

SPEECH BY LINCOLN MALI AT THE BMF AWARDS CEREMONY, 12th/10/18

Ladies and Gentlemen, it's a great privilege to share a few thoughts with you on behalf of the Standardbank Group, a proud partner of the BMF. You have chosen an interesting topic as your theme – Ethical leadership as a catalyst for transformation and inclusive economic growth. I thought it may be best to speak about Ethical Leadership tonight, rather than a generic sponsors' speech.

Ethical Leadership as a catalyst for transformation and inclusive economic growth

In the words of Mark Sanborn: *“Headlines regularly inform us of the public downfall of leaders from every area of endeavour – business, politics, religion and even sports. One day they are on top of the heap, the next, the heap is on top of them.”*

We have seen idols fall from grace in spectacular ways. Just think of names such as Ria Phiyega, John Block, Jackie Selebi, Zhou Yongkang, and Sheldon Silver in the political sphere. On the business side, we have Bernard Ebbers, Greg Blank, Jeff Skilling, Bernie Madoff, Jordan Belfort, Bashir Awale and Raj Rajaratnam. In South Africa the list would include people such as Jeff Levenstein, Peter Gardner, Rod Mitchell, Arthur Brown, Brett Kebble, Marcus Jooste, Matsela Koko, Hlaudi Motsweneng, Brian Molefe, Leon Kirkiniss, Trevor Hoole, Brett Parker, Mzwanele Manyi, Vikas Sagar, Tom Moyane, Lucky Montana, Siyabonga Gama, Ajay Gupta, Rajesh Gupta, Duduzane Zuma, Andile Ramavhunga, Daniel Matjila, Tshifhiwa Matodzi, Robert Madzonga, Nicholas Truter and many others. On the sporting and cultural front, many heroes and heroines have fallen from their pedestals, hurting millions of fans: Tiger Woods, Marion Jones, Lance Armstrong, Mike Tyson, Oscar Pistorius, OJ Simpson, Hansie Cronje, Maria Sharapova, Jerome Valke, Michelle Platini, Chuck Blazer, Sepp Blatter and Jimmy Saville. Politicians include Bathabile Dlamini, Malusi Gigaba, Tina Joemat-Peterson, Faith Muthambi, Nomvula Mokonyane, Dina Pule, Lyn Brown, Nhanhla Nene, Qedani Mahlangu, Mosebenzi Zwane, David van Rooyen, Supra Mahumapelo, Dianne Kohler-Barnard and various provincial and local politicians.

Organisations brought into disrepute include, the SAA, Transnet, Eskom, SABC, KPMG, VBS Bank, African Bank, Regal, Saambou, Steinhoff, PetroSA, SARS, Nkonki Audit firm, Bain & Co, Denel, Bell Pottinger, VW, Danske Bank, Wells Fargo, Enron, and Worldcom etc.

Ladies and gentlemen, the stories behind each of these falls from grace, and many more, reveal how people in positions of power or influence; people who are skilled and talented; or people who were admired and idolised, lost their way. Some remain innocent until proven guilty, others have been found to have lied to courts, others are implicated by competent bodies of wrongdoing, while others are being probed as part of the state Capture inquiry and other parliamentary or other legal inquiries.

As you can see, these cases span the developed to the developing world; corporates and public sector; multinationals and NGO's; sports and cultural icons – corruption and ethical violation have neither geographic boundary nor cultural identity.

In addition to those mentioned above, many former leaders and heroes are currently mired in all sorts of controversies and investigations in the political sphere. Those under investigation or on trial include

- Former President, Dilma Rouseff, Brazil, impeached for manipulating the government budget;
- Former President Zuma, South Africa, on trial for bribery, fraud, racketeering and money laundering and implicated in State Capture investigation;
- President Donald Trump, USA, facing investigation on his taxes, Russian collusion and abuse of the Trump Foundation;
- Prime Minister Netanyahu, Israel, under investigation for corruption;
- Former Prime minister, Najib Razak, Malaysia, currently standing trial on corruption and money laundering;
- US Senator Bob Mendez, will go on trial for bribery;

In addition to these leaders, there are former leaders who have already been found guilty and convicted:

