the efficiency of the market. It refers to any deviation from the principle of equal treatment, to serve one’s personal interests. Second, the act of corruption is recognized to be so if the deviation from the arm’s length principle is done intentionally and with all the information in hands. Finally, the concept of “advantage” or “benefit” is with reference to money or expensive gifts.
1.3 Corruption in the maritime industry

Research has been undertaken by the Seafarers International Research Centre (SIRC) about the relationships between ship personnel and shore-based personnel (Sampson, Acejo, Ellis, Tang, & Turgo, 2016). The main findings expose an uneven balance of power between them, seafarers being vulnerable in ports. Ships earn money for owning companies when they are moving at sea; while anchored in ports, they incur huge costs. Aware that shipping companies are concerned about this issue, local officials might take advantage of the companies’ desire to limit the time spent in port and usurp their authority to extort money or victuals from the ship’s personnel. They could threaten them with delay, fines or with the tarnishing of the vessel’s reputation.

Arguably, arrival in port should be associated with relaxation for the ship crew. However, in many cases, it rather brings more stress for the ship’s personnel, particularly for the captain and the deck officers who are more exposed to interactions with shore-based officials. For their part, chief engineers may be exposed to fraudulent dealings with respect to bunker and other engine supplies.

The SIRC research findings suggest that those situations vary according to the area. For instance, cash extortion and “facilitation gift” might not very much observed in Japan, United States, and Europe while they are routine in many other parts of the world. Examples of such gifts are packets of cigarettes and alcohol, the solicitation of which may be expressed through the raids on the ship’s provisions, and could extend to financial extortion.

In some ports, if the onboard personnel do not provide gifts, the vessel would not receive approval of requisite documents. As exposed by Sampson, Acejo, Ellis, Tang, & Turgo, (2016), such was the case of a vessel when the quarantine inspectors went to the captain, asking for cigarettes and wine. The captain refused. Consequently, the ship was arrested for some vague non-conformities resulting in a fine of $100.000 for the company. Additionally, the vessel was blacklisted. Situations like this force the companies to adhere to those practices as the costs are perceived to be lower than the consequences of resistance.
Findings about financial extortion expose that officials may demand from captains and the research shows that these solicitations are not necessarily based on errors found onboard. Frequently, seafarers were fearful of the company’s reprisals thus, they managed to raise the required funds themselves. Furthermore, the SIRC research has observed situations where the agent who are paid by the company to assist the ship’s personnel, actually don’t. These agents seem to favor the long-term relationships with shore-based authorities.

Finally, the research presents the case of the Chief engineer who faces practices like “cappuccino” and “magic pipe”, exotic names used to describe corruption related to fraudulent bunker supplies. The shore-side personnel may transfer less bunkers than agreed, either by pumping air with the liquid in the case of the “cappuccino” or by installing a hidden pipe which diverts a part of the cargo elsewhere, in the case of the “magic pipe”. Meanwhile, they require the chief engineer to sign the Bunker Delivery Note (BDN) although the bunker is missing tens of metric tonnes, which puts the chief engineer in an embarrassing position towards the company, or even worse, towards the charterer who pays for the bunkers (Sampson, Acejo, Ellis, Tang, & Turgo, 2016).

1.3.1 Factors of non-integrity in ports

Although the current study expands on the integrity of shipping companies’ professionals, their interaction with the ports ‘personnel explains through many factors, their exposure to corruption. A research project has been undertaken by the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Technical Unit on Governance and Anti-Corruption Reforms (TUGAR), and the Bureau of Public Procurement (BPP), in 2014. Supported by the Maritime Anti-Corruption Network (MACN), and the United Nations Development Programme (UNDP), the objective of the project was to assess the corruption risks in Nigerian ports. In 2014, Nigeria had serious corruption issues, being ranked 139 out of 176 in the International Corruption Perception Index. The report exposes social, political and economic factors explain this status but those belong to the scope of the country’s structural organization. While the government is engaged in the battle against
corruption, with agencies involved in that purpose, the overview of the research points out that Nigeria does not have an approved National anti-corruption strategy and it extends in all the areas of businesses, notably within ports. This situation illustrates accurately the two theories of action; espoused theory and the theory in use as explained in the literature review. The factors related to shipping are the ones that will be presented in this section, as they can be considered as generic factors which explain the existence of corruption within the interaction of vessel’s crew members and the port-based personnel.

The collaborative research has revealed that on the organizational level, there is no consistency in the processes and consequently, delays occur which means demurrage to be paid by importers even if the delay is caused by the deficiencies of the port agency’s procedure application. The absence of workflow charts, operational guidelines or any manual of procedure provides for the staff of Ports’ Agencies unrestricted powers, allowing them to delay the processing of documents. Excuses are provided such as the cargo clearance system is down but often, not even any justifiable motives are provided. Aware that ports users, clearing agents, forwarding agents are eager to avoid tremendous demurrage charges, ports’ employees are requesting facilitation payments to get the job done faster. When the accumulated demurrage due to procedural delay attains so vertiginous highs the cargos are abandoned by their owners and become overtime cargos. It has been observed as well that for some privileged people, auctions are organized by the agency to sell those cargos at a lower price than their market values. Offering gifts is rationalized, the practice is accepted and expected as a tool to stimulate business interactions (ICPC, BPP, & TUGAR, 2014).

On the aspect of ports ‘structure, the study suggests that the inexistence of an independent place or institution to report corruption issues could encourage the practice. Port agencies might offer Dispute Resolution Mechanisms, but available only for the members of concession agreements who have been aggrieved by the terminal operators and/or by the agencies personnel. If ports agencies possess Internal control
unit, they are not effective as some of them perform less than one investigation per year or even, none. Finally, observing the environmental level, insecurity problems in the coastal waters contribute to delays in Ports processes and are strongly tied to corruption issues: working times on ports are reduced to daylight while time is money. The scarcity of this resource increases the attempt from businessmen to buy for extra time and bribe (ICPC, BPP, & TUGAR, 2014).

The cost occurred due to the bureaucratic infrastructure which handles the movements of goods across borders are called soft infrastructure trade cost. Studying how corruption emerges in the process of clearing goods across borders, Sequeira and Djankov (n.d.) have identified two sorts of port officials that are able to generate opportunities for bribe extraction: the customs officials and the port operators. The research revealed that customs officials possess wider discretionary power as they have access to all information related to the shippers and their shipments. For instance, they can decide which cargo to interrupt, to reassess the classification of the goods to impact on the tariffs, which ones to validate, from which shipper to request further documentation. concerning the port operators, they create less opportunity for bribes as they have less access to details about the cargo nor their owners. Bribes happening in this category comprise officials who approve late cargo arrivals, clerks who stamp import, export and transit documents before they are submitted to customs while stevedores organize auctions for the use of port’s equipment and forklifts. Sometimes, shippers might want to subtract the content of the goods from intrusive scanning technology and scanner agents comply by accepting money (Sequeira & Djankov, 2010.).

The authors also explain how collusive corruption occurs when the public official and the private agent agree to undertake a dishonest practice and to share the benefits from it. On the other hand, coercive corruption refers to the extortion of an additional fee beyond the official price from the public official to the private agent in order to get the things done, for instance, to clear the goods through ports. According to the study undertaken by the authors from the perspective of the shipping company,
the practice of collusive corruption is less costly than that of the coercive one. Interestingly, shipping companies who are involved in collusive corruption present a bigger corporate benefit from the internationally sourced inputs and a wider collaboration with ports as well. Companies who are bearing coercive corruption tend to present lower internationally sourced benefits with less usage of ports. This observation infers that companies react to different types of corruption, which affect their propensity to use maritime transport (Sequeira & Djankov, 2010, p.4).

Finally, one of the most predominant forms of collusive corruption in ports appears to be the practice of tariff evasion when the importers are reluctant to pay the too expensive official tax for importation, they collude with the customs administrations to under-invoice those fees (Olarreaga, Anson, & Cadot, 2003).

As corruption has been established to be amoral, it would be relevant to understand how morality is measured and what are the corruption expressions within the shipping industry. The next chapter presents a lighthouse theory in the realm of Moral psychometrics, the Moral and Cognitive Development (MCD). Based on that theory, the aims of the analysis and the revolving notions are exposed in this chapter.
2. Literature review

2.1 Kohlberg and the theory of Moral Cognitive Development (MCD)

With the theory of Moral and Cognitive Development, Lawrence Kohlberg in 1969 follows in the footsteps of Jean Piaget in his research on the evolution of the individual's way of thinking. The difference lies in the fact that Jean Piaget focuses his study on the child and his ability to learn, while Kohlberg proposes a mode of evolution of moral judgment which can be applied to the adolescent and the adult (Piaget, Kagan, & Inhelder, 2000).

While maintaining Jean Piaget's stage evolution system, Kohlberg pushes the theory further, with the elaboration of Moral and Cognitive Development (MCD), which seeks to define the degree of development of the moral judgment. Kohlberg's attention is focused on the process of reasoning followed by an individual who is faced with an ethical dilemma. An ethical dilemma is a hypothetical situation, forcing the subject to make a choice in a very limited field of possibility, this choice being underpinned by a moral problem. What will reveal the moral level is not so much the choice in itself as the moral argument that supports this choice (Kohlberg, 1971).

