



Mentoring Circles

Outcome Report

Topic 2: Conscience

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**INSTITUTE OF DIRECTORS
SOUTHERN AFRICA**

The aim of the Mentoring Circles is personal development and building a community of directors.

The Challenges

- Exercising one's conscience in decision-making requires an understanding of one's motives, opportunity, justification, likelihood and nature of ramifications, for oneself, the business and others. These are very difficult and complex issues to understand.
- Conscience becomes an issue when there are apparently conflicting priorities, such as studying, giving 100% to the job, and family demands. This links to time management, and allocation of resources including finances.
- Matters of conscience are difficult when doing something for the greater good may conflict with legal or ethical demands on directors.
- The value of people is not always appreciated, and pushing the 'human value' agenda can be compromised by issues of competence and by the difficulty of measuring intangible value.
- Conscience may drive one towards resigning from a board, and this may create conflict with those who support you, and may also undermine the capacity of the company to deliver.

The Ideal

In a company where directors exercise their conscience, there are high levels of trust between the board members, and across all levels of the company, which builds loyalty. Boards are broadly diverse, and members have high levels of self-confidence, self-awareness and their self-worth extends beyond their role as a director, which is a calling, not a job. Board members do not need to prove things to others, and practice mindfulness. Discussions are robust, and mistakes are allowed.

The Solutions

- Understand fully one's role as a director. One is appointed as a director to bring one's perspective, which includes matters of conscience. It is not always necessary to agree with the collective conscience.
- Reflection on decisions and their outcomes can assist in identifying whether one is exercising one's conscience – "you don't learn from experience; you learn from reflection on experience".
- "If in doubt, don't". This refers to potentially delaying a board decision until one has more information, time to discuss with colleagues, or time to reflect on the ramifications. If the matter goes against deeply held issues of conscience, a director may need to formally dissent.
- Speaking out regarding issues of conscience is not common. Doing so may help to clarify an issue at board level, sensitize others to the issues, and allow oneself to be sensitized to the perspective of colleagues. This requires empathic listening, understanding, and being open to perspectives beyond one's own, as conscience can be influenced by diversity.
- Addressing conflicting priorities requires an application of risk management principles. It also may help to discuss the issue with colleagues, family members, mentors and other professionals. In this regard, the Chairman can support directors in their individual capacity. At the same time, directors need to learn to negotiate their boundaries with empathy – learn to say 'no' where necessary, including where one feels subjected to peer pressure. Professional codes require one to not be negligent: taking on too much work, including sitting on too many boards, could undermine delivery. It behoves everyone to take account of this for themselves, and to assist others to recognize it.
- Disclosure of a conflict of interest between one's personal perspective and one's duty as a director – even an issue of personal conscience – is a requirement at board level.
- Matters of conscience need to take into account the effects of decisions in the short- and longer-term, as well as issues of 'the greater good' and company self-interest. Depending on the importance of the issue, directors may need to compromise and let less important matters go. This is essentially the approach of 'pick your battles'.
- The board needs to set realistic long-term plans and targets, and pursue those through good governance processes. Good forward planning helps manage expectations, and reduces the likelihood of unexpected matters arising that would engage with issues of conscience.
- When raising issues of conscience, be aware of voicing it in a non-confrontational way, when you raise it and with whom to raise it – follow the normal Board process of raising and processing the issues. Using risk language is a fairly neutral way of voicing matters of conscience. One can also test these issues with the Non-executive Directors and the Chairman. It is important in the bigger picture that matters of conscience are raised, even if the decision is ultimately contrary to that perspective. Fear of consequences may inhibit matters of conscience being raised - ensure you undertake an adequate due-diligence of the company before accepting a board position.