- Former President, Jacques Chirac, France, sentenced to two years imprisonment for diverting public funds and abusing public trust;
- Former Prime Minister, Ehud Olmert, Israel, sentenced to 6 years for bribery;
- Former Prime Minister, Thaksin Shinawatra, Thailand, convicted of fraud and fled to Dubai;
- Former Vice President, Roxana Baldetti, Guatemala, jailed for 15 years on corruption charges;
- Former President Lee Myung-bak, South Korea, sentenced to 15 years for corruption and embezzlement;
- Former President Park Geun-hye, South Korea, sentenced to 25 years for corruption; abuse of power and coercion;
- Former President Lula Da Silva, Brazil, sentenced to 12 years for corruption;
- Former President Antonio Saca, El Salvador, sentenced to 10 years for embezzlement and money laundering;
- Former Prime Minister of Pakistan, Nawaz Sharif, sentenced to 10 years for corruption,
- Former Prime Minister, Adrian Nastase, Romania, sentenced to two years for corruption;
- Former Prime minister, Janez Jansa, Slovenia, sentenced to two years for corruption,
- Former Prime Minister, Ivo Sanader, Croatia, sentenced to 9 years for corruption;
- Former Prime Minister, Silvio Berlusconi, Italy, sentenced to 3 years in prison for bribery.

Regardless of the outcomes of these political and legal cases and the ethical issues that arise from them, these leaders will remain heroes to some and villains to others,

depending how one looks at such matters. There are those who argue that they are bound by the laws of the land, which means that, unless a court of law rules against them, they need not show any shame or remorse. An increasing number of leaders, particularly younger leaders, are coming to terms with society's expectations. Society is holding leaders to a higher standard – to follow a higher ethical standard and not to resort to protracted legal battles. Some of the individuals and organisations mentioned here have already lost their reputations, some have lost their jobs, while others have lost fans, supporters and sponsors long before court cases have pronounced, this shows society's higher standard of ethics. I am not here to pass judgement on any of these people or companies mentioned, nor am I here to paint all of the people in those companies with the same brush, unfortunately, society judges very harshly and those who admired these people and these companies are hurt by the allegations or scandals.

All these people inspired respect at some point. So, what happened? I would challenge you to go and read about each of the cases and examples I have referred to. Each one of the court documents, reports, submissions, legal arguments etc, runs into millions of pages, but you owe it to yourselves as leaders to read these to draw valuable lessons for yourself. Beyond the headlines, accusations and counter accusations, there are lifelong lessons for each of us, and I hope you will be inquisitive to learn more about these cases. The key lessons are:

1. Failure to resist temptation

In an article titled *why do leaders lose their way*, **Prof Bill George** ponders the question of why talented leaders who were highly successful in their respective fields and at the peak of their careers do things that lead to their downfall.

He posits: *“Leaders who lose their way are not necessarily bad people; rather, they lose their moral bearings, often yielding to seductions in their paths. Very few people go into leadership roles to cheat, to do evil, yet we all have the capacity for actions we deeply regret unless we stay grounded.”*

Nonetheless, he argues that their behaviour is especially perplexing and raises questions about what caused them to lose their way:

- Why do leaders known for integrity and leadership engage in unethical activities?
- Why do they risk great careers and unblemished reputations for such ephemeral gains?
- Do they think they won't get caught or believe their elevated status puts them above the law?
- Was this the first time they did something inappropriate, or have they been on the slippery slope for years?

We may not have all the answers, each case may be different, and there may be mitigating or extenuating circumstances in each case. Labels, characterisations, and generalisations will not help. What may be useful is how we help current leaders and future leaders to draw valuable lessons from these experiences.

The story of the cat

Once upon a time there was a domesticated cat that was treated as an only child by its wealthy owner. The owner, who was very ill, had one last wish before he died – a magnificent dinner with his closest friends. He said to the cat, “Dear Cat, please be a host and a waiter on this special night with my dear friends. After that, I will die peacefully and leave to you all my riches.” The cat happily agreed, and the evening was a major success. Both the owner and his guests were very happy on this last night.

Towards the end of the evening, as coffee was being served, the cat saw for the first time a mouse in all its splendour. His instinct urged him to go after this mouse, but his good judgment thought about losing out on all the riches he was promised. In the end, temptation won. The cat dropped the hot coffee on the owner and his guests and chased after the mouse. Unfortunately for the cat, the mouse went through a hole and the cat lost out on a wonderful meal. More importantly, he lost out on all the riches he had been promised

The reality, according to Prof George, is that simplistic notions of good and bad only cloud our understanding of why good leaders lose their way, and how this could happen to any of us.

How many times do leaders fall from grace because of temptations – of greed, bribery, insider trading, crony capitalism, fraud, corruption and fame – losing their good name, political office, jobs, positions or even their freedom?

Ladies and gentlemen, members of the BMF and leadership, in your current role, in your business or personal life, do you know and appreciate the seductions in your path; do you know what you need to do to stay grounded? The harsh reality, according to **Ryland Fisher**, most of us probably have good and bad in us and there is a continuous fight between what makes us good or bad. He further argues, that there is a possibility that all of us could at some point in our life do something stupid that could change our lives forever.