Following a sequential and irreversible progression, ethical judgments evolve in a series of three stages of moral development: The Pre-Conventional, the Conventional and the Post-Conventional. A stage consists of two sub-stages, each of which tends towards a higher equilibrium and evolution than the one preceding it. Each level of MCD is further explained below as Kohlberg (1971) has established the theory.
The Pre-Conventional level and its stages

The first level is the Pre-Conventional in which the subject elaborates his moral judgments on the basis of his immediate interest. By projecting himself into the situation of the dilemma, he chooses to act according to the punishments or the rewards likely to happen to him. Therefore, he does not take into consideration the rules established by the community.

The first sub stage of the conventional level is called Stage 1, which Kohlberg calls the stage of punishment and obedience. It is an egocentric approach that disregards the interest of others and only takes into account the direct consequences of one’s actions on one's self. At this point, the rules will be obeyed to avoid punishment.

Stage 2 is that of the Individual instrumental project and exchange, it is the sub-stage of individualism. The subject chooses to obey only if his/her interest can be satisfied. He/she will retain the rules that are likely to satisfy their interest and own needs. In his/her logic, it is right to do so and everyone should do the same by obeying the rules that satisfy from a personal perspective. This is the basis of the reasoning of barter, the exchange, the transaction that satisfies the parties concerned. Unlike the first stage, where the subject was egocentric and fearful of retaliation, the individual in stage 2 takes into account the interests of others and is willing to negotiate.

The Conventional level and its stages

The second level of MCD is the conventional stage. The subject is aware of the expectations of the community, social rules and educational principles. Consequently, he tends to comply with these expectations.

According to Kohlberg, Stage 3 is about interpersonal and mutual expectations, relationships and compliance. The individual makes ethical decisions based on what his loved ones would consider appropriate. He desires to enjoy an appreciable image and to be recognized by his family as a respectable person. The subject here understands that to conform to the rules is necessary in order to be loved, to be worthy of respect and affection. The subject seeks to "be good" both in the eyes
of others in a narcissistic quest, and to this end, it is appropriate to be concerned with others. The subject wants to maintain good relations and preserve the common rules that support these values because he/she is able to make an empathic self-projection.

Stage 4 is called the stage of maintaining consciousness and the social system. The individual fully complies with the rules to allow the system to function properly, to satisfy the interest of the group or the institution. It is right to participate in the balance of society by honoring the rules to which we have subscribed. Disobeying the rules of the system leads to chaos, the individual in stage 4 reasons by asking the question: "What would happen if everyone did the same (disobedience)? ".

Having fully realized his/her place and role in the system, the subject weighs the consequences of his actions and puts the general interest before his own, because his own interest, even if not directly satisfied, is interlaced in the proper functioning of the institution.

The post-conventional level and its stages

The individual who has reached this level behaves according to universal principles and values. From here, a distinction must be made between the company and the group.

Stage 5 is that of primary rights and the social contract. The subject realizes that each individual defends values and opinions, depending on the group to which he belongs. There is the notion of difference in culture and religion, for example, are included here. He respects these opinions regardless of the major tendency in his environment. Next, the individual in stage 5 conceptualizes the well-being of all through a "social contract" that covers respect for the rights of all members of society and by virtue of which the subject voluntarily obeys the laws. The subject feels himself bound by this contract, to serve "the greatest good for the greatest number". It means that despite the differences in culture and religions which must be respected, if a conflict raises and a choice must be made, the respect of differences goes after the respect for the human being’s protection which is the basis of the social contract. A
good example of this would be the case for radical terrorism in some radical Muslim groups: an individual in stage 5 would respect the beliefs of the religion but will condemn the attack on human’s life.

The individual in stage 4 and the individual in stage 5 both want to preserve the system in the group/society but the difference lies in the fact that the individual in stage 4 obeys the rules blindly without asking questions because he considers that the laws are sufficient to order everything. The individual in Stage 5 is defined by Kohlberg as follows in his notes: "... he or she takes into consideration the moral and legal point of view, recognizes that they are divergent, that it is difficult to reconcile them."

Finally, the stage 6 is called the **Stage of Universal Ethical Principles** and gives the individual who has attained it the ability to adopt a rational point of view and recognizes that morality is based on respect for others. Kohlberg explains: "What is right is what governs universal ethical principles. Laws and social conventions are usually valid because they are based on such principles. When laws violate principles, they rely on principles for action. It is a set of universal principles freely chosen by the individual that defines his moral judgment but always with the aim of respecting the dignity of the human being. At this stage, the individual could act contrary to the law if he considers that the principle of human dignity was violated by the law.

### 2.2  Anti-corruption espoused theories

#### 2.2.1  **Theories of action: Espoused theory vs Theory in practice**

For an individual to do ethics in a natural manner, the conviction about its imperative should be the basis of his decisions. This perspective introduces the theories of action. These theories conceive the individual as an agent who develops an intention followed by an action designed by him in order to achieve an expected consequence. This process is undertaken by the agent based on the information he possesses and on the situations he expects as consequences (Argyris & Schön, 1992).
According to Argyris and Schön, there are two types of theories of action: The espoused theory and the theory-in-use. The espoused theory is what an individual claim to follow while the second theory is what is actually followed by action. It means that there might be a gap between the intention and the action of the agent. The discrepancy between the intention and the action could be due to a lack of will to realize what has been claimed to be done. However, the authors insist that the distinction is not just about what is said and what is done because both are following two theories of actions. It means that the individual is aware of the espoused theory, as it is what he claims to follow, but he might be unaware that what he is actually doing differ from that although he could be genuinely convinced to follow the espoused theory.

Those theories are relevant for this study because a company could claim to fight against corruption as an espoused theory, and codes and policies might even be implemented as they represent an attempt for the organization to communicate its expectations of ethical conduct. In practice however, the actual behaviors are not fighting corruption and this is not always due to a lack of goodwill from the companies but the empirical upkeep that links codes and employees conduct is in default.

2.2.2 Anti-corruption espoused theories

Corruption has ceased to be a taboo subject, and its elimination has become a priority for the business community for several reasons as summarized below:

“Now as then, it (corruption) is a major hindrance to sustainable development, with a disproportionate impact on poor communities, and it is corrosive to the very fabric of society. Its impact on the private sector is considerable and costly: it impedes economic growth, distorts competition and represents serious legal and reputational risks” (United Nations Global Compact & Transparency International, 2011).

Indeed, corruption incurs high transaction costs, and also weakens the free-market system and obliterates private and public property rights. The loss of the potential investors ‘confidence causes immeasurable shortfalls which can lead companies to bankruptcy when the reputation is tarnished. The absence of corruption
is considered to be an evidence of a well-managed business. The will to preserve stakeholders’ interests, trust and ultimately the surviving of the businesses has gathered industry peers to join forces and fight corruption.

United Nations Global Compact explain on their website that the international institution has developed anti-corruption strategies for multinationals. As the collectivity defines itself, the United Nations Global compact is “A call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals”. This voluntary and collective initiative gathers international CEOs who are committed to implementing principles to be applied around the globes, in order to support the UN goals. The tenth principle of this initiative is Anti-corruption and was adopted in 2004. The companies committed to UN Global compact are compelled to fight on two fronts for the purposes of a transparent business environment: first to avoid any form of corruption, extortion and bribery, and second, to develop anti-corruption policies and programs within their internal supply chain. The legal enforcement of the 10th principle is the United Nations Convention Against Corruption, introduced in 2005 (United Nations Global Compact, n.d.).

In 2016, OECD has released an anti-corruption toolkit for the usage of governments worldwide. Analyzing corruption in the realm of mine, oil and gas extraction, this toolkit evidences the patterns, schemes and vehicles of corruption in the value chain. The findings show that illegal payments, embezzlement, and briberies are disguised through shell companies or offshore transactions, which make corruption less obvious and according to the report, high-level public officials are often involved in imposing corruption (OECD, 2017). In 1997, the OECD negotiated and adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions? Criminalizing the act of bribery of public officials, it stands for the first international instrument to fight corruption and is legally binding (OECD, 1997).
In 2009, the Anti-Bribery Recommendation took place where convention parties engaged to establish new measures to strengthen corruption combating involvement. The main instruments of the recommendation are the prevention, detection and investigation of foreign bribery in international business transactions (OECD.org, 2017).

When the United Kingdom has been criticized to have failed the effective implementation of the OECD convention on Combating Bribery of Foreign Officials in International Business Transactions, the UK undertook a legislative reform on a national level and elaborated the UK Bribery Act in 2010. It follows the general patterns of the OECD anti-bribery convention but has the specificity to criminalize the act of bribing, but not of accepting bribery (Sohlberg, 2011).

As exposed afore, the shipping industry is not exempted from the destructive effects of corruption and the UK bribery act has inspired the creation of a collective action called Maritime Anti-Corruption Network (MACN). Indeed, from the UK bribery act, shipowners were exposed to the risk of imprisonment in the way the business has been conducted so far. The shipowners felt the need to form a block to tackle the corruption because as presented in former examples, a single company facing a corrupted port official finds itself with staggering fines to pay, for example due to the uneven balance of power (Froholdt, 2016).

MACN, which will be presented in the section 8 of the study, is the collective action all devoted to creating a corruption-free business environment within the shipping industry.

