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### **ETHICS: HAVE WE LOST HOPE?**

By Terrance M. Booysen and peer reviewed by David Loxton (Chief Executive Officer: Africa Forensics & Cyber)

Being able to speak the truth, without the fear of being intimidated or being politically incorrect is a liberty that sets a person free, both physically and psychologically. However, this attribute is increasingly more difficult to find in the leadership and structures of the 'new' democratic South Africa. This is ironic, in fact also bizarre and especially so in a country equipped with a Constitution that is considered to be one of the best in the world. But are the people of South Africa *truly* as liberated as they think they are, or are we slowly but surely sinking into the abyss of lower moral standards with most people too scared to speak out, and act decisively against the cancerous rot of corruption and unethical leadership?

### **Media headlines; what are they really telling us?**

There are daily occurrences of news headlines conveying stories of leaders being caught out on the wrong side of good governance practices. Whether it's about previously convicted fraudsters such as Tony Yengeni's recent appointment as chairman of the ANC's Working Group on Crime and Corruption, or President Cyril Ramaphosa not acting decisively against his 'ANC Top Six' who appointed Yengeni to this position; nothing is being said or done about the many questionable poor governance actions or unethical decisions being taken.

This is deeply troubling against the back-drop of what all South Africans were hoping for and which was encapsulated in Ramaphosa's "*new dawn*" mantra, especially when reading the following headline; "*Ramaphoria's greatest challenge: sentencing the corrupt*", which essentially is not happening.

*"All decision-makers, whether in the public or private sector, are collectively responsible for the wellbeing of all South Africans, and to this end we should demonstrate an intolerance against misbehaviour."*

***Trevor Manuel, Chairman of Old Mutual Group Holdings & former South African Minister of Finance (2018)***

What's happened to our ethical values and moral compass that causes the truth of our feelings to be so deeply suppressed, knowing full well that our societal standards are being lowered each day? Whilst a few civic organisations such as OUTA (The Organisation Undoing Tax Abuse) and Corruption Watch are examples of some of the visible non-profit organisations trying to make a difference to beat this horrific scourge, we have to admit that their hard-fought battles for ethical behavior are hardly making a difference to the lives of many millions of people. Without greater civic activism and financial support to equip these afore-mentioned institutions, including a renewed energy from those citizens demanding ethical leadership and ethical outcomes in the top structures of our government, corporate businesses, religious institutions and sporting bodies; these noble efforts and indeed these non-profit organisations will simply fade away.

It takes great courage and boldness to call out poor leaders and their poor governance practices, and when leaders of any kind operate with double-standards or hidden agendas, this too must be questioned, and stopped; especially in a society that wants to uphold the virtues found in our Constitution. On the whole, we do not see that many business or religious leaders, nor the judiciary, *actually* demonstrating against a system which has become so deeply flawed and infested by corruption. Our leaders, who are meant to protect and serve the nation, are most notably missing and their silence is deafening.

Of course, it stands to reason that when good people do not make their voices heard, ethically defunct leaders seem to become more brazen, and a lot more arrogant, believing that they are untouchable and that they can simply continue their wilful poor governance practices. As a point in case, newly appointed Global Managing Partner of Mckinsey -- Kevin Sneader -- arrogantly believed a simple "sorry", as a part of the global consulting firm's apology to South Africans would amend the massive damage the consulting firm had caused by their own greed within Eskom; this being just one casualty in the "state capture" saga.

*"A strong, positive culture is an important asset of any organisation that should be supported and protected. It is not merely a 'soft' issue of interest to investors and the media; rather, it can be critical to the company's growth and performance."*

**Corporate Culture Risk and the Board  
Deloitte (2018)**

Sneader believed that Mckinsey's untenable role and massive damages caused, could be rectified by defending their position. He thought that by saying "sorry" and paying a lump sum of over-charged consulting fees, would make the firm's problems disappear. However, stakeholders appear not to have accepted Sneader's apology. Clearly, as there were no proper consequences, or any Mckinsey employees being publicly held to account, the attempted whitewash failed. Indeed, the media headlines said it all in the caption: *"Mckinsey's global chief's Joburg gamble backfires. Spectacularly"*.

### **Have South Africans lowered their expectations?**

Is the public shocked and outraged by these headlines, or has this state of poor governance now become the new 'normal' in South Africa? As concerned citizens and as the stakeholders in the future of our country, we should be demanding explanations, rectifications and transparency from our leadership - be they in government or in business.

As the governance of our leadership continues to decline the facts clearly show how billions of Rands have been squandered for the benefit of a few corrupt individuals, whose names appear regularly in the news. Let's face it, there's a herd of elephants in the room which few people are willing to address, including how ordinary people are being negatively impacted. In truth, one must question whether enough concerned citizens, or for that matter civic action groups, are speaking with a united voice in order to put an immediate stop to this endless and brazen looting?

