

# Ethics: A guiding light in troubled times

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18 Nov 2021

South Africa is facing a series of stumbling blocks - each seemingly more daunting than the last. Surmounting them requires ethics and leadership, says Professor Bonang Mohale, Chancellor of the University of the Free State, president of Business Unity South Africa and Unite 4 Mzansi™ Chair during his recent appearance at the South African Institute of Chartered Accountants' 2021 Trainee Summit where he took SAICA's aspiring chartered accountants through his thoughts on ethics and leadership.



*Prof. Bonang Mohale*

Mohale says that while the subject of ethics may appear large and complex, it's something most of us learnt at our grandmother's knee. "It's as simple as being wholesome – treating people as you would like to be treated, or refusing to take anything that does not belong to you."

Leadership, meanwhile, is contextual, relevant and current, he says. "Anyone who feels called upon to lead is a leader. However, leaders also need a compelling vision. They need integrity. Leadership presupposes followership, so you need courage and you need to live an exemplary life." These qualities might not be considered especially sexy, but they're what help us earn trust. In turn, a leader must be able to extend trust, and must be ready to celebrate others.

Mohale points out that, as businesspeople, it is natural that we demand leadership from our government – a demand which needs to become more urgent, given the issues the country faces in several areas.

## **The lack of leadership is clear in the challenges our country faces**

The economy is a case in point. Although Stats SA recently reported that GDP has grown by 1.2% over the past two consecutive quarters, signaling that we have technically emerged from recession, the reality is that this growth has been jobless. Moreover, it does not stand up to increases in population, and it is negated by both the interest rate and CPI. "We would need GDP growth to reach 3% simply to 'break even'. As it is, we are essentially moving backwards – our discretionary purchasing power and disposable income are being eroded," Mohale notes.

He further laments the fact that South Africa has not moved to take advantage of the commodities supercycle driven by mining, which would have provided a cushion during downturns.

Moreover, many of our gains have been wiped away by the riots which took place in KwaZulu-Natal and Gauteng in July this year. This event, he says, was one of the most severe comments on the state of leadership in South Africa, and has left most of us traumatised. From an economic perspective, the crisis saw us regress by around 20 years and wiped out 1% of our GDP at a time when growth is needed more than ever – as the 11.9 million unemployed (or 74.9% of all South Africans) will attest.

The effects of the riots must be seen against the backdrop of South Africa's economic downgrades by the likes of Moody's, Standard & Poors, and Fitch – all of which have placed South Africa firmly below investment grade. This means that the cost of growing the economy becomes higher, at a time when the quantum of debt remains unchanged.

Throw in our rolling blackouts, which cause the economy to lose R1.25 billion every time the lights go out – and have done so since they first began back in 2008 – as well as a vaccination rollout campaign which is merely limping along, still a far way from reaching its targets, and Mohale's concern is clearly understandable. "Visitors to South Africa have declined in numbers from 10.2 million before the onset of the pandemic, to 3.5 million, reducing tourism's contribution to the GDP from

9.8% to 7.5%,” Mohale informs. This example demonstrates why protecting the population against Covid isn’t necessary only to save lives – it is about saving the economy, too. South Africa remains on a backfoot here, however: although our health sector should be vaccinating 400 000 people per day if we are to meet the stipulated target of immunising 67% of the adult population by the year’s end, public sector hospitals and clinics remain closed on weekends, keeping the goal out of reach.

Mohale maintains that if we do not address these problems, we are certain to face more challenges going forward. “After all, a child that does not feel the warmth of its village will eventually burn it down to feel that warmth,” he says, quoting an African adage.

## The case for ethics

But how can we avoid such a crisis? The answer, says Mohale, lies in a return to ethics – and to do that, we need to develop courage. “It may seem hard, but the only way to do this is by taking that first step. We need use what we have, and fine tune as we go along, rather than waiting for conditions to be perfect. Again, our own country serves as an example Here: our challenges have mostly come about not through a lack of resources, but through how we use them. As George Patton once said, ‘Wars are won through good execution, not good plans.’” Mohale says once you have taken the first step, you are able to work towards excellence, because you can build on your progress every day.

Is it possible to regain ethics once they have been lost? Perhaps – and as a society that appears to have lost its moral compass, it is vital that we try to do so. The solution here, according to Mohale, is establishing a strong opposition which can keep authorities in check.

“We should not look at ethics as a choice between one thing and another; rather, we need to embrace it as a discipline which allows us to have the best of all worlds,” Mohale continues. “For example, companies don’t have to choose between people and profit. To the contrary; if you choose to put your people first, they will be inspired to work hard, and the profits will follow. In this way, ethics ensures we are profitable in the short term, while building resilience over the long term. And that’s critical, because ethics are for life.

“There is no trade off between ethics and ubuntu,” Mohale concludes. “Our common humanity means that all life is sacrosanct – and we all need to help each other reach our full potential.”

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