2.3 The morality learning process

The US Ethics Resource Center undertook a survey to observe the knowledge about ethics as well as the attitudes toward ethics training. The study showed that within companies have ethics training programs, individual ethics of employees are enhanced. Moreover, those employees are conscious that their business ethics with
their ethics in general have improved through the time they were exposed to the ethics training, norms and policies in the company (Ferrell, Hirt, & Ferrell, 2004).

This study suggests that doing ethics can be acquired through a learning process. As well, individuals bring their own level of ethics within the organization while the organizational framework impact on both their professional behavior and their personal life ethics level. This learning process is precisely the aspect of ethics to be analyzed within the maritime industry.

The awareness of corruption refers to the capability to detect a matter of corruption as it has been established that an individual could genuinely ignore that the customary practices are actually responding to the definition of corruption. The awareness to anti-corruption would be the knowledge about ethics training, and the reaction toward them either positive or reluctant. The personal ethics is the ethics level that the individual brings to the company before being following ethics training and policies. This is assumed to be the input and will be expressed by the moral and cognitive development level observed for professionals who don’t have anti-corruption training programs.

This study expects that before the exposure to ethics training and policies, the individual’s morality level is the input. The training is assumed to be the learning process, and the output would be represented by the level of morality presented after the adhesion to the learning. The output will be represented by the MCD level of professionals who have been learning to do ethics within the work environment.

2.4  Aim of the study

2.4.1  Research question

This study is exploratory and intends to assess the impacts of anti-corruption interventions within a shipping company that is willing to battle corruption. The first step of the study consists in the identification of a strong model of anti-corruption in the maritime field. Second, a comparative analysis will be undertaken between
companies who actively fight corruption and those who take a passive position towards it.

The main element to be compared is the average MCD level of the observed population, but this element taken individually does not convey any pertinent information. Assuming that a company establishes as objective to fight corruption and undertakes actions toward that goal, the main tool used would be the training programs, while the desired effect would be that its employees become invulnerable to corruption. The invulnerability to corruption will be expressed by a high level of MCD, expected to be higher than that of the professionals within a company which is passive towards corruption.

The cause and effect relationship is articulated through a learning process. Companies who adopt anti-corruption as an espoused theory are infusing in the thinking of their professionals the reflex to refuse any form of corruption. Ultimately, these individuals, conditioned to be more ethical if they were not initially, should present an evolution and show a higher level of morality than that they had before being integrated into the anti-corruption learning process. As it is impossible to compare the MCD levels of those same individuals before and after the process, it is assumed that the average MCD from the population of professionals who are not exposed to an anti-corruption culture, constitute the input. The training and culture represent the learning process while the MCD of professionals who are trained against corruption constitute the output.

The research question is then presented as following:

“Anti-corruption as espoused theory: How efficient is the established framework?”

Answering this question amounts to answering four sub-questions:

- How aware are the stakeholders about corruption in the maritime field?
- How engaged are shipping industry professionals to anti-corruption?
- What are the effects of the rules espoused theory?
2.4.2 Elements of comparison

The Culture of integrity as defended by MACN encompasses training programs and anti-corruption corporate cultures thus, it is chosen to be the anti-corruption model to guide this study. The average MCD of MACN members is chosen to represent the output element of the learning process.

The population to represent the input element is the group of maritime professionals whose organizations have no declared stand against corruption.

In the first instance, there will be no distinctions between the learning processes whether they come from individual organizations or they are elaborated within MACN because the primary comparison stands between the existence of anti-corruption learning process and its absence; and ultimately on the effect on average MCDs. More precisely, the MCD levels from non-MACN professionals and MACN population will be compared in order to assess the effectiveness of the training programs.

2.5 MACN

Since its formalization in 2012, MACN has gathered companies of the shipping industry, mainly consisting of vessel owning companies but also including cargo owners and service providers. Aiming at freeing the maritime business platform from corruption for the purposes of fair trade, MACN members encourage ethical practice within companies, focusing on the fight against all forms of corruption ranging from facilitation, bribes to extortion. Cooperating with international institutions such as the United Nations Development Programme (UNDP), MACN works on identifying the source of unethical practices and on providing practical tools to overcome the pressuring and corrupted environment. The MACN’s concept of anti-corruption initiative is based on three main pillars called the 3C: Capacity building, Collective action and Culture of integrity.

The Capacity building consists in making available for the member companies innovative solutions to tackle practically corruption. Based on the challenges experienced by the companies, for instance by the vessels ‘Captains who are on the
front line to face corruption, the right attitude or solution to adopt is elaborated by MACN. Indeed, different experiences and personalities express different approaches to tackle corruption and those potential solutions are recorded, analyzed and assessed in order to provide for the entire community a best practice and conduct guideline.

The Collective action is a collaborative system between the shipping private sector and the maritime public authorities aiming at balancing the inequality of powers and reducing the vulnerability of the private agents. This initiative falls into the realm of Private Public Partnership (PPP), has so far shown its success at supporting benefits for both private and public sides of the business while being practical and easy to install. Port and Customs authorities, NGOs, governments and private companies are working together to localize the sources of corruption and providing solutions through the maritime supply chain. Tangible results have been observed such as the diminution of facilitation payments in the Suez Canal, implementation of operating procedures to make bribes difficult to demand and to offer.

The third pillar is the Culture of Integrity, an effort to face the corruption by creating deeply engrained behaviors within the concerned stakeholders such as the Captains and the Public officials. MACN members acknowledge that the creation of a culture of integrity through a way of thinking, ways of living, and ultimately habits will anchor the right attitudes to refuse offer and demand for corruption. This culture of integrity is widely spread within the network, and its main tools are the training (MACN, n.d.).

The objective of the analysis has been established. The next chapter presents the tools used to collect the pertinent information, and how they will be used to lead to the pertinent observations for the study.
3. Methodology

3.1 Material, data and analysis method

The main tool used to collect information is a survey comprising two parts. The first part collects personal information while the second measures the MCD levels of the participants with the Defining Issues Test-1. Aside, opportunities to obtain further information are taken through semi-structured interviews organized with some maritime professionals. These interviews open the field for the participant to answer freely, even to develop experiences shared under the cover of strict anonymity.

The study falls within the scope of qualitative analysis research, as it aims at understanding underlying reasons and motivations, providing acumens into the setting of a problem instead of quantification of data. Indeed, Denzin and Lincoln (2011) explained that qualitative research works with non-numerical data on a targeted place or population, seeking their meaning and ultimately, aiming at helping the society to understand a certain phenomenon such as, for this study, corruption.

In parallel, qualitative research aims at providing trustworthy analysis and conclusions. Often, for credibility purposes, it relies on quantitative research, the science which approaches empirically its observations, analyzes and presents data in a numerical form (Denzin & Lincoln, 2011).

This is why this study uses triangulation, or the multiple data-gathering techniques: qualities are quantitatively presented, translated into scales or grades, then analyzed quantitatively in order to permit statistical analysis (Given, 2008).

Due to the lack of data, the observations are not detailed through the descriptive statistics ‘elements such as mean, median, standard deviations etc. However, the percentages are used in the study to express majority and tendency. Although this study does not generalize the observations to all maritime professionals,
it gives an overview of the probable general situation and represents an opening for further in depth quantitative research to provide more precise outcomes.

The use of different source of data also triangulates the results of this study. Considering that the questionnaire and the interview gather information directly from the participants, the analysis is mostly based on a primary data collection. However, secondary data, from different researches are used to compare and discuss the collected observation from the survey.

3.2 Elaboration and publication of the questionnaire

A questionnaire entitled “Survey for the awareness of anti-corruption in the maritime industry” has been developed for the study. Comprising two parts, the first one collects personal information about the subject while the second part contains the Defining Issues Test-1 itself.

The first part of the questionnaire is aimed at collecting information on how corruption is practically experienced and perceived by the subjects. It has been developed in collaboration with MACN, and has undergone a series of modifications before its final publication. On the 9th of June 2017, Dr. Lisa Froholdt in her capacity of dissertation supervisor, established a contact between myself, the coordinator of the research, and Mr. Martin Benderson, Associate at BSR who is a founder and Secretary of MACN. After my explanation of the study project, Mr. Benderson has put me directly in contact with Mrs. Cecilia Muller Torbrand, the Program Director of MACN. During a video conference with Mrs. Torbrand on the 6th of June 2017, the general objectives have been discussed and positively received. Indeed, the analysis falls under the scope of the Integrity training developed by MACN. The draft of the questionnaire has been sent to Mrs. Torbrand on the 28th of June, and it was agreed that the questionnaire would be sent to certain member companies of MACN instead of Maersk alone. The initial project intended to select a company with a strong ethical credential, and for that purpose, proposed to work with MAERSK. Mrs. Torbrand explained that not only would it not be feasible to collect this kind of information within such a large company, regarding their protectionist policies of discretion, but also smaller
companies have more information to offer in terms of evolution. Mrs. Torbrand suggested to target a specific segment of transportation, chosen to be liner shipping, and she offered to send the questionnaire to five or seven MACN companies.

Further adjustments were brought on the 10th of July, including grammatical errors and more precision in some of the questions. Urged by the time and in absence of further comments from Mrs. Torbrand, I converted the survey from a word document to a cloud-based questionnaire, using the tool Jotform. The access link was sent to Mrs. Torbrand on the 18th of July 2017.

