



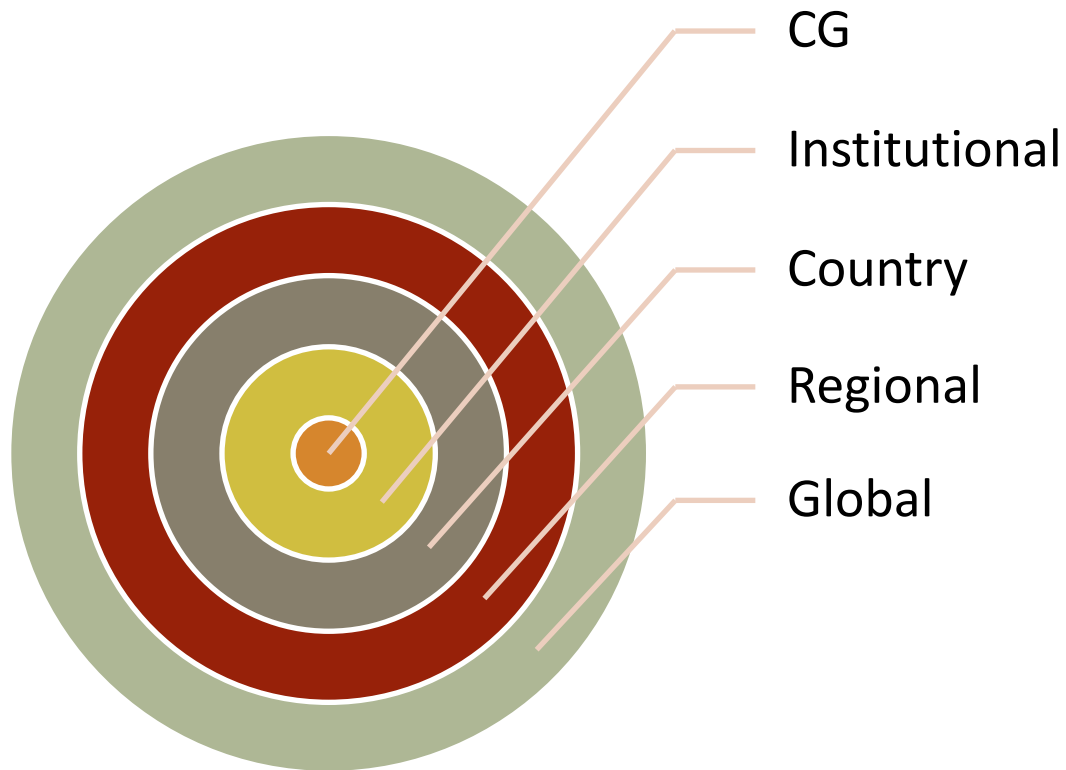
**EMERGING CORPORATE  
GOVERNANCE PRACTICES IN AFRICA  
BY  
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Building leaders who go beyond

# OUTLINE OF PRESENTATION

1. INTRODUCTION
2. THE DYNAMICS OF CORPORATE GOVERNANCE
3. EMERGING BEST PRACTICES
4. FROM DECLARATION TO ACTION AND IMPLEMENTATION

# CORPORATE GOVERNANCE DYNAMICS: CONTEXT



# CORPORATE GOVERNANCE DYNAMICS: IMPACTING FACTORS



# EMERGING TRENDS

1. Integrated Reporting
2. Understanding and managing risk
3. Board diversity
4. International standards
5. Ethics
6. Stakeholder activism

# INTEGRATED REPORTING

Driver: Sustainable business practices are good for the L-T success of business and society

- Linking core strategy, performance, and sustainable business practices
- Key elements – social, environmental, governance, transformation, ethics, health and safety
- Informs shareholders and stakeholders and enables them to monitor company performance

# RISK MANAGEMENT

Driver: Economic and financial crises highlight key systemic risks, forcing a response

- Establishment of board committee focused on risk
- Establishment of organisational structures for risk management (e.g. Chief Risk officer)
- Development of risk appetites and tolerances –a necessary but challenging process

# BOARD DIVERSITY

- Driver: complexity, tapping into a diverse knowledge base, thinking out of the box, globalisation
- Gender
- Regional/geographic
- Skills and expertise
- Business culture
- Independent non-executive directors



# INTERNATIONAL STANDARDS

Driver: capital mobility and globally integrated businesses, FDI

- Provide guidelines for good practice
- Enables benchmarking
- Allows for portability of practices
- Provides criteria for assessing investment and operational risks

# ETHICS

Driver: embedding ethical practices vertically and horizontally within organisations

- Addressing conflicts of interest and moral hazard
- Ethics training (board and management)
- Reporting framework
- Monitoring mechanisms (e.g. whistleblower protection and fraud and corruption reporting lines)

# ETHICS

- Incorporation of ethics into Codes of Corporate Governance
  - Accountability- clear and accurate reporting
  - Transparency- declaration conflicts of interest and rules for managing them
  - Probity – financial disclosures
  - Responsibility- board members exercising due care and skill

# STAKEHOLDER ACTIVISM

Driver: company performance with respect to environmental, social and governance issues, principal-agent problem

- Individuals and groups
- Minority shareholders
- Collaboration and collective action
- Increasing number of service provider organisation who support minority shareholders on ESG issues
- Effective stakeholder management by board and management is key

# FROM DECLARATION TO IMPLEMENTATION

1. Influencing policy
2. Board Training
3. Institutional collaboration
4. Corporate Governance stewardship
  - Building national and regional Corporate Governance institutions
  - Developing a pool of competent independent directors

An open notebook with lined pages is shown from a high-angle perspective. A black fountain pen with silver accents lies diagonally across the left page. The notebook is open to a blank page on the right. The background is a soft, light-colored surface.

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