## **South African government being held to account**

Despite the many examples where government officials have been caught on the wrong side of ethical behavior, there have been very few occasions where the individual has been hauled over the coals. Perhaps even worse, many politicians and their parties speak harshly about the dire circumstances of the country, and organisations being controlled by the government which are embroiled by corruptive practices and leadership, but in reality very little action -- or remedial action -- is seen. It's high time that South African citizens take a moral stand against poor, ineffectual, unethical and paralysed leaders who continue dragging the country downwards. These scoundrels have successfully caused South Africa's downgrades, and have also been responsible for our massive decline in most international indexed reports in areas such as crime, corruption, education, health, ease of doing business, business confidence and foreign investment to name only a few areas.

South Africans have a right to be outraged. They have a right to be anxious about their future prospects as inept people continue to be placed in critical leadership positions. It is not acceptable for any South African leader to offer anything less than what the founding father of our democracy -- Tata Nelson Mandela -- expected and for which he sacrificed so much. The current demise of South Africa cannot be blamed on anything else other than poor leadership; moreover inactive citizens who have to date not held leaders accountable.

## **Good ethics is tangible**

Good ethics and moral leadership are found in every example of an effective and sustainable society. By association, all organisations found in such a setting -- be it companies, sports & cultural institutions, churches and the like -- are expected to set the moral culture and governance framework within which they operate. It is essential that the tone is set from the top, with the organisation's governing body (the board) leading by example; acting with integrity, competence, responsibility, accountability, fairness and transparency. These are the founding principles required by the King IV Code on Corporate Governance for South Africa, 2016™ (King IV™) and sadly, many of South Africa's top leaders are simply paying lip service to these good governance principles.

*"Some of the toughest ethical problems arise not from choosing between right and wrong but in deciding between two alternatives, both of which may be right in varying degrees. The need for a moral compass, enabling people to establish with some certainty what is right, what is more right and what is wrong, becomes more pressing."*

**Source: Corporate Governance: An  
Essential Guide for South African  
Companies  
Ramani Naidoo  
(3<sup>rd</sup> Ed, 2016)**

Where the boards of organisations are aligned to the ethical practices found in King IV™, these practices are inculcated in the organisation as a whole, with the necessary documentation, codes, policies and procedures also being firmly entrenched. Moreover, these organisations have ensured their leadership and employees are correctly trained to ensure that all its management are complying with the values and culture the organisation expects from them, and that their actions are congruent with good governance.

There are many leaders in our society, and in businesses, who just “talk” of their ethical values, but in practice this amounts to nothing more than lofty goals. However, any intellectually honest person intending to rectify their organisation’s ethical shortfall will ensure the necessary mechanisms are in place to address any unethical behaviour. This said, an ethically orientated organisation will ensure that those people making allegations of unethical behaviour will be adequately protected. This could be achieved through robust ethics hotlines and credible whistle-blowing procedures. The organisation should also ensure that any allegations are swiftly addressed, with appropriate actions being taken -- and being seen to have been taken -- against the perpetrators.

Sadly, it may be reasonably safe to say that South Africa has not achieved any of these ethical objectives, and the country and its leadership is currently severely lacking in several aspects of its governance. It’s evident that an ineffective ethical tone is being set by the current leadership (i.e. the SA government) for ethical standards and conduct to permeate within its own ranks, including its stakeholders and this tone is being allowed to pervade its ranks, including the country’s entire supply chain.

### **Stakeholders will determine future success**

It is accepted that astute and insightful organisational stakeholders, including the country’s citizens, are increasingly demanding ethical leadership from the rank and file, including ethical operational and governance practices from all those who lead organisations, and indeed the government itself. It is also accepted that the ethical (or unethical) conduct of organisations will shape their current and future performance, setting a precedent for the manner in which they interact and engage with their stakeholders.

As compared to organisations expected to follow the governance and ethical practices of King IV™, the government cannot expect to be treated any differently. Citizens, businesses, local and foreign investors -- as well as other interested ‘stakeholders’ in the country’s future growth and prosperity -- should be demanding that the appropriate structures are in place to facilitate and encourage transparency and ethical conduct from the government, state-owned enterprises and those private organisations which have fed off years of corruption and poor governance. Stakeholders should be demanding ethical leadership and true value creation for the country, calling out those who jeopardise its short, medium and long-term success and legitimacy.

*“Everyone must take pride in themselves and their responsibilities. Define who you are and take on the responsibility that goes along with it. The more wrongdoers find there is no place to hide, the better society becomes for those who want to do good. Let us do what society demands of us and live up to the promise of a new beginning.”*

**Trevor Manuel**  
**Chairman of Old Mutual Group Holdings**  
**& Former South African Minister of**  
**Finance**  
**(April 2018)**

Given the fact that the stakeholders of South Africa have not rallied in their millions against decades of poor leadership and poor governance in South Africa, one needs to ask, “have we lost hope”? And when the nation loses hope, and despair sets in, then the task of revival becomes so much longer and more difficult to achieve. The antidote for the corruption and unethical leadership can only be found within leaders who inspire hope and consistently practice ethical behavior – and nothing less.

This ethical turnaround, should it occur, will translate into South Africa’s *outputs as a value-based, successful and legitimate country*, which will attract both capital and human investment, and in turn, will have a positive impact on the local and global economy and society.

## **ENDS**

Words: 1,856

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