

Corporate South Africa can – and should – contribute to building an ethical state

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In his June 2019 SONA President Ramaphosa emphasised the commitment to “building an ethical state”. While we can be distracted by questioning to what degree this is his or the government’s commitment, it is more productive to consider this statement in the context of the theme for the 2019 SONA: “Let’s grow South Africa together as we celebrate 25 years of freedom”. The key question that derives from this relates to ethical progress. From a high moral base 25 years ago, have we as a country progressed or regressed?

Our country’s transition to a constitutional democracy represented a massive moral shift which *should* have signified the unfolding of a wonderful story: the triumph of ethics and its positive cascading effect. However, the various Commissions of Inquiry set up by the President in 2018 to uncover malfeasance and the abuse of State resources continue to paint a very different picture.

What is noteworthy in the evidence that has emerged from the Commissions of Inquiry – notably from the State Capture Commission – is that private companies have also played a destructive role in the plunder, whether in being party to the corruption or, in the case of some professional services, in facilitating corruption.

The underlying issue is not only a failure of ethics but, more importantly, an abuse of the ethics of power. The power and authority vested in a leader is ethical when it is used for the benefit of all stakeholders (such as citizens) and it promotes and protects their development and wellbeing. But when leadership power is used for self-enrichment and self-interest, it amounts to an abuse of power. And for all the leaders’ illicit gains, the cost is largely borne by those who can least afford it, whether via the absence of textbooks provided timeously, effective medical care at State hospitals, or the provision of clean water. (Let’s not even mention electricity!)

What is clear is that immediate and bold corrective action is required by *both* the State and the private sector. While the President’s new term of office brings with it a commitment to addressing corruption, real change rests on a much wider circle of influence.

So, this begs the question: what are corporates actually doing?


Organisations should recognise that ethics includes speaking up for what is right every time and all the time. Silence never solves breaches of ethics. In light of the widespread linkages between the public and private sector in perpetuating malfeasance, claiming that the present state of affairs falls exclusively on government’s shoulders is neither a sound excuse nor plausible reason. Put simply, there is an ethical obligation on every single corporate in South Africa to make a contribution to building an ethical state.

Corruption, as a particular problem, can be reduced by business. The fact that corruption rests on two parties – the person offering the bribe or facilitating the ‘commission’ and the person accepting the bribe – means that it can be stopped if one party refuses to participate. This warrants that ethics is explicitly recognised by corporates as a strategic goal or core value. In the absence of ethics enjoying such high-profile recognition, it risks being overridden by operational or other demands.

Organisations can also make a noteworthy contribution to promoting the country’s ethical

progress by increasing the level of ethical awareness among their employees and stakeholders. They have a captive audience among whom they can make an investment for good. This is best done by building a better understanding of the concomitant responsibilities of ethics so as to foster more ethical choices and behaviour and, ultimately, a greater commitment to personal and workplace ethics.

The benefits for the organisation are obvious, not least in terms of a stronger ethical culture and strengthened stakeholder relationships and confidence. The real gain, however, is far greater. The C³ effect applies where there is a triple benefit for every employee or stakeholder who is ethically positively influenced: for the company, for the person’s community and, with each person’s contribution, for the country.

In pursuit of ethical progress, we cannot succumb to ethical inertia. Now is the time to remember the strength and resilience of the many activists who fought for our country’s freedom. Their legacy warrants that we too find the courage and commitment to stand up for what’s ethical, even if it carries a cost. Now is the time for Corporate South Africa to stand up and be an ethics activist. 

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