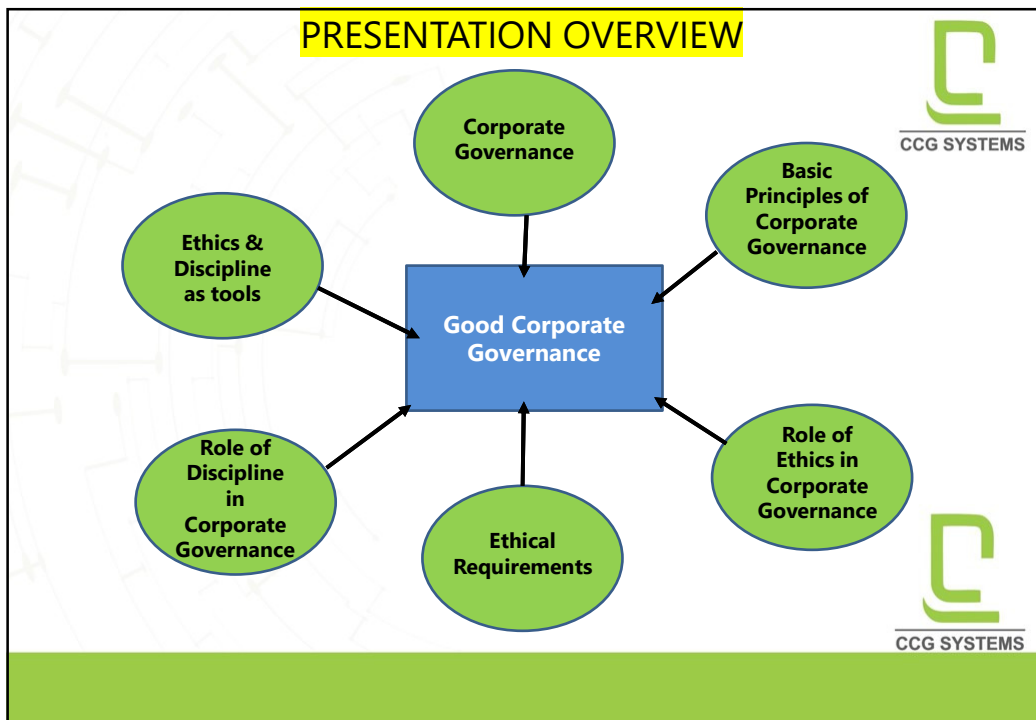




**ETHICS AND DISCIPLINE TO ENHANCE GOOD  
CORPORATE GOVERNANCE IN THE  
WORKPLACE**

**DATE: 20 APRIL 2021**

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## What is Corporate Governance?



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Corporate Governance is a set of processes, standards and rules that assist organizations to keep control and to ensure that all parties involved have their interests protected.

Corporate governance is a crucial component in keeping a successful organisation intact. It is important that corporate governance is enforced by members in the organisation who occupy levels of authority (MMs, directors, senior managers, etc.).

Corporate governance affects all aspects of the organization as it will also dictate the *reputation* of the organization.



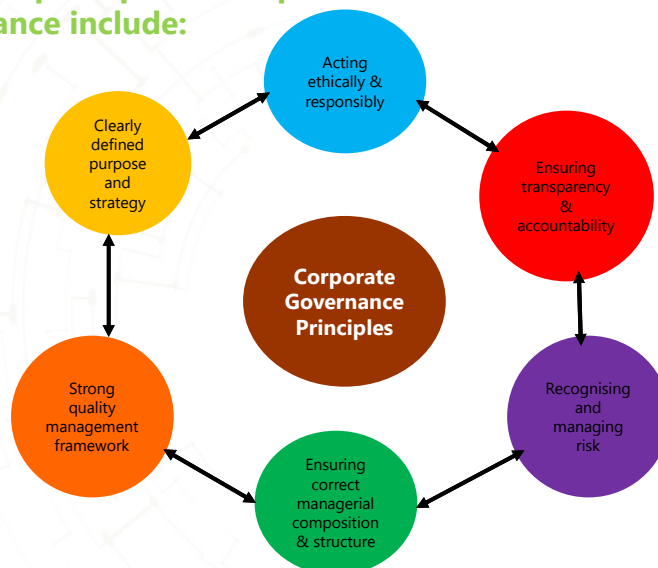
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## The basic principles of corporate governance include:



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## The basic principles of corporate governance explained:



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- **Acting ethically and responsibly**
  - All organisations must be conducted in a manner where power is used appropriately.
- **Ensuring transparency and accountability**
  - Organisations must provide reasons for their conduct and actions.
- **Recognising and managing risk**
  - Organisations must make sure that risks and challenges are anticipated, and solutions are provided before they occur.
- **Ensuring correct managerial composition & structure**
  - Organisations need to make sure that the members that occupy positions of power are well equipped and ethically sound.
- **Strong quality management framework**
  - Organisations must have a defined structure of authority with clear channels of escalation and communication.
- **Clearly defined purpose and strategy**
  - A clear strategy of conducting business must be identified and actioned.



