T R A N S C R I P T

INTEGRITY AND OVERSIGHT COMMITTEE

Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies

Melbourne—Monday, 24 May 2021

MEMBERS

Mr Stephen McGhie—Chair
Mr Brad Rowswell—Deputy Chair
Mr Stuart Grimley
Mr Dustin Halse
Ms Harriet Shing
Mr Jackson Taylor
Hon Kim Wells

WITNESS

Dr Alistair Ping, Adjunct Professor, QUT Graduate School of Business, Queensland University of Technology Business School *(via videoconference)*.

The CHAIR: I declare open the public hearing for the Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies. I would like to welcome any members of the public attending or watching the live broadcast. I also acknowledge my colleagues participating today and thank those who have provided apologies.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands each of us is gathered on today, and pay my respects to their ancestors, elders and families.

All evidence taken by this Committee is protected by parliamentary privilege. You are protected against any action for what you say here today, but if you repeat the same things anywhere else, including on social media, those comments will not be protected by this privilege. Any deliberately false evidence or misleading of the Committee may be considered a contempt of Parliament.

All evidence given today is being recorded by Hansard. You will be provided with a proof version of the transcript for you to check as soon as it is available. Verified transcripts will be placed on the Committee's website. Broadcasting or recording of this hearing by anyone other than Hansard is not permitted. For the purpose of joining via Zoom, please mute your microphones when not speaking to minimise interference and switch your mobile phones to silent. If you have any technical difficulties, please disconnect and contact the Committee staff.

I welcome Dr Alistair Ping from Queensland University of Technology. We welcome your opening comments, Doctor, for around about 5 to 10 minutes, which will be followed up by questions from the Committee. As you commence, could you state your full name, position and organisation. So, welcome, Dr Ping.

Dr PING: Thank you for your time this afternoon. So, yes, my name [is] Alistair Ping. I am an Adjunct Professor at QUT university. I suppose I should add my area of speciality with regard to my research is ethics and leadership.

Just with regard to my comments on my submission, essentially what I wanted to say with regard to my submission is that the thinking in this area with regard to integrity oversight and ethical behaviour, or I suppose the prevention of unethical outcomes, has changed quite dramatically over the last few years. I will just give you a bit of background: I have taught ethics for, roughly, it must be going on 25 years now—essentially since the late '90s—and like most people and most ethical courses, the way that it was generally taught was to teach people how to make better ethical decisions. Where I got to after teaching in a variety of universities and also in working with corporations and government in Australia, UK and Africa several years ago—so now back to 2012—is I started to question whether or not it was actually making any difference. So I started doing a PhD looking at that particular question—did ethical training make any difference—and quite quickly I found about 30 years of research that demonstrates that it makes absolutely no difference whatsoever. So where I got to with it was to ask the question: Is the theory flawed or is the way that we are enacting the theory flawed? And so my research morphed into why good people do bad things. So I looked at interdisciplinary research—so neurocognitive science, social psychology, criminology and I suppose moral philosophy as well—and basically what I did was I developed a causal factor model that shows how or why I suppose good people end up doing bad things.

Four, five years ago I had a postdoctoral research fellowship at QUT developing that material, so looking at what the implications are for how you actually help these sorts of issues. Where we have got to with that is really looking at more of a systems issue as opposed to a dispositional issue. So if you look at the development of or the creation of unethical outcomes as a dispositional issue, you basically say that it is the person's problem—so in other words, 'Bad people do bad things and therefore we need to retrain them or weed out the bad apples'. But if you look at it from a systems or complexity perspective, you take the view that responsibility or moral agency rests with the organisation as well as the individual.

So just to wrap up that, my submission to the Committee was that whatever you move forward with you should be looking very carefully at what the theoretical underpinnings for that action are and what the assumptions are that support that. I would suggest to you, as I have just said, that you should be looking at it more from the perspective of a systems and complexity and contextual issue rather than a dispositional issue, which means that the efforts or the actions are quite different. Thank you.

The CHAIR: Thank you, Doctor. Committee members, has anyone got any questions for Dr Ping?

