

**GOVERNANCE AS LEADERSHIP IN PRACTICE  
OPENING ADDRESS: KING IV CONFERENCE  
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## **LEADERSHIP**

Leadership that is predicated on morality and moral authority, is a fundamental requirement for a political economy guided by the rule of law and committed to serving the national interest. Toxic behaviour flourishes where institutions are abused for sectional and selfish pursuits by misleadership. One consequence is that institutions that underpin a sound democracy are rendered ineffectual.

The concept of the African village assembly, in which members of the community may freely air their views and express differences on public policy, can be taken as a model for citizen oversight leaders in the modern state. In a business context the Shareholders and broader Stakeholders in the enterprise form a commonality of purpose to ensure ethical corporate citizenship. This principle extends through society. Commitment to the good life for all is the golden thread that ties leaders and followers and interdependence as members of the human community. It is in this context that good governance finds practical expression.

Leadership is an exercise in building and sustaining trust. It does not exploit the vulnerable; it does not shirk responsibility for mistakes or cynically pass off blame on others. It establishes facts, gains and shares knowledge, aiming to broaden the understanding of questions facing the organization or nation. Leaders do not spring from nowhere: they become leaders because they earn and maintain trust. Leaders, like directors, are not just born; they are born then made and sometimes unmade by their own actions. A leader who is not attuned to his or her followers soon becomes a leader in limbo, and invariably then falls. Their natural capabilities are enhanced by education and experience, as well as by emulating the shining examples of those before them; to wit, the wisdom of Mandela or Gandhi.

## **GOVERNANCE**

Governance, viewed from a King IV vantage point, is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of an ethical organizational or national culture, good performance, effective control and legitimacy.

Ethical and effective leadership should and do complement and enhance each other. Ethical leadership is exemplified by integrity, competence, responsibility, accountability, fairness and transparency (ICRAFT). Organizational or national ethical leadership involves due regard for and consideration of the positive and negative consequences of the organization's actions and outputs on the economy, society and the environment, as well as the capitals used and affected.

Effective leadership is goal-directed and results-driven. It is about realising strategic objectives and positive value creation. Effective leadership encompasses, but goes way beyond, an internal focus on effective and efficient execution. Positive impact on the greater good is cardinal.

Members of the governing body, corporate, economic, political and non-governmental, should individually and collectively cultivate ICRAFT and exhibit these characteristics in their conduct:

**Integrity:** Members of the governing body must act in good faith and in the best interests of the organization. For nations this behoves political leadership to, at all times, act in the national interest. They should avoid conflicts of interest. Where conflict cannot be avoided it should be disclosed in full and timeously, and then proactively managed as determined by the governing body and subject to legal provisions.

**Competence:** Members of the governing body should undertake to ensure that they are adequately knowledgeable about the organization, its industry, the triple context, in which it operates, the capitals that it uses and affects as well as the key applicable laws, rules, codes and standards.

Members of the governing body should act with due care, skill, diligence and take reasonable steps to be knowledgeable on matters of decision. It is essential for members to continually develop their competence to lead effectively, given the dynamic, fast evolving environment.

**Responsibility:** The governing body should assume collective responsibility for steering the organization's direction; approving policy; overseeing and monitoring managers and; providing for accountability on organizational performance. Members should be courageous in taking risks to achieve rewards; doing so in a responsible manner and in the best interest of the organization. Governing body members should face consequences, positive or negative, flowing from discharging their responsibilities in the triple context of people, profit and planet.

It is imperative for members of the governing body to attend meetings of the board and its committees, and devote sufficient time and effort to prepare for those meetings.

**Accountability:** Members of the governing body should be willing to answer for the execution of their responsibilities, even when these were delegated.

I suggest that accountability equates with legitimacy and practical respect for human rights. If you fail the tests of responsibility and accountability, you will also fail the tests of trust, morality and efficacy. Accountability means keeping check and delivering appropriate reports. If you cannot do that with integrity, commitment and empathy for people, and you just pay lip service, you will not be credible and your attitude will undermine your operations.

**Fairness:** A stakeholder-inclusive approach is imperative in the execution by the members of their governance role and responsibilities. Governing body members should direct the organization in such a way that it avoids adversely affecting the natural environment, society or future generations. Sustainability should be the cardinal objective, and the dictum that what is good for oneself should be equally so for others.

**Transparency:** In discharging their governance role and responsibility, members of the governing body should be transparent. The governing body should personify the above character traits in order to offer effective leadership that results in achieving strategic objectives and positive value creation over time. The arrangements by which the members of the governing body are being held to account for ethical and effective leadership should be disclosed. These arrangements would include, but not be limited to, codes of conduct and performance evaluations of the governing body and its members.