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## The role of ethics in corporate governance



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**Ethics** – the discipline dealing with what is good and bad and with moral duty and obligation.

The role of ethics in corporate governance refers to the manner in which ethics are applied during the process of running or administering the organization - ***without ethics corporate governance will fail.***

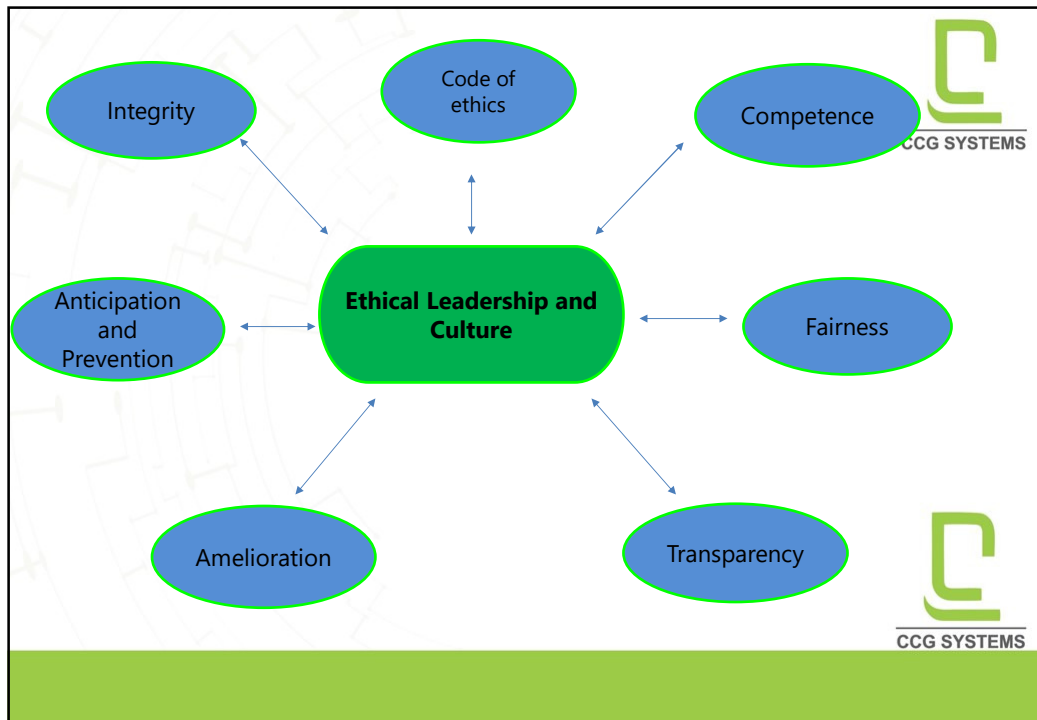
Ethical requirements for good corporate governance:

- Code of ethics
- Ethical Leadership
- Ethical Culture



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## Ethical Leadership and Culture - explained

- **Integrity**
  - An organization must draw a firm line between what is right and what is morally wrong.
- **Competence**
  - An organisation must recognise the skills required to fulfil all the organisation's objectives.
- **Fairness**
  - An organisation must act with fairness, both internally and with external parties.
- **Transparency**
  - All organisational objectives must be available to multiple parties.
- **Amelioration**
  - An organisation must strive to do everything better to ensure effectiveness and efficiency.
- **Anticipation and Prevention**
  - An organisation must anticipate risks, challenges and issues in order to prevent them from occurring.
- **Code of ethics**
  - An organisation must have a set of guiding beliefs and standards that are specific to the organization.

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## The role of Discipline in corporate governance



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### Discipline

Corporate discipline is a commitment of an organisation's management to adhere to behaviour that is recognized and accepted to be correct and proper.

- Disciplinary Actions
- Constructive Feedback
- Prompt Reaction

The role of Discipline in corporate governance is to obtain commitment from all parties involved. All parties must adhere to procedures, processes and authority structures of the organization. ***Discipline is vital for turning plans into actions.***

