Reflections on HR and Good Corporate Governance from a local government perspective

As the custodians of good and ethical practices and the developers of people policies within most

organisations, Human Resources (HR) can effectively contribute to good governance. This is by the

application of good people practices. That is, by internalising and embedding the Human Resources

Management Standards and sound ethical principles within organisations.

By instilling an ethical and good governance culture, HR also helps to achieve the goals and ultimately

the mission of the organisation.

How can HR contribute to good governance? Examples of HR contributions could be the following:

HR can host quarterly ethics workshops/interactive sessions with employees to engage them and enhance
their knowledge of ethical behavior and practices
HR can build and create ethical awareness within the organisation
Monitor and evaluate the current trends in the organisation and developing action/work plans to address
unethical conduct

Creating and maintaining a good ethical culture

In any organisation, employees tend to conform to the culture of that specific organisation. Hence,

establishing a good standing of ethical behavior and good governance should be at the forefront of any

organisation.

Good governance should be at the heart of an organisation. This requires top management's

consideration and support.

A code for ethical and good governance should include the values and principles of the organisation. This

the appointment of ethical leadership first and foremost.

Most organisations have in place regulatory tools and mechanisms, such as a code of conduct for all

employees and officials. However, just simply having these documents in place and being passed by management does not enforce good governance. And sadly, unethical behavior seems to be getting worse in most cases, which erodes public confidence. This manifests itself in ongoing protests or lack of faith in the organisation. More interventions will need to be done in terms of implementation, and that is the key element when trying to embed good governance and practices.

There are many factors that undermine ethical leadership within an organisation and impede on governance. These include:

Instability of top management
Dishonesty in supply chain management processes
Lack of qualifications, skills, competencies among officials
Compromises to recruitment and selection
The danger of taking a stand for what is right and ethical as individuals and being scared of consequences.

We as HR professionals can promote ethical leadership and good governance by means of:

Employees being guided by strong values
Being courageous
Employees that are setting an example of promoting ethical behavior
Need for accountability by officials
Strengthening the controls in the supply chain management process
Strengthening disciplinary processes and consequence management for top management

As HR professionals, we have an unwritten rule to always act in an ethical manner and to promote good governance. Accountability, responsibility and integrity start with professionalism. If organisations promote and standardise professionalism, accountability will then follow. If individuals are appointed with the correct qualifications, skills set and professional membership, one would ideally perform to the best of their ability and take responsibility as they are also accountable to a professional body as well. Therefore, the recruitment and selection processes should ultimately be the start to achieving good governance and also an ethical working environment. Accountability and oversight bring results and build confidence within employees.

Hence, the need for consequence management is something that needs to be implemented in order to achieve good governance. However, consequence management should not be punitive. Top management, together with senior officials, need to be held accountable for their actions and decisions and how it impacts the organisation as a whole. Ethics starts from the top and is cascaded down. Sometimes, in this regard, transformational leadership is needed and can assist in the implementation process. Management practices also have an influence on behaviour within the organisation. In a hierarchical culture and structure there is a strong prominence on effectiveness and standardisation (Forsey, 2018). Transparency, accountability and integrity are traits that top management should possess and be implemented in order to enhance good governance within an organisation.

As public or private sector organisations, we should be working very closely with external leaders with issues around organisational culture, which plays a pivotal role in an organisation. As already alluded to,

organisations should focus more on analysing their organisational culture and placing emphasis on their values. For example, we can have excellent strategies, however, if the organisational culture is toxic, then culture will ultimately destroy any great plan or strategy.

The topic around ethics and that of good governance can become a deficit conservation amongst most organisations and top management unless something is actually done and implemented. We can have workshops and meetings with external panels, however implementation of resolutions is the key element. As emphasized by Levin (2008:115), organisational behaviour (OB) "as a management science is concerned with the study of individuals and groups within organizational and social contexts, and the study of internal processes and practices as they affect those individuals and groups." Hence, organizational culture goes hand in hand with the aspect of implementation. In other words, if you consider a strategy or plan for execution, you must also consider the organisational culture.

Lastly, another important tool is the Batho Pele principles, which is something that we as South African's sometimes forget. As HR, we should have a target to implement this strategy within our organisations to ensure that employees are enhancing their knowledge and promoting these principles within the organsiation. Once aspects of the Batho Pele principles are developed within organisations, the real work begins with the implementation.

In closing, ethical behavior and good corporate governance are interrelated. If individuals are well educated on the subject matter and organisations have the necessary strategies and policies in place, it is up to the top management to then keep refreshing the minds of employees and implementing good practices.