



Mentoring Circle

Outcome Report

Topic: Conscience

Date: 19 October 2016



INSTITUTE OF DIRECTORS
SOUTHERN AFRICA

The aim of the Mentoring Circles is personal development, building a community of directors, and contributing to the social and personal competencies of the Director Development Framework.

The Challenges

- Making in-the-moment decisions with conscience can be extremely difficult, and sometimes it's only on reflection that we realise we should have made the decision differently.
- Tensions can be set up when directors need to manage their response to decisions that go against their conscience. This can be exacerbated by the tensions between legal and ethical perspectives, which do not necessarily coincide.
- It can be very challenging to act with conscience, and still maintain good working relationships, stay within the law, and not be isolated or ostracised.

The Solutions

- Conscience is about how to exercise one's judgement to differentiate right from wrong, taking into account the pressures of incomplete information, rapid decision-making, imperfect knowledge and competing stakeholder pressures. The director's fiduciary duty is always to act in the best interests of the organisation, which includes its stakeholders. Thorough preparation for Board meetings (reading the pack and reflecting on the required decisions and information, including the short-term, medium-term and long-term consequences for all your stakeholders) can assist with this. The quality of directors' board preparation is a performance management issue for the chairman.
- Directors must pick their battles (with conscience), and dissent if required, with that dissent minuted. Dissent should be worded constructively, and ideally provide alternative solutions.
- Discussion with fellow directors (not executives) outside the board meeting for clarity can be acceptable as long as it is not lobbying. This is a fine line of conscience and ethics. If a chairman is lobbying, directors must prepare and present their (contrary) case extremely well. Making use of a formal or informal mentor can also assist in this.
- Even if decisions challenge one's conscience, the most constructive thing to do is to reflect on what was learned from the decision, the decision-making process and the outcomes. One can only apply one's mind, using sound judgement and diligence, and reflect on the outcomes.
- The value system of the board is led by the chairman. If all decisions being made challenge one's conscience then a director should decide if they are on the right board. It is also acceptable as a prospective director to 'interview' the board, and ask them questions about their values and decision-making.
- Acting with conscience may mean that a board makes a decision that has a negative financial impact, particularly in the NPO space, if the donor is trying to unduly influence the operation of the organisation.
- Part of acting with conscience includes ensuring that you can trust the information that you are receiving. If you cannot, the information quality needs to be addressed.
- The pressure to conform and the need to belong can hamper an individual acting with conscience. Appropriate training can assist with building courage to overcome this. Relevant use of risk language, and citing relevant codes (like King or the internal Code of Ethics) and charters (such as the Board charter) can also depersonalise a perspective that goes against the collective position.
- Legal requirements may support or challenge ethical decisions, depending on the specific context. An approach to legal requirements that is simply compliance 'box-ticking' is ethically unacceptable.
- It is perceived that sound ethics goes 'against the grain' of current general business operations. At the same time, individuals need to guard against developing a 'holier than thou' divisive attitude.
- Board meetings must have agendas prepared well in advance so that individuals who cannot attend can still make their contribution. The Board must be quorate; minutes must be taken, and signed off.