Two sets of the same survey were elaborated for the group of subjects from MACN and the other one for Non-MACN professionals. The Jotform link was shared to the students of the University and to some Faculty members on the 18th of July 2017. The survey for MACN was still waiting for approval from Mrs. Torbrand.

On the 20th of July, Mrs. Torbrand asked for the addition of seventeen questions for the first part of the survey, which would have brought the questions from ten to twenty-seven. The psychological effect would be to discourage the subject thus, reduce the number of participants. The additional questions were combined, reformulated and incorporated within the existing ten questions. Ultimately, the first part of the questionnaire comprises twenty questions instead of twenty-seven.

On the 8th of August, the final version of the survey was finally published to MACN companies. The initial deadline to collect the data was supposed to be mid-August but considering the delays, was negotiated to the beginning of September. For the individual companies who request so, a short report with the basic analyses of the results will be provided.
3.3 Presentation of the Defining Issues Test (DIT-1)

3.3.1 Presentation of the DIT-1

The DIT-1 consists of six stories presenting ethical dilemmas. Each dilemma is followed by twelve articles which discuss situations, purposes or issues to be considered in making a decision in the face of the dilemma. The participant reads the story and decides what should the protagonist decide to do (acting, not acting, making no decision). For James Rest (1975), making a moral decision means to wonder: "What is the crucial question that a person must consider in making a decision? ". According to this importance, each article will be graded "very important", "very important", "fairly important", "somewhat important" or "not important". James Rest recommends in his manual to note "No importance" items that are incomprehensible or meaningless to the participant. Finally, he has to select the four (4) which are considered to be most important and classify them from the 1st most important to the 4th most important.

3.3.2 DIT consistency tests

The selected of the four major items are reviewed. As candidates are asked to rate the twelve articles and then select four, the four selected will be among the best rated in the table. An item judged to be "very important" should have a high rank among the four selected. The notations can be the same for more than one article, but there should not be a better-rated item than the one considered the most important. Otherwise, this would be an inconsistency that will be recorded in the participant's data sheet. It can be due to a lack of attention by the participant, or a misunderstanding of the instructions.

Reliability checking consists of three parts. First, the correction sheet should not contain more than eight inconsistencies for the six stories. Second, the logic of the classification is reviewed and if the two first rankings are inconsistent with the grades, the test is invalidated. Finally, it is necessary to verify that the same rating does not appear more than nine times in more than one story. For instance, if in one story eight articles were rated "fairly important", then another story includes four of the same
notation, the questionnaire is invalidated. All these inconsistencies may indicate that the subject does not take the test seriously.

**Testing the validity of the DIT: fake good and fake bad**

To analyze the validity of the results, Mc Georges in 1979 asked three groups of subjects to treat the DIT. The first group was asked to respond falsely to the DIT by tending to the answers that would make the subjects appear more gentile. This is the fake good group.

In the second group, the members were asked the opposite, either to answer the DIT by putting themselves in the skin of someone bad, it is the group "fake bad". To the last group, which would be the reference group, McGee asked to answer correctly and sincerely to the DIT. The results established that for the fake bad group, the MCD level is considerably lower than that of the normal group. However, there is no difference between the results of the normal group and that of the fake good group. Studies have deepened these findings to show that under the normal DIT process individuals express their best notions of what is right, which is why the results are substantially the same for the normal group and the fake good group. This means that the subject cannot try to be a morally better person than he/she actually is by manipulating the results of the test.

**Calculation of the P. Score and classification**

The Score is calculated on the basis of the classified data. Each item has its rating and the item that the participant classifies as "most important" will have its score multiplied by four. Gradually, the multiplication will be decreasing such that the article coming in second importance will be multiplied by three, down to the least important article which will be multiplied by one. The P score is the total score obtained on the six dilemmas and extends over a range of 0 points to 95 points. On the basis of the P. Score thus calculated, James Rest has established a classification which is as follows:

- P score = [0, 27] pre-conventional level
- P score =] 27, 41] conventional level
- P score =] 41, 95] Post-conventional level

3.4 Limitation of the DIT-1

3.4.1 The use of short 3-story form

For this study, responding to the imperative of time limitation for the project and in order to obtain as many participants as possible, the first limitation is related to the number of stories used for the test. Indeed, instead of using the six stories, the DIT-1 allows the use of a short version of the test, using only three stories which are that of Heinz, the Prisoner and the Newspaper. The fear was that the subject would not be motivated to answer the long version of the questionnaire which might have seemed too long because apart from the stories, the first part of the questionnaire is constituted by personal information which will be used to enhance the contextualization of the corruption and the DIT-1 results.

In the short 3-story form, those stories were chosen on the basis of their having the highest correlation to any 3-story set with the full 6-story set. The P. Score from the short version correlates up to 93% with the long version, the short version having substantially the same properties as the longer version.

The consistency check will use the same system as in the longer version but the limitations will stand at the half of the initial values. For instance, the short 3-story form questionnaire will be classified to be invalid if it presents more than 4 inconsistencies.

3.4.2 The ethical judgment versus the ethical action

The second limitation concerns the theory, precisely the distinction that must be made between ethical judgment and ethical action. The DIT measures the level of moral development, which suggests that, confronted with the situation described in the stories, the individual will behave in a manner consistent with his or her measured ethics. However, many factors extend a gap between the ethical judgment and the action that follows, because the action is visualized independently of a lived context. The main criticisms of Kohlberg’s theory, notably by Gilligan and Habermas (Leleux, 2012 translated from French), are that it describes the evolution of moral development
outside a framework of action and interaction. Rest himself provides further analysis as to the dimension of ethical judgment and action.

According to Rest (1975), the individual must go through four psychological stages in order to be able to adopt an ethical behavior. First, it must be able to recognize the presence of an ethical dilemma in the situation mentioned, while identifying the possible options and their consequences. Secondly, it must be able to render a moral judgment and feel the will to behave in an ethical manner by disregarding what it would dictate to him to satisfy his own interests. He is then led to choose the action that is morally acceptable, that which is legitimated in a social context. Finally, he must possess sufficient strength of character to behave effectively in an ethical manner (Rest, 1990).

3.4.3 The use of DIT-1 instead of DIT-2

The last reservation concerns the DIT which, for more than twenty years, has used the PScore as a unit of measurement. However, more recent research has led the authors to design a new analysis framework for DIT and, in order to make it more precise, James Rest, Darcia Narvaez, Muriel Bebeau, and Stephen Thoma established in 1999 what they call the "Theory of Schemas". It is a matter of studying an individual in a broader context, trying to identify by the DIT the micro-morality and macro-morality. According to them, the Kohlbergian study is useful in the determination of macro-morality. In their article entitled "A Neo-Kohlberghian Approach: DIT and Schema Theory" (Rest, Narvaez, Bebeau, & Thoma, 1999) they distinguish between macro-morality:

"Macro-morality" concerns the formal structure of society, as defined by institutions, rules and roles. "Micro-morality" refers to relationships, especially the face-to-face relationships that individuals have in everyday life. For the sake of clarity, the authors propose a validation strategy for DIT using a new version of the DIT to obtain a more accurate measure of moral judgment. The P. Score establishes the moral level of an individual without seeking to explain the elements that influence this judgment, and with recent research, it is necessary to correct this deficiency. The DIT-2 was born. Among other things, the new indices take into account the sensitivity to
education, the differentiation of the age and the groups of belonging, the correlations of the social behaviors, the years of studies. A new unit of measurement is thus developed, the N2, which is generally accepted as more efficient compared to P.Score.

However, the measurement by P. Score is not invalidated. It is only seen as simplistic since it does not take into account several elements such as the humanitarian and liberal perspective, which is measured by the new indicator called HUMLIB, the moral judgment correlated with the religion measured by CANCER10, the correlation with political beliefs measured by CONLIB, and many other indexes or recently developed measures. These new measures are only available through the DIT-2 and the rights to these tests, whether DIT-1 or DIT-2, belong to the Center for Ethical Studies at the University of Alabama in the States -United.

This study uses the DIT-1 first of all because the P. Score of the DIT-1 is still valid and for the level of analysis ought to be undertaken the results are not considered too simplistic. Second, the choice of the DIT-1 responds to practicality reasons inasmuch as the Ethical Studies Center does not offer research and personal use of the DIT-2. It is inferred that the center only would be able to score the results and the timing would depend on their availability while with the DIT-1, it is possible to hand score the questionnaires.

3.5 Leading the interviews

In order to gather opinions on the wide theme of corruption, semi-structured interviews have been carried out and two meetings provided interesting information.

The advantage of choosing the interview as a data collecting tool is that, being an active conversation which involves both the interviewer and the participant, it is a constructive process. The researcher invites the free expression of the participant’s opinions and perspectives. This process favors the collection of meaningful, thorough, and even unpredictable information. The semi-structured interview provides the advantages of the interview within a frame established by the researcher through a list or series of questions which guide the participant (Given, 2008).
The interviews consist of open questions as presented below, which gives an opportunity for the interviewee to broadly express on experienced situations, position, and even, proposed solutions to tackle corruption on a very practical basis.