My definition of good governance is that it is attuned leadership in action, and ultimately it is a human rights issue. We in South Africa should understand this, better than most, because the majority were exposed to human rights abuses under the appalling misgovernance of apartheid. It is from this cauldron of human suffering that many positive ideas of governance have emerged today.

### **GOVERNANCE AS LEADERSHIP IN PRACTICE AND EMERGENT LEADERS**

Student leaders are leaders – contemporary but of greater importance, national leaders of tomorrow. For this reason I feel compelled to briefly comment on the challenges currently facing our political economy in the educational arena. With acknowledgement to Dr Grayson Kirk (erstwhile?) President of Columbia University, I will focus on the cardinal responsibilities of the educated person. All this with an eye on Governance as Leadership in Practice, now and in future:

- The first is to strive to achieve clarity and precision in one’s spoken and written communication. I must say there has been much obfuscation in recent times.
- The second is to develop a sense of values and the courage with which to defend them; “good taste” which can be used as a yardstick in making moral, social and aesthetic judgements. We have yet to witness the emergence of a value-system from our student leadership that transcends platitudes about decolonising education and hesitant concepts about the crucial challenges of Afrocentricity.
- The third is to make every effort, honestly and objectively, not only to understand the nature and problems of one’s society, but to comprehend compassionately the differences that separate it from others. We await with baited breath the enlightenment from our budding intellectuals.
- And the fourth is the responsibility to look squarely at the world and its problems with courage and hope and not with fear and rejection. In this regard the student leadership stance has been commendable. What remains is for them to locate this within the phenomenon of globality and the process of globalization, and to ensure that the outcome for South Africa is at worst equi-beneficial and at best observably advantageous.

If our university students choose to be rebels, which is their right, then rebels let them be. But rebels with a wholesome and worthy cause, wholesome in vision, strategy and execution. There is an imperative to explode the myth that the end justifies the means, and to soberly appreciate that the end is pre-existent in the means.

If one is in search of a better job it does not help to burn down the factory. If one needs better education, physically assaulting the educators and burning down libraries, laboratories and amphitheatres only sets one back drastically. If housing is the goal, only building and construction will produce that end. To destroy anything, person or property cannot bring us closer to the goal that we seek.

Self-flagellation is aberration of the worst kind and it is extremely counter-productive.

### **COURAGE AND GOOD GOVERNANCE AS LEADERSHIP IN PRACTICE**

As Robert McCracken admonishes sagaciously, “The world is not perishing for the want of clever or well-meaning men (people). It is perishing for the want of men (people) of courage and resolution who, in devotion to the cause of right and truth, can rise above personal feeling and private ambition.”

Currently, it is quite edifying to observe the emergence of leaders, both corporate and political, going beyond bemoaning bad governance with its corrosive consequences and boldly moving to stop creeping kleptocracy dead on its tracks. Good governance as wholesome leadership in practice behoves us to shun depravity and to diligently promote a nation built on moral values. We have a duty to insist on strict adherence to the institutional forms that underpin our young democracy.

For far too long, as we looked around we observed ostensible leaders in governance positions, capable and apparently dedicated to providing leadership, but devoid of courage. Devoid of courage of their conviction, devoid of moral authority and painfully spineless. To these we say heed, Bergen Evan’s advice that “Courage is the supreme virtue, because it is the guarantor of every virtue”. Without it even wisdom bears no fruit.

### **MERITOCRACY AND GOOD GOVERNANCE AS ETHICAL LEADERSHIP IN PRACTICE**

One of the most toxic, corrosive practices to set our political economy back during the past two decades is deployment. That troglodytic reservation of jobs for politically loyal or ideologically conforming pals/comrades regardless of ability or qualification. Our governing bureaucracy is replete, with such people, invariable clogging the system, squatting like parasites and feeding the corruption monster.

Deployment as an arch-enemy of employment based on meritocracy goes counter to good governance as ethical leadership in practice. Deployment erodes and incapacitates national economic effectiveness. It insidiously elevates mediocrity to the status of virtue. A self-respecting South Africa that believes in good governance as ethical leadership in practice cannot countenance this fundamentally unethical and counterproductive practice.

### **CONCLUSION**

May I conclude by borrowing wisdom from two sages:

“Democracy (which rests on good governance and ethical leadership) is threatened by the inertia of good people, by the selfishness of most people, and by the evil designs of a few people.” Stanley King

We dare not allow this.

Mahatma Gandhi admonishes sternly as follows:

“The things that will destroy us as a nation are: politics without principle; pleasure without conscience; wealth without hard work; knowledge without character; business without morality; science and technology without humanity; worship without sacrifice.”

## Dr. Reuel J. Khoza

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Heeding this sagacious admonition, South Africa needs to fully appreciate that the things that will build us as nation are: Politics with principle; pleasure with conscience; wealth from smart hard work; applied knowledge with wholesome character; responsive business with morality; science and technology with humanity; worship with sacrifice.