



Mentoring Circle

Outcome Report

Topic: Courage

Date: 20 September 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.

Courage was defined as acting despite the fear, i.e. doing the “right” thing despite perceived consequences. It also involves value judgements, and is dependent on the legal, moral, and organisational context.

The Challenges

- It takes courage: to face personal shortcomings and be sensitive to boundaries (reckless directors, unlike courageous directors, are not sensitive to boundaries); to face the many current changes and complexity of business; to step into the unknown, and to go against the grain and disagree where needed.
- The ‘status quo’ of South African business is largely not conducive to directors doing the right thing, especially where directors are not acting with the necessary individual independence of non-self-interest.
- Addressing broad social issues, individual dominance and competence on boards is difficult. What makes this so is lack of support, fear of personal, legal or organisational consequences, the desire to avoid conflict and personal insecurities and fears.

The Solutions

- Challenging the status quo can be achieved constructively by reframing the debate from the ‘impossible problem’ to the achievable and practical, using diplomacy to focus on what is right for the organisation and the country, rather than the differences of individuals. This requires empathy, lobbying, talking, convening, debating and creating the groundswell one person at a time, and knowing when and how to break with protocol. The model of ‘crucial conversations’ can help in achieving this. Thorough preparation before raising difficult issues, as well as garnering support from other senior people is important.
- When raising difficult issues (relating to content, behaviour or ethics), it must be recognised that all perspectives - including one’s own - are subjective. It is nonetheless possible to quantify these subjective views, and share that with people, including the use of risk language. It can also be useful to raise issues with a third-party whom the pertinent individual trusts. Seeking to understand the other person’s perspective, personality and perceptions of value, and demonstrating how the various options add to what they want can be constructive.
- Whatever the issue requiring courage, it is important to remember that everyone is human, and to deal with the issue, not attack the person. Even when a line has to be drawn (for example related to poor performance), individuals must not be demeaned or belittled. Always invoke the Golden Rule: “Do unto others as you would have them do unto you”, and this will appeal to individual’s innate sense of integrity.
- Perceptions of competence must be linked to strong KPIs. Board appraisals are required, and are useful ways of depersonalising issues of non-performance. Board appraisals can also surface issues of skills gaps on the Board, and can be used to identify training requirements.
- Directors acting in their own self-interest appears to be a systemic problem in South Africa. In the absence of regulatory enforcement, going against this trend is very difficult. Ethical directors need to build strong relationships and develop trusted confidantes, with whom they can have robust discussions, and with whom they can test ideas and approaches.
- When appointing directors, business skills, experience and intrinsic qualities and strengths are important (this is being addressed in King IV).
- Appointing independent non-executive directors is one way to break stalemates and address dominance or other dysfunctionalities, as well as build confidence about one’s own competencies.
- Raising a dissenting voice can be very challenging, and may come at huge personal cost. These issues can be raised in the form of questions for clarity, and through using risk language as well. How, when and where the dissent is raised also contributes to how the message might be received. Ultimately, every individual must decide for themselves what is acceptable and not acceptable, and act as they believe to be right. In this way, self-awareness is crucial – a sense of one’s personal values.