1. What is your definition of corruption?
2. Do you occupy or have held a position that you feel would be sensitive to corruption?
3. Name of Organization (or field of activity):
   Position name:
4. Please describe to what extent and in what context were you exposed to it?
   - Highly exposed
   - Fairly exposed
   - Not really concerned
   - Not at all exposed:
   Context:
5. In your opinion, what is the fundamental factor that will have facilitated the emergence of this corruption situation?
6. Who are the parties involved?
7. What solution would you propose?
8. Do you think you are concerned about the fight against corruption?
   - Strongly agree
   - Somewhat agree
   - Neutral
   - Somewhat disagree
   - Strongly disagree
9. Why?
The analysis has been planned, the results are presented and analyzed in the following chapter. Different perspectives are presented and explanations are proposed for the findings.
4. Data collection and findings

4.1 Limitations of the data collection and impacts on the research

The main objective of the research was to compare the group of MACN members’ professionals with the group of non-MACN professionals. Unfortunately, only one response has been collected from the MACN group, which makes the comparison between the two groups unfeasible. The research has been adapted to focus all the observations on the Non-MACN professionals’ group and to make the comparison between those who have an anti-corruption espoused theory with those who have none.

The main impediment to the expression of conclusions which can be generalized to the entire shipping industry is the amount of data collected. Observed overall, the number of valid questionnaires of 47 is statistically significant as it is above 30. However, when these answers are distributed into different samples, the categories are so unevenly represented that it is not safe to draw general conclusions based on the results.

For the example of the MCDs level distribution according to the type of organization, Maritime organizations are represented by 18 professionals while only 1 individual works at a Classification society. Consequently, when the 18 Maritime organization professionals are distributed along their MCD levels, the observed 12 Pre-conventional individuals which represent 67% is not comparable to the single pre-conventional individual who works at the classification society which represents then 100%.

However, in this study the statistical irrelevance is not used as an obstruction. To overcome the number of obstacles each sub-group is observed individually and provides starting points for further in-depth studies.
4.2 Data presentation and analysis

4.2.1 Moral and Cognitive Development: general findings

In a total of 154 non-MACN maritime professionals targeted, the questionnaire received 49 answers, which gives a rate of 31.81% rounded up to 32%. Among the 49 responses collected, 2 surveys did not pass the validity test of the DIT-1 questionnaire. For the first test, more than 4 inconsistencies were observed, as the respondent made a top 4 statement ranking which is not coherent with the importance they were given in the table. The second questionnaire was invalidated because in the table, the subject has graded all the statements to be of “Great importance”, which according to the DIT-1 protocol, depicts a careless responder. There are then 47 workable surveys which indicate that 28 respondents have a pre-conventional MCD level, 11 among them being Conventional while the 8 others show a post-conventional MCD level. As a reminder, the higher the MCD level of an individual, the less likely he/she is to commit unethical actions such as corruption.

The pre-conventional individual will avoid corruption only by fear of punishment, but at the same time, could commit corruption if the threat is erased and if corruption satisfies his/her individual interest. The conventional individual is less likely to corrupt because of the will to preserve the well-being of the society/organization. Finally, the post-conventional subject will definitely not corrupt because ethical principles have been integrated into his/her mindset on a personal elaboration, and a voluntary initiative without any external stimuli or motives than one’s self-projection. Indeed, the post-conventional individual considers unethical practices to be cheap and weak.
4.2.2 Awareness of corruption

In the questionnaire, 10 different professional situations have been described for the subject to select those which are recognized to be circumstances of corruption. The cases were proposed by Ms. Torbrand from MACN, and according to her, all of them are corruption practices.

In your opinion, which ones, among the situations below, best represent corruption? *

☐ 1. The abuse of power through one's position for personal gain
☐ 2. Inviting a national public official to a luxury restaurant in order to obtain a contract
☐ 3. Inviting a business partner to lavish entertainment during a contract tender process
☐ 4. Sponsor major sport event in a country where your company has business
☐ 5. Sponsor the building of a local hospital as part of the tender process for a government owned port
☐ 6. Follow the same practices as everyone else in the industry is doing and, offer annual expensive gifts to main customers
☐ 7. Management approved expenses for a project in a corrupt country without proper receipts or documentation of what the expense is for
☐ 8. Offering three packets of cigarettes to a low level public official to ensure the officials fulfils his duties
☐ 9. Offer a soda drink when a port official reviews material
☐ 10. Offering a packet of cigarette to a low level public official for him to do something he is not supposed to.
However, the items are not all acknowledged by the subject to be corruption and some situations are more recurrently selected than others.

<table>
<thead>
<tr>
<th>Corruption situation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occurrence of selection</td>
<td>38</td>
<td>14</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>19</td>
<td>9</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Percentage of people who recognize this case as that of corruption</td>
<td>81%</td>
<td>30%</td>
<td>13%</td>
<td>4%</td>
<td>6%</td>
<td>13%</td>
<td>40%</td>
<td>19%</td>
<td>4%</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Table 1: Awareness of what is a situation of corruption (Author, 2017)*

Cases 1., 2., 7. and 10 are the most commonly chosen to depict a situation of corruption. Case 1. Is” The abuse of power through one’s position for personal gain”; the case 2 is “Inviting a national public official to a luxury restaurant in order to obtain a contract”; case 7. Cites “Management approved expenses for a project in a corrupt country without proper receipts or documentation of what the expense is for.”; and finally, Case 10 is a famous maritime corruption situation: “Offering a packet of cigarette to a low-level public official for him to do something he is not supposed to do”.

**Analysis:**

The description of case 1, being the simplest definition of corruption, encompasses almost all situations of corruption which explains its strong selection recurrence. The high percentages in cases 2 and 7 show that 30% and 40% of maritime professionals might have seen or experienced corruption within the management realm, more than on the platform of ship and shore-based interaction. Indeed, the low-level official to whom a packet of cigarette is to be given refers to the shore-based ports officials as described in the earlier sections of this study, where this situation is acknowledged by 28% of the subjects.

To reinforce the information on awareness of corruption in the Maritime industry realm, the results of research which has been undertaken by Graziano (2017) to evaluate the performance of Flag States, is proposed. A group of 14 Ports State
Control employees from non-EU countries have been enquired about the working elements which are identified to be challenges or discrepancies in the work environment. Among variables such as inspection procedures, resources, attitude and many others, corruption was selected by 10 participants out of 14. Furthermore, these participants were asked to give importance to the selected elements and corruption was considered to carry great importance by 5 of them, considerable importance by 3 and small importance by 2. Among the subjects who did not select corruption, 3 were EU policy makers (Armando Graziano, 2017, Exploring Port State Control as an indicator to evaluate Flag State Performance in the European Union, Unpublished thesis paper). To explain their ambivalent reaction to corruption, it could be suggested that evolving in the European Union working environment, where corruption is not as present as in others parts of the world, they were not judging this element to be of importance in the selection.

4.2.3 Importance of anti-corruption for the subject

The following question has been asked in the questionnaire:

> How important is tackling corruption for you? *
> - Very important: I believe it is very important to systematically fight corruption
> - Somewhat important: Occasionally when the situation allows it, I believe it is important to take an action and stand against corruption
> - Neutral: If it has no consequences for me I can take a stand against corruption, but it is not important
> - Somewhat irrelevant: I don't think it is important or a relevant value

As exposed by James Rest (1975), a person goes through 4 steps in order to do ethics: to recognize an unethical situation, established by the precedent question on awareness of corruption, then to express the will to fight this unethical practice, which is determined by the present question. This part of the survey seeks to draw an overview of how engaged the professionals are within the shipping industry in the battle against corruption. Among the 47 respondents, 32 consider the fight against corruption to be of high importance, 3 of them anti-corruption to be of relative
importance, 7 individuals have a neutral and detached opinion while 4 of them do not feel concerned to engage in anti-corruption.

The answers range on a gradual basis from “Very important” to “Somehow irrelevant”, and permits to enlighten any gap between MCD levels and the importance given to anti-corruption engagements. Very simply, it would be expectable that people who give “Very important” consideration to anti-corruption would indicate conventional and post-conventional MCD levels, while those who feel indifferent would be pre-conventional individuals. However, in the observations, there are gaps between these two groups.

Since the test is anonymous, there is no reason to suppose that the subjects beautified their answer in order to look like a “good person”. The chances are, for instance, the high percentage of respondents who chose “Very important” are sincerely projecting an image of themselves as being uncorrupted people. The importance given to anti-corruption is the response to the consciousness of morality and the taking of a position in a theoretical situation while the MCD level is not a conscious process. It reveals the unconscious dispositions of the individual if he/she was exposed to
unethical practices, whether he/she would be likely to succumb or resist to do it. The gaps are presented in the following graph:

![Pie charts showing MCD levels confronted with declared position on anti-corruption]

**Figure 5: MCD levels confronted with declared position on anti-corruption (Author, 2017)**

**Analysis:**
For all four groups of answer, pre-conventional individuals are more numerous than any other levels. It would then be more significant to focus on the conventional and post-conventional groups to state the differences. The people who gave “Very important” consideration to anti-corruption represent a total of 47% conventional and post-conventional distribution. The “Neutral” opinions on anti-corruption are given by
a total of 43%, who are surprisingly more present than in the “Somehow important” sub-group who have only 33% of the conventional.

