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Ethical Leadership means first do no harm, in business and in life
Opinionista: Jon Foster-Pedley - 18 July 2019

Far too many of us are prepared to speak of a tax revolt. When we do, we merely feed the creation of a lawless society. We need to be the change we wish to see, we cannot expect others to do the right thing when we continue to do wrong.

On 1 May 2019, when most South Africans were at home enjoying Workers' Day, Edward Kieswetter was at his desk. The brand new South African Revenue Services (SARS) commissioner was writing a four-part letter.

The first part was to tell the thousands of people who make up the country's once-revered revenue service about how happy he was to be back and how humble he was to have been given the opportunity to head the service he had helped Pravin Gordhan build. He used the letter to tell the staff he fully accepted that State Capture had occurred, that SARS had been caught up in it and that the damage to South Africa was incalculable.

The second part was to tell the staff how they could hold him accountable, followed by the third part which laid out how he would hold them accountable and finally, the fourth part where he sketched a picture of what could be achieved if they all worked together.

Kieswetter told them where he stood on matters that were important to him, matters of substance so that they could trust him. It was a textbook case of ethical leadership. As he explained to a breakfast panel I hosted recently, "People don't expect us to be perfect, but they do expect us to be authentic and to die fulfilling our promises – or not make them in the first place."

Which begs the question: What is ethical leadership? For Tracy Hackland, the CEO of the Columba Youth Leadership programme which does incredible work among young South Africans, but especially in underprivileged schools, it's about the connection between character and values, driven by a sense of purpose. Ethical leaders do the right thing all the time, even when they don't have to, for the collective good and not for themselves. Ethical leaders serve, they aren't there to be served by others.

She's found that graduates from the Columba programme who attain that sense of purpose develop a sense of their own significance and take themselves more seriously but more importantly become inured to peer pressure. The moment they learn that leadership is not the exercise of power over others but rather a responsibility, self-interest drops off dramatically. What picks up exponentially is their control of their own destiny, seen through their increased school marks and the roles they take at school and in tertiary institutions.

Rabbi David Lapin, the global business leadership strategist who helped draft South Africa's first Code of Ethics for the first King Report, believes ethical leadership resides in

the injunction of doing no harm, something that appears so simple until you try to offset the very different needs of the four stakeholders that make up any business: the shareholders, the employees, the customers and the communities.

Lapin has a simple mantra: “We serve the customers, not the shareholders. We reward the shareholders; we support our staff to serve the customers and we improve our communities.”

The problem comes where there’s a trade-off between profit and prosperity. For decades, corporates followed the gospel of Milton Friedman, maximising profits to benefit shareholders. It’s precisely that doctrine that aided and abetted the corporate collusion that made State Capture possible. What we should be looking to do instead is to follow the teaching of the former dean of Saïd Oxford Business School, Colin Mayer, and focus instead on creating prosperity, making money to reinvest as a means to create more opportunities, not as a means in itself – especially in a country such as ours with its unenviable Gini coefficient.

Ethics though has to be underpinned by dignity, something that Lapin defines as the ability to look at another person in a way that they feel you are seeing as they should and could be and not as they are. In our South African context, this has a particular resonance and import. We have to see one another as individuals with the potential to change the world for good. In many businesses, though, we almost contract into employment with the expectation of subjecting ourselves to levels of abuse we would never tolerate on the outside. English doesn’t help much either, as opposed to isiZulu or isiXhosa which start the greeting by acknowledging each other’s presence.

We would do well to remember the tenets of ubuntu, that we exist because of others not because of ourselves, which is why as leaders we should ask for help, empowering people rather than proscribing them with our authority by telling them what we want them to do.

Ethics is about doing the right thing all the time, about being transparent and honest, especially about our failings. Knowing the right thing and doing it are often two different things because of the price that is exacted when we take the road less travelled when we stand up for what is right. It’s also something that can’t be written down because the moment it is, it becomes a law which the clever (though less ethical) among us do their best to find loopholes to get around.

Doing the right thing naturally all the time seems trite, but the reality is that it’s very difficult to do – especially when there’s a price to it, like losing our jobs, our friends or our lives. But we are often also far too fast to point fingers, especially when many of us don’t even pay our TV licences and certainly not our e-tolls.

Far too many of us are prepared to speak, around dinner tables or the braai, of a tax revolt. As Kieswetter warns, when we do, we merely feed the creation of a lawless society. We need to be the change we wish to see, we cannot expect others to do the right thing when we continue to do wrong, as much as we try to rationalise it away.

Doing the right thing all the time is hard, but we don’t have an option if we are serious about creating a viable economy in a country that has been ravaged by State Capture, corruption and corporate collusion. We have to become intolerant about lawlessness, particularly our own. **DM**

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