Mr ROWSWELL: I am happy to kick off, Chair.

The CHAIR: Go right ahead, Brad.

Mr ROWSWELL: Thank you, Chair. Thank you, Dr Ping, for presenting to the Committee's Inquiry today. I have got a couple of questions and am looking to establish some points before moving onto the next if I may. In your opinion how direct must the relationship be between bad people and good people in order to foreseeably affect the behaviour of those good people?

Dr PING: That is an interesting question. Obviously what is problematic in this is, first, if you are going to go down this street, you need to define what is a good person and what is a bad person, okay? So just as an aside there, a bad person is somebody who habitually acts in an amoral way—so in other words, acts in a way which is at odds with the generally accepted values or morals of society. What happens unfortunately is—it is hard to explain this very quickly—we all have what is called a moral self-identity, so we have a story that we tell about ourselves about whether or not we are good or bad people, and if you tell a story about yourself that you are a good person, then basically your reaction to any sort of ethics or integrity training or anything like that is to cross your arms and say, 'Well, that doesn't apply to me because I'm a good person'. But the problem with that is that it creates these perceptual biases and blindness that can actually lead you down a path where you inadvertently create a bad outcome.

So coming back to your question on good people and bad people, yes, good people are affected by bad people, and this is where it is the contextual issues. So if, for example, you are working in an organisation and you have particular situational factors, so in other words structures that may reward churning- and burning-type activities in financial markets, et cetera, and you have somebody who is a boss who is effectively a bad person who is pushing you to do that, then you will probably quite easily find yourself going down a path and creating unethical outcomes and then maybe getting to the end and wondering how that actually happened. It is another one of these ones where it does not happen quickly. Unethical outcomes happen gradually and then suddenly, and so we need to be aware of how long it takes some of these contextual things to affect individuals' behaviour. Probably a good example of that would be the cricket ball tampering scandal in South Africa. So a good review of that situation was done by the Ethics Centre, and effectively what they found is that it was a long-term cultural thing, that it happened over a period of time, and it was quite commonly accepted that ball tampering happened in Pura Cup games, for example. So it is those sorts of things that happen over a long period of time. We could look at the Hayne Inquiry as well and say, 'Well, how did it get to that point?' It has happened over a 10-, 15-, 20-year period.

This is why my suggestion to you is to think about this issue from a systemic perspective. If you look at it from a perspective of 'It's something we need to fix', then I would suggest to you you would be looking for a short-term fix as opposed to establishing an ongoing system that is going to allow integrity to grow—as opposed to thinking about it from a perspective of trying to find the bad people.

Mr ROWSWELL: Thank you. So a little bit closer to home, perhaps away from ball tampering, is this circumstance that colleagues and I find ourselves in. Government departments and agencies within a public service lead or at least are answerable to ministers of the Crown. If hypothetically a minister of the Crown were found to have engaged in corrupt or questionable behaviour, do you think that this would indirectly or subliminally affect the way in which public servants chose to conduct themselves and operate?

Dr PING: Likely, yes. And, again, a lot of this has got to do with social psychology as opposed to rational thought. You might be a good person, but from a social psychology perspective if you are aspirational, so if you aspire to be a member of a particular group or you aspire to be on the good side of somebody who has some sort of power over you, as obviously in that situation a Member of Parliament would have, then you can very easily be—seduced is not quite the right word—seduced into assisting people. If you look at the research on,

for example, fraud, which is quite confronting, about 90 per cent of fraudsters have no criminal history, so there is no indication that they are bad people in any way, and about a quarter of fraud involves collusion. The collusion is often of a situation where people say, 'Oh, I need to do this. Can you help me?' So a good person who is asked maybe by their boss or a Member of Parliament or something to do something to help them might inadvertently do something that is quite unethical or would lead to an unethical outcome without the intention of doing something bad.