2. Do you have a circle of advisors?

In the words of **Professor Christensen**, “We are all vulnerable to the forces and decisions that have derailed many.” This is best illustrated through the lessons from an ancient Greek tale:

Once upon a time, in ancient Greece, there was a brilliant inventor, Daedalus. He had angered King Minos, the ruler of the island of Crete, and was imprisoned on the island. Desperate to flee the island, Daedalus used wax to build some wings for

*himself and his son, Icarus. **Daedalus warned his son to fly at mid-height as the seawater would dampen the wings and the sun would melt them.***

Icarus heeded his father's advice for a while, but then, as he soared higher and higher, he felt free. He felt he could fly higher than the birds. He was feeling so free and so savoring having so much power, fun and freedom that he ignored his father's warning and flew close to the sun. As his father had warned, his wings melted, and Icarus plummeted into the sea and drowned, to his father's sorrow.

Tonight, I am here to whisper to you, to give you some Daedalus advice; I do so because of what has happened to some who were as successful before you. Some of those who came before you, who succeeded before you, unfortunately succumbed to greed, hubris, corruption, power or dishonesty.

It is not because those who failed were never given advice – they failed to heed it. We may have occasionally given them a Daedalus piece of advice, but the power, the glory and the material rewards of high office or wealth often drowned out our feeble attempts to keep them grounded. Then the inevitable happens, a crash, a fall from grace... society's admiration turns to scorn; friends and family who used to bask in their limelight now hide from the searchlight of public scrutiny.

We ask ourselves how this could happen to Craig, Marietjie, Indira, Quinton, Johan, Cheng, Jane, Saras, Bradley, Koos, Siphon, Munyarazi or Matsepo. They had a great future ahead of them; they had a great upbringing! The reality is, it can happen to everyone, it happened to him or her, it can happen to you.

None of the people we produce at universities, or we celebrate and groom at our corporates or appoint as public servants or elect as political leaders are necessarily born evil; but they unfortunately, like you and me, have in themselves the capacity for actions that they may later regret.

As we read daily the headlines trumpeting the fall of the mighty, the promising, the achievers, what is our response? Beyond the initial disbelief, followed by denial, later followed by blaming the media or the intentions of others, what are we doing to prepare our Rising Stars and Awesome Talent not to fly too low, **lest their wings be dampened, nor to fly too high, lest their wings melt?** How do we make sure that you avoid the fate of young Icarus?

As the saying goes, you cannot lead others until you lead yourself. However, it is near impossible to lead yourself if you do not know yourself. The great motto emblazoned on Greece's Oracle of Delphi says, "**Know thyself**". It means you should know your own weaknesses, mortality, frailties, limitations, errors, flaws and shortcomings.

In the sphere of leadership, this means being wary of hubris, or pride. Our greatest mistakes and flaws are often exposed at our moments of greatest triumph. It is at this point of high altitude, in the true "death zone" of leadership, that we lose our knowledge of ourselves and become arrogant and self-serving, committing acts that may bring about our downfall from the highest peaks of adulation and admiration.

As we progress, as glory, fame and fortune beckon, it is increasingly difficult, but absolutely, critically important, to remain grounded in “knowing thyself”. That is the oxygen of leadership survival in the dreaded “death zone”.

Throughout my life, my father played the role of Daedalus, occasionally scolding, advising, or inspiring, always teaching me what true leadership was about. There were many times he held me back – I now know it was for my own good. There were times he pushed me too hard – now appreciate why he did it because he had my interests at heart.

While ruling Rome, Marcus Aurelius was concerned he might let his power go to his head. As legend has it, Aurelius hired a servant to literally follow him around as he walked the empire’s streets. Every time a citizen bowed a knee or called out a word of praise, Marcus Aurelius instructed the servant to whisper this reminder in his ear: “*You’re just a man. You’re just a man.*” We all need those voices that whisper to us, that tell us what we may not want to hear, that ensure our fidelity to principles and values and that always make sure that the role and mission is more important than the position or personal ego.

I urge each one of you to have Council of Advisors around you. These are the discreet people who listen without broadcasting your troubles and failures; they are the wise counselors who temper your enthusiasm with a dose of realism and constantly, yet gently, remind you that you are a mere mortal with great flaws and weaknesses. In my own life, my beloved wife, Sva, has been the Chairperson of my Council of Advisors for over 28 years of being together, giving both solicited and mostly unsolicited advice in my personal, professional and spiritual life. She and other advisors (some are friends, others are family members, while others are colleagues) have kept me grounded and pointed towards my True North.