However, as expected, all the individuals who considered anti-corruption to be “Somehow irrelevant” indicate a Pre-conventional level. The interpretation proposed for this result is that these individuals adopt egocentric perspectives because the satisfaction of the personal interest is more important than fighting corruption.

4.2.4 Organization, position and MCD

To determine which types of organization are most concerned with the scourge of corruption, the questionnaire asked the subjects to precisely identify? his/her workplace.

Within the same range, the position occupied by a subject has been asked as well, in order to expose any existing relationship between the work environment and the level or morality. The question about position focuses more on the exposure to corruption than on the hierarchy.
The following table presents, for each type of organization, the distribution of MCD levels or their employees. For instance, 9 professionals represent 19% of the 47 respondents and work at Port authorities while 17% work at Maritime Education and Training institutions (MET Institutions). On a closer observation, for each organization, the MCD levels are distinguished. For the example of the ports authorities, the 9 people represent 100% of port authority sample and among them, 5 have a pre-conventional MCD, 3 have a conventional one and 1 has a post-conventional level. Respectively, they represent 56%, 33% and 11% from the ports authority professionals.

Table 3 expresses the distribution of MCD level for the positions occupied within the organization.

Analysis:

The results who show only one or two respondents in a category of organization, such as the case of the employee at a Law Firm, will not be considered to be pertinent in this analysis. In that perspective, the types of organizations to be observed are the Ports authorities, the Maritime administrations, the Ship-owning companies and the MET institutions. The overall observation is that for almost all
types of organizations, the majority of the professionals are in the pre-conventional level.

The same principle is adopted to analyze the distribution of MCD levels based on the position of the subject within the organization. Similarly, the overall result shows a majority of pre-conventional professionals. In abstraction to the statistical irrelevance of the observations, this result could represent a starting point to find out that the shipping industry is aware of what corruption is, but the majority of its professionals are guided by the basic need to gain (personal) profit as being the stronger imperative over that of being ethical.
Table 2: Distribution of MCDs according to the type of organization (Author, 2017)

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Port authority</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>19%</td>
<td>5</td>
<td>11%</td>
<td>18</td>
<td>38%</td>
<td>2</td>
<td>4%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Shipowning company</strong></td>
<td>3</td>
<td>56%</td>
<td>4</td>
<td>80%</td>
<td>12</td>
<td>67%</td>
<td>2</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maritime administration</strong></td>
<td>3</td>
<td>33%</td>
<td>1</td>
<td>20%</td>
<td>1</td>
<td>6%</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shipping management company</strong></td>
<td>1</td>
<td>11%</td>
<td>0</td>
<td>0%</td>
<td>5</td>
<td>28%</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shipping financial institution</strong></td>
<td>1</td>
<td>13%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-conv.</strong></td>
<td>5</td>
<td>56%</td>
<td>4</td>
<td>80%</td>
<td>12</td>
<td>67%</td>
<td>2</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Conv.</strong></td>
<td>3</td>
<td>33%</td>
<td>1</td>
<td>20%</td>
<td>1</td>
<td>6%</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Post-conv.</strong></td>
<td>1</td>
<td>11%</td>
<td>0</td>
<td>0%</td>
<td>5</td>
<td>28%</td>
<td>0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

"Other" Types of organisation

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MET Institution and/Or Academical</strong></td>
<td>8</td>
<td>17%</td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Ministry of Transportation</strong></td>
<td>2</td>
<td>25%</td>
<td>1</td>
<td>100%</td>
<td>1</td>
<td>100%</td>
<td></td>
<td></td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Classification Society</strong></td>
<td>5</td>
<td>63%</td>
<td>1</td>
<td>100%</td>
<td></td>
<td></td>
<td>1</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>consultant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Self-employed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Law Firm</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Distribution of MCDs according to the type of organization (Author, 2017)
### Listed Positions in the questionnaire

<table>
<thead>
<tr>
<th>Management</th>
<th>Finance and Administration</th>
<th>Sales and Marketing</th>
<th>Human resources</th>
<th>Ship management - operational support</th>
<th>Crewing</th>
<th>Legal/Contract Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>8</td>
<td>17%</td>
<td>5</td>
<td>11%</td>
<td>1</td>
<td>2%</td>
<td>3</td>
</tr>
<tr>
<td>Pre-conventional</td>
<td>5</td>
<td>63%</td>
<td>3</td>
<td>60%</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Conventional</td>
<td>2</td>
<td>25%</td>
<td>1</td>
<td>20%</td>
<td>1</td>
<td>33%</td>
</tr>
<tr>
<td>Post-conventional</td>
<td>1</td>
<td>13%</td>
<td>1</td>
<td>20%</td>
<td>1</td>
<td>33%</td>
</tr>
</tbody>
</table>

### Seafarers

<table>
<thead>
<tr>
<th>Chief Officer</th>
<th>4th Engineer</th>
<th>Head of seafarers certification division</th>
<th>2nd Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>2</td>
<td>4%</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Pre-conventional</td>
<td>2</td>
<td>100%</td>
<td>1</td>
</tr>
<tr>
<td>Conventional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-conventional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>Education and training</td>
<td>Marine Pilot</td>
<td>Maritime</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------</td>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>Pre-conventional</td>
<td>1</td>
<td>20%</td>
<td>1</td>
</tr>
<tr>
<td>Conventional</td>
<td>3</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Post-conventional</td>
<td>1</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Distribution of MCDs according to the position within the organization (Author, 2017)
4.2.5 **MCD levels observed through gender**

The classification based on gender criteria shows a distribution of 17 female and 30 male respondents. The results show that among the female subjects, 47% are pre-conventional, 24% are conventional while 29% have a post-conventional MCD. Within the male population, 67% are pre-conventional, 23% are conventional and only 10% are post-conventional. The distribution is presented in the following table and graph.

<table>
<thead>
<tr>
<th></th>
<th>Total: 30</th>
<th></th>
<th>Total: 17</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-conventional</td>
<td>Conventional</td>
<td>Post-conventional</td>
<td>Pre-conventional</td>
</tr>
<tr>
<td>Male</td>
<td>20</td>
<td>7</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>67%</td>
<td>23%</td>
<td>10%</td>
<td>47%</td>
</tr>
</tbody>
</table>

*Table 4: MCD distribution in Gender (Author, 2017)*

![Pie chart for MCD distribution in Gender](image)

*Figure 6: MCD distribution in Gender (Author, 2017)*

**Analysis:**

Surprisingly, although the observations present less female participants than male, the percentage of post-conventional individuals is higher among the female subjects (29% represented by 5 participants) than they are in the masculine subjects.
(10% represented by 3 participants). The conventional subjects indicate slightly the same percentage in both male and female observations, respectively 23% and 24%. These numbers confirm the previous research on gender morality which states that women have higher and firmer ethical standards. Recent research has been undertaken putting men and women in situations of opportunities to “act deceptively”, rewarded with financial earnings.

In one of the studies, participants were asked to imagine that they have to sell their car which had a technical problem. In the first case, the problem is of minor importance while in the second case, it is more critical. The participants had to decide whether they would declare the problems or not to the potential buyer. Results showed that women have a stronger will to deal in good faith, in a completely honest and reliable way. At the same time, if they decide to hide the problem, they are less likely to “rationalize” the unethical practice while men tend to convince themselves posteriori that “the buyer should not be ignorant” or that “those lies are part of the game in this kind of transaction”. These behaviors have been explained by scientists as the theory of social identity, which is the personal elaborated idea an individual has of the type of person he/she wants to be (Kennedy, Kray, & Ku, 2016).

The different pattern of behavior among men and women could be explained by the fact that a man has to endorse the social identity of a father, provider and protector of the family. These social imperatives to validate manliness could contribute to pressure on his shoulders, being that the financial earner represents the modern equivalent of the prehistorical hunter. Basic survival instincts might dull the ethics considerations to a certain extent for men.
4.2.6 **Espoused theories confronted to MCDs**

To determine the existence of an anti-corruption espoused theory in the organization, subjects were asked to choose the form of anti-corruption engagement they interact with at the workplace.

![Survey Question](image)
The results are presented in the tables below:

### Table 5: MCD levels confronted with espoused theories (Author, 2017)

<table>
<thead>
<tr>
<th>Espoused Theory</th>
<th>Nothing= No anti-corruption espoused theory</th>
<th>Anti-corruption policies (incurring sanctions)</th>
<th>Internal communication on anti-corruption efforts</th>
<th>Anti-corruption training</th>
<th>Visual management</th>
<th>Implemented procedures (day-to-day assistance)</th>
<th>Whistle-blowing system</th>
<th>Vetting of third parties</th>
<th>Incentives for good behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>16</td>
<td>19</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>34%</td>
<td>40%</td>
<td>9%</td>
<td>9%</td>
<td>2%</td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Table 6: MCD level distribution for each espoused theory (Author, 2017)

<table>
<thead>
<tr>
<th>Anti-corruption policies (incurring sanctions)</th>
<th>Internal communication on anti-corruption efforts</th>
<th>Anti-corruption training</th>
<th>Visual Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>11</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Percentage</td>
<td>58%</td>
<td>42%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Whistle-blowing system</th>
<th>Vetting of third parties</th>
<th>Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Percentage</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Analysis:

The salient points of this observation are observed in the four most represented categories which are Anti-corruption policies, Anti-corruption training, Internal communication and Nothing. Among the 47 respondents, 16 professionals, do not have any form of anti-corruption engagement at the workplace, 19 have Anti-corruption policies, 4 have internal communications and 4 have anti-corruption training programs.

