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THE CORPORATE GOVERNANCE FRAMEWORK® - AN ALTERNATIVE TO WHISTLEBLOWING

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Whistleblowing can be a courageous act, but it is not always the best option for everyone due to potential risks and consequences. It is also true that by the time any whistleblowing mechanisms are used, the damage has already been done to the organisation and its stakeholders. This begs the question then: *what is the alternative?*

The Corporate Governance Framework® (which can be deployed in any organisation) provides internal stakeholders with an instrument to measure and communicate the effectiveness of the organisation's governance structures, policies and processes before a crisis hits. This additional layer of assurance requires evidence to support governance assessments across all critical business areas. As such, it encourages a more than superficial discussion amongst the board, its management and employees about organisational performance, optimisation and compliance.

The improved transparency offered by the framework allows data to be viewed in context and enables issues requiring further investigation to be brought to light in a professional manner. Pre-emptive engagement on these issues puts the “broken window” theory into practice, ensuring that wrongdoings, fraud, corruption and other unethical practices are remediated in a timely manner so that potential harm to the organisation and its stakeholders is mitigated (or limited).

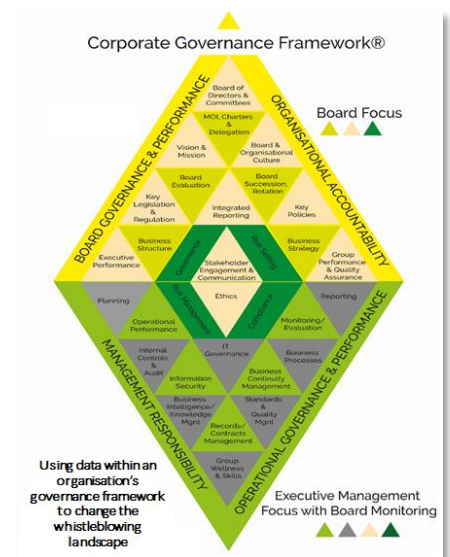


Illustration 1. The Corporate Governance Framework®

"Whistle-blowers have not had a great time in our country... I regret that in many instances we have not always treated them well..."

President Cyril Ramaphosa (29 April 2021)

Generally, whistleblowers are expected to function as the external watchdog, holding institutions accountable for their actions. This accountability helps to ensure that organisations adhere to laws, regulations as well as their own internal policies and values. Similarly, the disclosure of the outputs of the Corporate Governance Framework® in the annual

integrated report, can strengthen the credibility and integrity of the organisation by candidly explaining those areas of governance which the board and executive management have recognised as requiring improvement.

Performing the governance assessments as required by the Corporate Governance Framework® builds resilience and cements trust by sending a clear message that unethical behaviour will not be tolerated. In this way, it acts as a deterrent for misconduct. However, perhaps more importantly, the framework stimulates a positive organisational culture where employees feel heard, are empowered to contribute data to decision-making and can act in the organisation's (and the public's) interest.

Whistleblowing can be a positive force for change, however, without adequate safeguards against retaliation, potential whistleblowers may be hesitant to come forward. Whilst citizens and employees should feel safe to speak out, and indeed be able to report malfeasance, local and global surveys including track records indicate that protected disclosure (whistleblowing) legislation and frameworks are generally not achieving their desired objectives. The recent Afrobarometer survey conducted in South Africa over the period between November-December 2022, indicated that as much as seventy-two percent (72%) of South Africans feared the likely consequences of retaliation, and or other negative consequences if they were to blow the whistle on malfeasance. Although only twenty-five (25%) of respondents indicated that they could report on corruption without fear, four percent (4%) of the respondents did not know if such reporting would be safe for them to do, or they simply refused to answer.

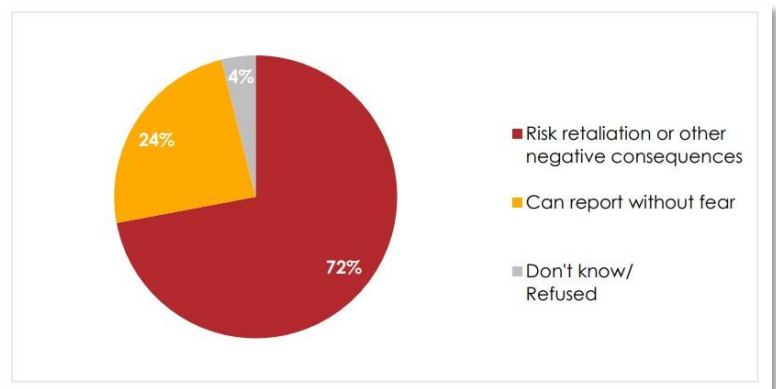


Illustration 2. Perceptions of corruption in South Africa - Reporting
(Afrobarometer)

Source: New laws to tackle corruption and protect whistleblowers in South Africa (BusinessTech – 13 July 2023)

Gauging from what appears to be insufficient protection afforded to whistleblowers, and this in spite of the new whistleblowing laws envisaged by the South African Department of Justice and Correctional Services to protect whistleblowers, it is imperative that organisations ensure that alternative channels for identifying and communicating any unethical behaviour and misconduct remain strong and effective in supporting transparency and accountability.

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