3. Why do we want to lead?

The story of the Barotse King

This story was shared between two eminent African elders, Eric Mafuna and Thabo Mbeki, sitting under the African sky in Maputo, Mozambique:

Once upon a time, a Barotse or Lozi leader was elevated to the position of a king or a Litunga. He was brought from his village to the capital, whereupon the great tidings were conveyed to him. What did he do in response? He did not pump the air with his fist, he did not puff up his chest with pride nor did he recline on his throne with a self-satisfied smile.

Instead, he sighed deeply and declared: “Now you’ve gone and killed me.” What he meant by that, was that the “me” in him, his sense of self, had been surrendered, and had been sacrificed, for the greater good of the people over whom he would now rule.

Who, in their right mind, would kill themselves for the so-called greater good when power, glory, riches and fame beckon? Who would simply surrender their individual

freedom to the people they would now rule? The answer is that many are doing that daily, far from the media spotlight, the selfie culture and the constant quest for recognition and honours.

In the words of Prof Bill George: *“Before anyone takes on a leadership role, they should ask themselves, ‘Why do I want to lead?’ and ‘What’s the purpose of my leadership?’* These questions are simple to ask but finding the real answers may take decades. If the honest answers are power, prestige, and money, such leaders are at risk of relying on external gratification for fulfilment. There is nothing wrong with desiring these outward symbols as long as they are combined with a deeper desire to serve something greater than oneself.”

Many leaders, motivated by more narrow and selfish interests, easily succumb to greed, to negative influences and to vices. This leads them to use their position of trust (the role of the cat in that household) for personal gain or enrichment (the pursuit of the mouse). This leads to corruption, embezzlement of funds, fraud, collusion, price fixing and the use of public, community or corporate resources for personal gain.

As I travel on this beautiful continent of ours, far from the capital cities, in places that you won’t find in the weather reports, I have discovered that this beautiful continent works in spite of those who claim to be its leaders. It works because of men and women who have, like the Barotse leader, surrendered their personal ambitions and aligned their futures to those of the people they lead. I regularly meet and learn about these amazing people, who daily make a difference in the lives of many.

Conclusion

Who guards the guards?

Leaders are seen as guards, who stand guard to protect our communities, our organizations, our corporates and our institutions. *“Quis custodiet ipsos custodes?”* Literally translated, this Latin phrase means, *“Who will guard the guards themselves?”*

This is an issue that arises when those entrusted with power and responsibilities conduct themselves in a manner not befitting their role.

The role of a leader is that of a guard or a steward, a custodian. When we have honest, reliable, brave and trustworthy guards looking over us, we feel much safer and we can entrust those guards with our resources, institutions, and the future of our children. Once we have some doubt, then we sleep with one eye open...in case the guard is asleep. Worse still, when the guard is stealing or is part of those breaking in, then we shall have both eyes wide open.

Reading the full VBS report by Adv. Motau SC, those implicated include a traditional leader, an audit partner, the CEO of the bank, the Board audit committee of the bank, the Financial Director of the bank, mayors of municipalities, and leaders of

political parties. All these people were meant to be guards who guarded, the deposits of bank clients and the monies of taxpayers in the municipalities. The report alleges that, instead of playing their role of guards, all the players involved shared close to R1bn of taxpayers and depositor funds among themselves. As we speak now, thousands who lost their hard earned life savings; the millions whose taxes were squandered will not receive much needed municipal services and most importantly, it's not only a bank that was destroyed, but also the trust people had in their leaders. How could some of the finest professionals destroy something so precious to the Venda people?

The VBS Bank saga also raises serious questions about those we choose as our leaders for traditional communities, our banks, our communities, our organisations and our local governments. He passionately argues that the appointment of a defective leader presents a difficult conundrum for an organisation, community or institution: to rationalise its bad choices, an organization, institution or community has to lower itself to embrace the defects of the leaders it has chosen as its own defects. He concludes, steadily, the defects of the individual leader become, by default, the collective property of the organisation, institution or community, its own blind spots and its subliminal attributes in the public imagination. Ladies and gentlemen, we ignore such advice at our peril.

Where does this leave the BMF? Is it a guard we can trust, should we sleep easily at night? What about the beautiful people in this room, some of the finest Black executives, are we to be trusted?

To the leadership team elected during this AGM, are you clear as to why you want to lead? Do you have that circle of wise advisors? Are you clear about the temptations on your path? Lastly, as you take this responsibility, will you be like the Barotse King, or those who destroyed amazing organisations because of their greed, hubris, and arrogance. The BMF is one of the most prized organisations in South Africa, like the VBS was for the people of Venda, the BMF has a proud history, an amazing track record and is a source of pride for its members and stalwarts-look after it, preserve its reputation, and leave it to the next leadership, better than you found it.

So much depends on you, you dare not fail!!!