Observing the anti-corruption policy, which is best represented in the sample, 58% of these professionals are in the pre-conventional level. This shows the relationship between the fear of punishment and moral behavior: these employees are not corrupted only because they fear the sanctions installed to discourage unethical practices. However, this sample also shows a high rate of conventional subjects, representing 42%, which means that the Anti-corruption policies have educated almost half of the professionals to understand the importance of the general interest above the self-interest.

The category “Nothing” is compared to the “Anti-corruption Policies” category as they are similarly represented. It is not astonishing that for organizations who declare no espoused theory, there is a high number of pre-conventional individuals. However, it is interesting to observe that the number of pre-conventional individuals is almost the same for both groups but the obvious difference is at the Conventional level: only 6% conventional for the group without the espoused theory against 42% for the Policies group. This means that having the policies is effective in educating the subjects to be ethical. At the same time, the “Nothing” group represents 4 individuals at the post-conventional MCD level, while the policies group has none, which represents an antithesis to that statement.

For the anti-corruption training, although this category is not well represented statistically, it is interesting to observe that in the small sample, 75% of the respondents present a Post-conventional level. This could mean that anti-corruption training programs are more effective than the anti-corruption policies. Indeed, training seems to encourage these individuals to develop ethics in their personal mindset, without
being no longer influenced by sanctions nor personal interest where the reasoning goes beyond the general interest of conventional people.

4.2.7 **Espoused theory: the MACN observation**

The delay in elaborating the survey for companies which are members of MACN has resulted in time constraints and, ultimately, in the collection of only one survey in that group of observations. Consequently, it is not possible to compare the Non-MACN group with the MACN group due to the too uneven statistical distribution. However, although the analysis could have revealed interesting findings through the comparison, the unique survey collected from MACN has a considerable importance since the participant works at MACN in the team which develops the anti-corruption training programs and has presented a Post-conventional level. This finding tends to reinforce the observation made about the efficiency of anti-corruption training programs in the assimilation of morality as a learning process.

4.2.8 **Age and experience opposed to MCD**

The question here is to determine whether growing in age improves morality or not, unless growing in experience and being exposed to corruption weakens the ethics standards of an individual? The questionnaire has asked the age and experience of the subjects.
Table 7: Distribution of MCD levels according to the age (Author, 2017)

<table>
<thead>
<tr>
<th>Interval of age</th>
<th>Pre-conventional</th>
<th></th>
<th></th>
<th>Conventional</th>
<th></th>
<th></th>
<th>Post conventional</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>% from age interval</td>
<td>Number</td>
<td>% from age interval</td>
<td>Number</td>
<td>% from age interval</td>
</tr>
<tr>
<td>[20-25]</td>
<td>4</td>
<td>9%</td>
<td>2</td>
<td>50%</td>
<td>1</td>
<td>25%</td>
<td>1</td>
<td>25%</td>
</tr>
<tr>
<td>[26-30]</td>
<td>9</td>
<td>19%</td>
<td>6</td>
<td>67%</td>
<td>2</td>
<td>22%</td>
<td>1</td>
<td>11%</td>
</tr>
<tr>
<td>[31-35]</td>
<td>14</td>
<td>30%</td>
<td>10</td>
<td>71%</td>
<td>2</td>
<td>14%</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>[36-40]</td>
<td>8</td>
<td>17%</td>
<td>5</td>
<td>63%</td>
<td>1</td>
<td>13%</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>[41-45]</td>
<td>8</td>
<td>17%</td>
<td>5</td>
<td>63%</td>
<td>3</td>
<td>38%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>[46-50]</td>
<td>3</td>
<td>6%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>33%</td>
<td>2</td>
<td>67%</td>
</tr>
<tr>
<td>[51-55]</td>
<td>1</td>
<td>2%</td>
<td>0</td>
<td>0%</td>
<td>1</td>
<td>100%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>28</td>
<td>11</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 7: MCD evolution through the age (Author, 2017)
Analysis for the intervals of age:

In abstraction of the unequal distribution of individuals for each sub-group, the intervals of age could be considered to express an evolution. The MCDs sharing is characterized by a strong presence of Pre-conventional individuals in the early stages of age which grow from 20 to 35 years old and decline from there to 55 years old. The conventional group tends to grow slightly from 20 to 45 years old and to decrease a bit until 55. Finally, it seems like individuals tend to grow and become more ethical with the age when considering the post-conventional histogram which starts low and grows, except for the last interval.

The most obvious evolution for which an explanation is proposed is that of the pre-conventional sub-group. Indeed, there are more pre-conventional subjects in the intervals [26-30] and [31-35] than in any other intervals. These ages correspond to the active life, the decisive point in professional evolution where one is really eager to succeed in life and give one’s-self all the means to do so. As an interpretation, in this stage of life, it is more than the fear of punishment that the pre-conventional state could express than the personal interest which is stronger than any other consideration. Consequently, the pre-conventional young adult could be tempted to do unethical practices if that serves his/her personal interest and professional ambition. The decrease of pre-conventional presence in older age intervals could show that the older an individual grows, the more ethical he/she becomes.

Analysis for the intervals of experience:

Exposed in Table 5 and Figure 6, the results of MCDs observed, according to the years of experience, a tendency to confirm the interpretations made for the age. The accumulation of years of experience corresponds to an older age of a subject and the histogram of figure 8 shows that the more years of experience gained, the less presence of pre-conventional subjects observed.
### Table 8: Distribution of MCD levels according to the experience (Author, 2017)

<table>
<thead>
<tr>
<th>Interval for experience</th>
<th>Pre-conventional</th>
<th></th>
<th></th>
<th>Conventional</th>
<th></th>
<th></th>
<th>Post conventional</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>[1-5]</td>
<td>25</td>
<td>53%</td>
<td>11</td>
<td>44%</td>
<td>8</td>
<td>32%</td>
<td>6</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>[6-10]</td>
<td>16</td>
<td>34%</td>
<td>12</td>
<td>75%</td>
<td>2</td>
<td>13%</td>
<td>2</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>[11-15]</td>
<td>4</td>
<td>9%</td>
<td>3</td>
<td>75%</td>
<td>1</td>
<td>25%</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>[16-20]</td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>100%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>[21-25]</td>
<td>1</td>
<td>2%</td>
<td>1</td>
<td>100%</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>28%</td>
<td>11</td>
<td>9%</td>
<td>8</td>
<td>2%</td>
<td>8</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

### Figure 8: MCD evolution through the experience (Author, 2017)
4.3 Interview outcomes: dimensions of corruption

4.3.1 Mr. D.

During the conversation, Mr. D. opened the perspective on the different dimensions of corruption. For this former Captain, the interaction between ship personnel and port-based officials is not the corruption which has to be focused on. The cigarette story is an attempt at putting up a smokescreen to keep the world’s attention away from the real deal which happens between shipping companies and the state while ultimately, blaming it on the seafarers for the system. Sharing his opinion on the problem of corruption, Mr. D. revealed many factors which sustain this system. First, ports officials cannot be caught and it is difficult for seafarers to attack them without the clear and absolute backup from the company.

Second, Mr. D. explained how the whole responsibility of the “cigarette business” and its consequences is transmitted to the seafarers: Shipping companies shape the general opinion about seafarers, conveyed by an exclusive dialogue between them and the State. On the front office, shipping companies claim to be ethical and abide by initiatives such as global compact. Consequently, as they have established the “rules”, should there happen to be a corruption case, they distinguish themselves from the crew members and blame any scandal on the seafarers who are isolated. However, backstage, the companies’ main objective remains to make a maximum profit and if a vessel is delayed for some reason, incurring costs, the crew members are considered to be responsible and get fired. Afraid to lose their positions, seafarers have no choice but to offer the cigarette packet. Indeed, the ship is a “system of fear” because companies, under flags of convenience, are able to hire and fire seafarers without consequences.

Finally, the “cigarette business” is maintained because it results in less costs for the shipping company. Indeed, Mr. D. has presented a simple case, presented in the figure below, which shows that ultimately, it is not the seafarers who take advantage of the system but the shipping companies.
Case 1: With the cigarettes.

Let us say that the vessel has to do the travel from Port A to port B within 10 days at a speed of 20 knots, and with a bunker consumption of 100 tons/day. In the normal conditions, the Captain of the vessel will provide cigarettes at port A for a value of $80.

Case 2: Without the cigarettes

The captain refuses to provide the cigarettes,

**Probable consequences:**

- The customs will keep the vessel for 2 more days for "inspections".
- The vessel will have to catch up the delay by travelling at a speed of 24 knots to arrive within 8 days to avoid laytime costs at ports B and to keep the contract with the shipper.
- The speed will consume 180 tons/day of bunker instead of 100 tons, which means 440 tons of additional consumptions.

Assuming that the price of 1 ton is $350, this delay will cost in total $154,000 to the shipping company.

---

*Figure 9: Who benefits from corruption? (Inspired by interview, Author, 2017)*
4.3.3 Mr. H.