Mr ROWSWELL: That leads me just to my final question, Dr Ping. So, on face value, in this term of Government some have asserted that there are ministers who have engaged in wrongdoing—and I will not go further than that—since this term of Parliament began. My question to you is: Are you able to quantifiably address what the impact of, in this instance, a minister's behaviour has on the culture of the Victorian public service or their inclination to act in an appropriate or otherwise way? Is that quantifiable through your research?

Dr PING: No. This is where you need to look at if from a systems perspective. Look, a simple analogy is whether or not you see the world as a frog or a bicycle. So if you see the world as a frog, you can chop it all into bits and try and put it back together and it will not work. If you see the world as a bicycle, you can pull it all to bits and put it back together and it works. I would suggest to you that your first question is making the assumption that the world is a bicycle, so that if somebody does this, then that is going to happen. Now, unfortunately in a complex environment what happens is the cause and effect relationship breaks down. So you might have a situation where you have a minister who is very unethical, behaves in a terrible way, but everybody who reports to that person understands that and does not take it seriously and therefore is not affected by it. On the other hand, you might have a minister who is very well respected, is maybe very charismatic, has done a lot of work to get people on their side, et cetera, and then somewhere along the way they have lost their way or gone down the wrong path and they have started to do something in a very unethical way and they have tried to rally their troops around them, and it will affect everybody dramatically. So everybody would be aspiring to assist that person, even though what they may be doing would be creating an unethical outcome.

That is where I am saying to you that you need to look at the theory that underpins the thinking here, because if you think about it, or if you consider that unethical outcomes are created through bad people doing bad things—in other words, a rational, logical process—then the assumption that you make is you can fix it by doing rational, logical things, by retraining people, et cetera. And I would say to you what the social psych and criminology research suggests—well, it certainly supports—is that if you think about it from a complexity perspective you would say that that approach is never going to work because you cannot actually identify what is it that triggers somebody to switch effectively from being a good person to a bad person. And so it is more like modern-day cars: they have a whole range of systems that keep them going, but on the surface all we do is we get in and we drive them. That is the sort of thing that I would suggest to you that you need to be looking at in terms of integrity frameworks or oversight from a systems perspective—How do we cover off on all these different issues?—because it is very, very complicated, it is very interrelated and a lot of it, frankly, is not rational.

Mr ROWSWELL: I was hoping that you would say that there was at least some quantifiable response there, Dr Ping, because at least then we would have the establishment of a framework to try and improve things. But I do understand and appreciate the answer you have given and am grateful for it. Thank you, Chair.

The CHAIR: Thanks, Mr Rowswell. Would any other member like to ask any questions? Mr Grimley.

Mr GRIMLEY: Thank you, Chair. Thank you, Doctor, for your submission. What a fascinating submission it is. Forgive me, I am trying to wrap my head around your decades of research in a few minutes and I am finding it a bit difficult. I just want to clarify: I think you said that ethics cannot be taught. If that is so, then what makes us make ethical decisions? Is it the environment that we are raised in, or how do we get to make those decisions ourselves?

Dr PING: So, yes, it is a big complex area and it is very confronting, and frankly it confronts I suppose your belief in rationality—a belief in a rational mind. So the first thing I would say is, yes, you can teach ethics. We should not dismiss that on the one hand. But what I am saying is there is a big disparateness between what is called normative ethics, so thinking about what we ought to do—in other words, if I take you and I put you in a laboratory in an experiment, then you are going to put on your ethics hat and you are going to make good

ethical decisions, so you are going to use the values that you have been taught when you were growing up, et cetera, to make good ethical decisions; so there is that distinction—and practical or experiential ethics. So what happens to you when we take you and we put you in an environment where you are sleep deprived, stressed, you are going through relationship and financial difficulties and the bigger picture context is stressful, like for example the COVID scenario? Are you then more likely to inadvertently make bad decisions which are going to lead to unethical outcomes? The answer is yes. But the problem is that in making those decisions you are most likely not going to recognise them as ethical decisions, so what happens is basically you use the wrong decision-making schema. So you might use a schema which is based on business or politics or something like that when you should be using an ethical decision-making schema. And that is why it is confronting—because, like I said at the start, what happens is we have what is called social identity theory. So you have a theory about who you are, you have a story about who you are, and as part of that you have a moral self-identity. So if you tell the story about 'I'm a good, moral person'—which I am assuming and hoping that all of you do, right?—then your reaction to anything like this is basically to go, 'Well, that's not about me, that's about other people'. Right? But we also know factually that there have been a number of politicians over a period of time at State and federal level that have done ridiculously silly things and created unethical outcomes.

