

Business Against Corruption: A focus on whistleblowers and steps to combat corruption

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In an era where corruption is on the rise, South Africa is clearly in need of leaders with integrity and transparency. Accordingly, the Daily Maverick hosted a 'call to action' in the form of their recent Business Against Corruption event. Speakers from both the public and private sectors came together to participate in the discussion, including Minister of Public Enterprises, Pravin Gordhan, and Cynthia Stimpel, former Treasurer of SAA, who shared their views on corruption and the role of whistleblowers.

The debates focused primarily on the part that South African businesses can play in the fight against corruption and the importance of creating a safe space for whistleblowers¹. President Ramaphosa has noted the primacy of fighting corruption and its significance to achieving sustainable economic growth. This is evidenced by the setting up of an investigating directorate within the National Prosecuting Authority to deal with corruption. This is seen as a step in the right direction, and the hope is that more individuals and organisations will step up and do the right thing in the fight against the scourge.

Corruption is a choice and is premised on greed and self-gain. This is the view of Pravin Gordhan, who presented the opening keynote address and lamented the lack of accountability from leaders that was apparent during the Zuma years. *"You have a choice to become rotten or not. Every one of us has a choice to participate in corrupt activity or not. Every one of us has a choice to listen to an instruction that would lead to corruption by themselves or the entity they are involved in. Every one of us has a choice to be a whistleblower or not... It is about human choice at the end of the day,"* he said.

Elaborating on the increased need for moral identity and leading by example, David Lewis from Corruption Watch stated that *"Internal compliance is not enough to combat corruption...businesses need to lead from the front...and to break the cycle. A safe environment needs to be created to ensure that people feel safe to report corruption"*.

Encouraging and protecting the whistleblowers

The crucial role of whistleblowers was touched on by Gordhan, who noted that it's not just up to government to protect them, but that corporates need to adopt a rigorous position: *"It's not only the state's responsibility to look after whistleblowers... do corporates look after them and treat them kindly, do they promote whistleblowers, or shut them up and marginalise them? But whistleblowers are the ones that have made the choice to be honest and stand up for something that was right"*.

Cynthia Stimpel described her whistleblowing experience at SAA. She decided to blow the whistle as she watched her own colleagues enable corruption and look the other way. The situation no longer aligned to her values as an individual. After many failed attempts and being suspended after challenging the internal powers, she found hope after reporting her concerns to Organisation Undoing Tax Abuse (OUTA)². Cynthia believes that whistleblowers require third parties to listen to their cases, provide support, create an environment of trust, and ensure that prosecution of those guilty is achieved. OUTA provided this for her.

OUTA, which started out to fight against the imposition of e-tolls, expanded their mandate into broader corruption after realising that *"we didn't want to be a watch dog, but an attack dog"*, according to

¹ A whistleblower is a person who exposes any kind of information or activity that is deemed illegal, unethical, or not correct within an organisation that is either private or public.

² See: <https://outa.co.za/>



chairman Wayne Duvenage. Given that OUTA has their own litigation capabilities, they are able to build cases more cheaply and achieve faster results than many individuals can.

According to Liezl Groenewald, senior manager of The Ethics Institute³, their latest Business Ethics Survey showed that a third of employees in the corporate sector witness misconduct, but only half of those report it. People tend to shy away from whistleblowing due to a fear of victimisation (the kind that Stimpel endured when she was suspended at SAA) and the perception that entities won't do anything about it at the end of the day.

Some guidelines for whistleblowers emerged from the Cynthia case:

1. Know who to report concerns to internally;
2. Know the organisation's whistleblowing policy;
3. Find an organisation such as OUTA to assist, should the case reach a point that the whistleblower requires a legal representative;
4. Be prepared for the consequences of whistleblowing: these include being isolated, a lengthy process, and potentially being suspended from work;
5. Stay motivated and determined; and
6. Ensure that you have a support structure, whether it be family or friends, as this will assist in keeping you motivated to continue.

Business should take a stand

The role of business in preventing corruption goes beyond policy creation and monitoring compliance. Corruption poses severe financial, operational and reputational risks. It is therefore critical that organisations implement sincere and effective anti-corruption measures and policies within their strategies and across their operations.

Seven key recommendations for combating corruption:

1. Ensure that the behaviour of those in leadership positions sets the required standards and drives the appropriate culture within the organisation;
2. Embed an anti-corruption stance in both the culture and the operations of the organisation, where leaders demonstrate to employees and stakeholders that they have a zero-tolerance policy on bribery and corruption;
3. Instil good corporate governance across the organisation by ensuring that:
 - a. the board of directors is independent: this will enable directors to hold management accountable for their actions and to challenge the status quo;
 - b. the distribution of power is fair across the organisation, that no one person has the power to override any decision; and
 - c. information distributed to stakeholders is transparent and relevant.
4. Ensure that accountability and transparency are enforced;
5. Implement anti-corruption programmes and policies throughout the organisation;
6. Increase training, workshops and communication around the topic of corruption; and
7. Create a safe environment for whistleblowers by providing the necessary and appropriate platforms.

³ See: <http://www.tei.org.za/>

In conclusion

The Business Against Corruption event provided a fresh perspective on the role of both business leaders and individuals in creating and reinforcing a corruption-free environment. As an Asset Manager with a fiduciary duty to our clients, this is in line with our values as an organisation, where doing the right thing is part of our DNA. Everyone has the responsibility to prevent and report corruption. It is our moral duty and we need to have the courage to stand against it.

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