

Manuel on restoring ethical business leadership

It has become clear that business leadership in South Africa needs a major overhaul, as more and more is revealed about the unethical behaviour of significant brands such as Steinhoff, KPMG, SAP and Naspers.



Trevor Manuel, chairman of Old Mutual Group Holdings

In fact, the country has dropped 14 positions in the World Economic Forum's Global Competitive Index rankings due to corruption, crime and theft.

"Right now, we need to demonstrate a clarity of thought that compels action. What corporate South Africa needs is a huge cultural shift, and discussions such as these must contribute to raising the participation criteria in order to effect this cultural shift that so many of us desire," says Trevor Manuel, chairman of Old Mutual Group Holdings

Speaking at the Unisa Graduate School of Business Leadership, he says that after the political developments of the past six weeks, the signal that South Africa and the world now has, is that of good governance premised upon collective responsibility and accountability.

Demonstrate an intolerance against misbehaviour

"This bodes well for ethical and moral leadership because as the bar is raised in the public sector, so the private sector will have to respond. Suddenly, the old binary of public versus private sector, as a proxy for good versus bad, no longer seems to apply. The message is one which clearly articulates that 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."

In order to prevent the recurrence of the corruption we have experienced, Manuel says our vigilance over the next period must invite more whistle-blowing, more exposures, more investigations and charges, and please many convictions and sentences. "We need to ensure that we can lead the healing process so that not even the traffic officer will feel that they are entitled to cooldrink money."

Systematic abuse

He outlined the epicentre of what went wrong in the public sector, starting with ministers who were appointed to deliver

outcomes that were against the letter and spirit of the Constitution. “Further steps which hollowed out the capacity of the state to deter misconduct include the conscious weakening of organs of state in the criminal justice cluster; the effective annihilation of the crime intelligence capacity; a ‘euthanased’ Parliament that slept through most of the wrongdoing; government supply chain management systems that were destroyed by the employment of incompetent individuals who frequently saw their responsibility as serving the interests of favoured bidders, rather than securing value for money in the interest of better service delivery; and the opportunistic abuse of black economic empowerment, pretending that no rules existed and that friends or parties who officials were instructed to favour were allowed to run rampant.”

Manuel highlighted how corporate counterparts also descended into a web of corruption. “For every horror story in the public sector, there is an even more alarming story from the private sector. South Africa has yet to fully engage with the extent of malfeasance in the private sector. The same opportunistic trends were used by larger firms which recognised that there were few consequences, because the state was disinclined to act against its own.”

Period of healing

After a protracted period of corruption, Manuel says, it is necessary to arrest the processes of malfeasance, and embark on a period of healing. “I am convinced that the remedies are not going to suddenly emerge from a raft of new legislation and regulation, but rather from the proper application of those that exist.” He particularly says we should insist on higher standards from the professional and industry bodies such as South African Institute for Chartered Accountants, saying that there is too little professional pride for the observance of ethical standards.

“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.”

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