So my question to you is: Okay, so did those people do that deliberately? Were they bad people acting with ill intent? And generally the answer would be no. You say, 'Well, how did they actually create those situations?' Well, they create it because they are affected by situational and contextual factors and basically flawed justifications for actions that lead them down this path where, when you get to the end of the path, you have created another unethical outcome, and you go, 'Far out. How did that actually happen?' That is why in this area it is very much worth considering complexity theory and what the impacts of complexity theory are, because complexity theory challenges really the way that you think about these sorts of issues. I hope that answers your question. Sorry.

Mr GRIMLEY: Yes, it does, thank you. And, Chair, if I can have one more question?

The CHAIR: Yes, sure.

Mr GRIMLEY: It is reflecting back on the Inquiry, the terms of reference, particularly about the education and prevention functions of our integrity agencies. So, given the theory in your research, in your view what are the key features of best practice in terms of education and prevention programs?

Dr PING: Yes. Okay. So, where we are at now—looking at it from a systems perspective—you have got to cover off on a whole range of issues. So, you have got to cover off on workplace issues, marketplace issues, bigger-picture contextual issues, et cetera. Educational programs: I would suggest you need to include two aspects. One is that normative ethical stuff, right? So, in other words, you know, how ought we to live, what are the values of the public service, et cetera, how do we map those values, all those sorts of things. But then the second part of it, which is really critical, is to educate people as to what are the things that trip up good people and take them down this path. And so the awareness function is critical there, because once people start to become aware—and again, you can give people lots of different examples—that just because you are a good person does not necessarily mean you are not accidentally, unintentionally, going to create a bad outcome, then people's ears prick up and they say, 'Well, tell me some more'. And then of course that needs to be integrated into things like workplace wellbeing, diversity programs, all that sort of stuff, because again, for the same reason, what we know from the social psych research is that if you are particularly stressed—like I said, if you have got financial issues, health issues, whatever—your capacity for self-regulation is diminished, so when somebody says to you, 'Can you help me with this? Just sign off on this', you are more likely to go, 'Yeah, yeah, sure', and in doing that action maybe you have inadvertently become colluded in some level of fraud.

So it is not enough to look at the issue of education in isolation. You need to look at the bigger picture, so that includes things like recruitment—how we are recruiting people, et cetera—like I said, diversity-type issues. Obviously one of the most relevant issues that we are dealing with at the moment is the treatment of women in organisations and what that actually means with regard to psychological safety–type issues, and all of that needs to be aligned to any sort of situational contexts, so any sorts of structures that are going to reward bad behaviour or dismiss bad behaviour as 'Oh, it's just them' or something like that. And as part of that you need within that a feedback loop so that, when things are not working, people have an avenue to actually raise their hand and say, 'This is not working'.

And, again, you know, it is worthwhile considering the issue of treatment of women, for example, in federal Parliament, and what has come out of the recent situation is that it has been going on for a long time and a lot of people have known about it. So why didn't anybody do anything about it? Right? And that is this issue of slowly and then gradually, so the place to address it is way back at the start and to put in place the systemic things that over a period of time are going to allow us to get there. It is not something that you can come in and just fix instantaneously, because there is a momentum in some of these issues that is very hard to unwind.

Mr GRIMLEY: Thank you, Doctor. Thanks, Chair.

The CHAIR: Thanks, Mr Grimley. Thanks, Doctor. Look, we might have time for one very brief question if someone else has got a question there. No? Okay, if there are no further questions, Doctor, I just want to thank you for giving up your time today and presenting to the Committee, and thank you for answering the questions from your submission too.

Witness withdrew.