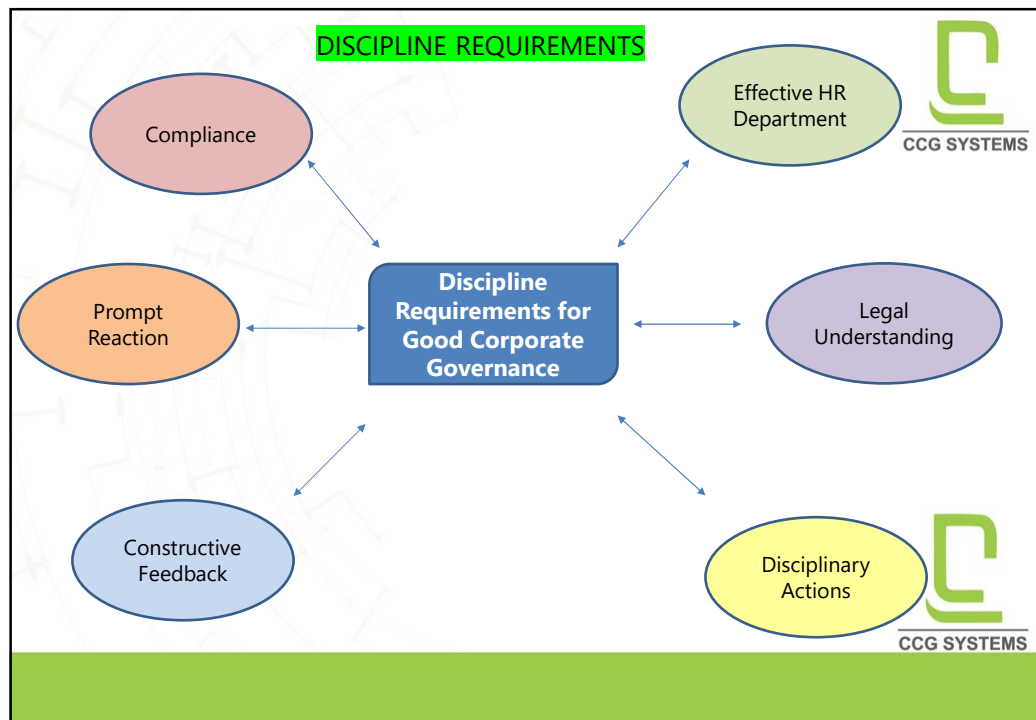
Discipline requirements for good governance:

- Effective HR Department
- Legal understanding relating to appropriate discipline in the workplace



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## Discipline Requirements in Corporate Governance



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- **Effective Human Resources**
  - HR must be responsible for training managers and staff on company policies and procedures.
- **Legal Understanding**
  - High authority leaders in the organisation must have a strong understanding of legal rights, obligations and consequences of maintaining good corporate governance.
- **Disciplinary Actions**
  - An organisation must decide on administratively sound disciplinary actions dictated by industry norms.
- **Constructive Feedback**
  - An organisation must obtain feedback from relevant parties. This will enable the organisation to correct any inappropriate behaviour.
- **Prompt Reaction**
  - An organisation must react to situations of inappropriate behaviour as and when they occur.
- **Compliance**
  - An organisation must adhere to external laws enforced by the nature of the business.



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## Ethics and Discipline as tools in the workplace



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- It is important that we use ethics and discipline, together, in order to ensure that an organisations are operationally sound.
- Once the principles of ethics are deep-rooted into the organisational culture, and the disciplinary procedures are well established – an organisation will find itself being more governable.
- The success of enforcing ethics and discipline ultimately relies on the commitment from higher levels of authority within the organisation.

***Reinforced ethics and discipline = enhancing corporate governance***

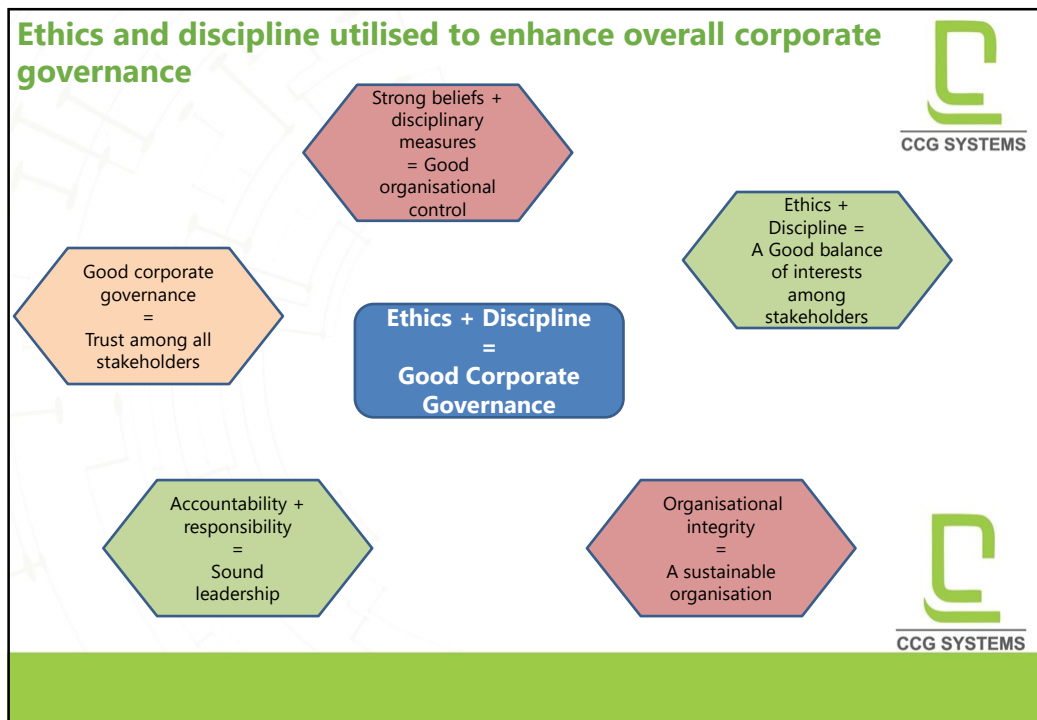


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# Thank You

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