Strict anonymity has been required for the second interview. Mr. H. is currently occupying the position of manager in a handling company and has previously held the position of port Director. When enquired about his definition of corruption, he answered:

“It (Corruption) is to use the system in which you work to generate personal income and advantages”

Sharing his experience of corruption, Mr. H. explained that in the company he is currently working for, corruption is made impracticable as ethics is given much importance. In some developing countries, most of senior company’s employees are expatriates, and are expected to bring along with their expertise a certain business ethics. This is one way to fight corruption. However, he admitted that in other companies, corruption was practiced. According to Mr. H., the principal corruptible organ is customs and it is often called “low-level corruption”. It is a question of accessing the container or cargo as soon as possible. Importers, and sometimes exporters, are corruptors and a corrupted agent is the customs agent who signs the documents for a small amount such as €15 in some ports. He observed that in Europe, this type of corruption is no longer possible as transactions in cash are banned and have all been replaced by paper money and banking transfer.

Corruption in European ports has been called by Mr. H. “High-level corruption” as it is related to organized crime for the purposes of illicit goods’ transportation such as drugs or weapons. Mr. H exposed the case of the computerized container control system. The system obeys the parameters which select the containers to be physically inspected through the scanner. In an important European container hub, about 40 containers out of 2500 are inspected per day through the scanner, giving a verification rate of 1.6%. Despite the fact that routes and areas affected by the illegal traffic are known, some control machines surprisingly do not select the containers which correspond to the risk criteria. For the feeble rate of control, one would expect
that the attention focuses on these specific containers but such is not the case, which suggests that some containers may deliberately be ignored by the agents in charge. Corruption is involved when the technicians who set the parameters in the control machines are paid to ignore them.

Enquiring about the advantages and disadvantages of his status as expatriate, Mr. H. explained that it depends on the nationality of the expat, and on the work location. However, he judged that most of the time it is an advantage. Being an outsider, the expatriate is independent from local social networks and pressure systems. For the example of a European manager who is assigned a position in a non-EU country, the chances are he will not be solicited for corruption. In any case, the most important is to remain consistent in behavior because a person who claims to be “clean and incorruptible” from the beginning has to act accordingly and strictly in order to keep his/her image. Such an image and reputation helps to keep corruptors away. On the case, if an expat gets involved in corruption, neither his company nor his country of origin would defend him. In addition, the local justice may penalize him more severely than any national for the same offence. So, the risk is very high.

The implications of a position in the context of corruption received further clarification from Mr. H, who described it as a “professional pyramid”: the more one climbs up the hierarchy, the less people would approach him/her to solicit or offer corruption. A Director will be approached by persons from the same level (e.g. other Directors). However, the amount of money and potential personal gains involved are exponential, as well as the related risks.

Finally, Mr. H.’s experience of shipping companies and high-level corruption showed that carriers do not get involved into this type of corruption. Shipping companies make sure that the containers and cargo they carry are properly documented and cleared before loading them. They do not wish to take any risk. For cargo owners (importers/exporters), low-level corruption is rather a matter of facilitation, such as the documentations, and the $15 deal. The interviewee shared the view that liners carefully stay away from low-level and high-level corruption by adopting very strict procedures.
to avoid such risks. A cargo owner could be an important customer of the shipping company, while the latter will not provide services if the containers are stopped by the authorities and suspected to carry illicit cargoes. And Mr. H. added:

“The whole legal system is designed to make sure that the shipping company is not bothered by this kind of problem”.

Discussion on the interviews:

The interviewees provided information which opened the perspective on another scale of corruption, and which corresponded to what is called “Grand corruption” by Transparency International (2000). Grand corruption refers to corruption occurring at a high level of government, which distorts and undermines the policies and the central functioning of the state. Here, people of high authority are enabled to benefit from undeserved wealth at the expense of the public (Transparency International, 2000).

The existence of multiple corruption dimensions might be observable in the realm of other industries and organizations, but when it comes to the shipping industry, it could be arguable that there is a major component which maintains this layers’ system: the discretion. Indeed, historically, the shipping industry is characterized by its discretion and always made sure to avoid public attention.

“… merchant shipping has never been properly appreciated, either socially or historically, because in the first place it was never in the ship owners’ interest to expose it to public acclaim. From humble beginnings, shipowners became patrician in outlook, secretive in their dealings and often astute enough to work outside the formal constraints of national regulation. Indeed, national regulation often compels them to adopt such apparently shady practices in pursuit of profit “(Woodman, 2008).
5. Conclusion

Research involving humans are often beyond control as they are based on the individual’s willingness to participate and ultimately, the researcher might not collect the amount and/or the quality of data that has been initially expected. Despite the major limitation related to the lack of data from the MACN network companies, this research has been articulated in order to answer adequately to the research question and to state reasonable conclusions from the findings. Indeed, instead of comparing the MCD levels of the MACN group with the Non-MACN group, the latter has been organized to express the expected information. Non-MACN maritime professionals have been divided into two sub-groups: those who have an established anti-corruption espoused theory within their workplace and those who do not.

This study aimed at answering the research question: “Anti-corruption as an espoused theory: How efficient is the established framework?”

First, the understanding that maritime professionals have about the notion of corruption had to be established. Findings suggest that 81% of the professionals understand corruption to be “The abuse of power through one’s position for personal gain”. This means that overall, corruption is understood and should be easily identified based on its most classical and simplest definition. However, most of the professionals have identified the corruption practices in the management realm, and of course, the classical story of cigarette corruption between the port officials and the ship crew members. The high selection in these cases suggests that they are more frequently experienced.

Second, the involvement of maritime organizations to do battle against corruption has been analyzed. Among different means to declare the anti-corruption espoused theory, 40% of the organizations have expressed theirs through the
establishment of anti-corruption policies. Only feeble percentages of organizations use internal communication to fight corruption, visual management and whistle blowing systems. Given that corruption is understood, recognized and even experienced, this feeble effort depicts a certain form of indifference towards the corruption issue for 26% of represented organizations. On the other hand, 34% of them have not declared any anti-corruption position.

Finally, this analysis had the objective to determine any positive effects of the espoused theory, and this information is conveyed by the measured MCD levels. In a majority of 60%, the professionals present a pre-conventional MCD, 23% are conventional and only 17% are post-conventional.

The sub-group of organizations with anti-corruption policies have been chosen to represent the espoused theory group against those who have none because they are evenly represented in terms of statistics. Surprisingly, the predominant MCD level for both sub-groups is the pre-conventional. It can be inferred that either instituting anti-corruption policies makes no great difference on the morality learning process, or the sanctions are not effective. It is interesting to notice that although the companies who organize anti-corruption training programs are not strongly represented in the sample, 75% of their professionals present the highest level of MCD. This result is not statistically relevant but tends to the result which has been expected and seemingly points to the conclusion that education is extremely relevant. Training programs could probably be more efficient than other means to inculcate morality in a learning process because they are actively involving and practical while measures such as whistle blowing or policies allows the individual to stay passive. All maritime organizations could then seriously consider to integrate anti-corruption training programs in their daily activities.

The data, observed through different variables revealed emergent information. For instance, gaining in age and in experience tends to improve the MCD level of individuals. At the active ages of 30 to 35 years old, a high number of pre-conventional professionals have been observed and that could be an expression of ambition as those
are ages where personal success has great importance in life. The comparison of MCD levels based on gender has confirmed former research which state that females tend to have stronger ethical standards than males. This could be explained by the pressures which have been traditionally put over men, with the role of protector and provider for the family they had to assume. Finding financial means became an imperative which is experienced more practically than the abstract notions of ethics. Consequently, most of the male subjects presented a pre-conventional MCD, maybe because they were more attracted to their personal interests.

Gathering the insights from these findings, a priori it can be concluded that the maritime industry is aware of corruption, tends to make efforts to fight it, but is still vulnerable. It appears that the espoused theories do not provide a clear improvement in the moral learning process as no tangible difference is observed between companies with espoused theories and companies who have none. However, observations from the anti-corruption training sub-group provided results which were encouraging in that perspective and this study stands as a starting point for further studies in order to determine even stronger conclusions.

Finally, the interviews have provided rich information which might destabilize the first conclusion. Evolving in a higher hierarchy and playing with incomparably bigger amounts of money, the grand corruption is kept secret. Collective initiatives are introduced, legal frameworks are elaborated but apparently, they focus the attention on the visible and small corruption. Meanwhile, the big deals seem to be perpetuated and well-protected by the blurry discretion which characterizes the shipping industry.

This study exposed that being moral is a learning process within which education seems to be an effective tool. In parallel, in view of the high percentage of pre-conventional individuals compared to other groups, the matter of understanding why is raised. Further researches could explore the relationship between MCD level and Maslow’s hierarchy of needs. It is probable that, although education is a strong tool to learn morality, other imperatives might influence the morality of an individual.
For instance, a person who is still in the quest physiological needs ‘satisfaction could be less likely to have strong moral considerations; but the same person could later on be willing to be ethical when life’s imperatives have attained the self-esteem and/or the self-actualization level. Another method to study the effectiveness of anti-corruption trainings would be to observe the MCD level a company before it establishes the trainings programs, and to compare this observation with the MCD levels of the same observed sample after a certain assimilation time.
References


