

Notes on the CD(SA) Session held on Wednesday, 3 May 2017 at 16:00

Topic: South Africa's economic status after the downgrade

Programme

16:00	Registration
16:05 – 16:10	Welcome - Wiseman Nkuhlu, Chairman: CD(SA) Governing Body
16:10 – 16:20	Insights from a CD(SA) perspective - Reuel Khoza
16:20 – 17:00	Discussion and inputs facilitated by Linda de Beer
17:00 – 18:00	Networking

WELCOME – WISEMAN NKUHLU, CHARIMAN, CD(SA) GOVERNING BODY

The chairman encouraged members to engage on major issues that impact on business in SA through these sessions. He emphasized that to be certified as CD(SA) means that your experience and knowledge has been validated, and you are one of the SA business leaders, and that you should be willing and able to help make a contribution to change.

Some can march, some can address big rallies, some are more adept at analyzing issues in details and creating options and solution of what to do to effect change. We have to find an avenue to create real change.

Sometimes what the thinkers say seem crazy now, but it makes sense a few years later. In this session we should imagine what SA can be like, and not get stuck in the mindset that SA is going to be stuck in current situation forever.

This session should go beyond the narratives and rhetoric that currently dominate public conversations.

INSIGHTS FROM A CD(SA) PERSPECTIVE – REUEL KHOZA

Dr Khoza emphasized the role of ethical leadership when driving strategic agendas. The presentation can be viewed under CD(SA) documents on the IoDSA website at <http://www.iodsa.co.za/?page=CDSA>.

DISCUSSION AND INPUTS FROM CD(SA)s FACILITATED BY LINDA DE BEER

The discussion focused on 2 issues – the importance of CD(SA)s sharing their opinions and insights during these sessions; and, the insights from the presentation by Dr Khoza.

Points made in the discussion:

- Survey conducted last year among CD(SA)s showed they want to have an actual influence, not just a status designation.
- Want to contribute to thought leadership.
- Leadership needs support and trust that there are others like them are around. Grow a support base of like-minded spirits to benchmark your thinking. Leaders need to make an effort to know each other in order to create a support network.
- We're part of something that is happening worldwide; the role of directors has changed a lot over the past 5 years, and continues to change. We are creating a new breed of professional directors as opposed to those rewarded for good behaviour and good service. This reward is not what King IV or the Companies Act promotes.

- Forum as opportunity to influence leaders. We should look beyond just business leaders. Government leaders to be invited on some issues.
- Some topics will require deep thinking, others will cover more technical issues.
- Some of the thinking from the forum might be actioned by IoDSA initiative in order to keep the scope of the CD(SA) forum narrowly focused for the sake of influence and change to the benefit of the broader picture.
- There is a moral obligation on business leaders to at least publicly acknowledge that there is a problem in SA.
- We want to remain apolitical, and deal with pure thought leadership dealing specifically with corporate governance.
- CD(SA) forum will discuss topics only that they can address with authority and solid knowledge.
- Forum will deal with a small number of things at a time to ensure deep thinking and reflecting, rather than superficial conversations on current issues.
- There must be a way in which we can break the stronghold of self-serving politicians, corruption, and patronage. Other countries have dealt with similar and even worse situations, but through leaders that are inspired by the greater public good, have found ways to break the stronghold.
- This stronghold is the single thing that is holding Africa back.
- Bring business leaders and politicians together with the agenda of breaking the culture of corruption.
- Business leadership is predominantly executive directors; CD(SA) forum (majority NEDs) should be careful to not duplicate work already done by executive directors. Collaboration with other forums is key.
- Being ignorant is not an excuse for doing the wrong thing in terms of the Companies Act.
- As much as SA has one of the best constitutions in the world, we have fallen short on holding individual accountable.
- Messages from forum need to be positive and practical, irrespective of the topic, and not duplicate what has already been done by other forums, and especially be careful of being seen to criticise current issues.
- Capitalism, poverty, inequality are potential topics for positive discussion, rather than criticising.
- What can we do to salvage existing institutions, and what are the tangible things we can do to try and influence the people that make decisions for the public institutions.
- The really good directors are almost too scared to become involved with SOEs in order to protect their reputations and based on what happened to others. Maybe that is the wrong moral decision? Even if they can't do it themselves, they could commit to suggesting those that could effectively and ethically lead.
- Should you maybe say "it's also my tax money that is being wasted, and it is my duty to make a difference"? Integrity demands striking a balance between clean reputation and making a difference on the ground where it is the dirtiest.
- Forum should guard against howling above people's heads.
- Shareholder decisions can easily wipe out directors' decisions.
- The technical codes are all there, but the voice of business leaders on behaviours need to be heard.
- We have a voice. We need to do something on behalf of those people that do not share our corporate headquarters. Those that have amassed on the street corners over the past five years desperate for a break in the downward cycle driven by self-serving corrupt behaviours.
- Negative talk and criticism has a major impact on the mood of leaders. Positive advice might have a greater impact.
- Forum needs to avoid thought leadership moments devoid of impact.