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***Investigating the effect of ethical leadership on effectiveness – a case study on
the Minister of Finance, Mr. Pravin Jammadas Gordhan***

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration

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ABSTRACT

Themba Khumalo in a letter to the Business Day on 29 October 2013 writes: *“Sometime in July I went for late Saturday morning shopping with two friends in a Pretoria mall. Out of the blue there was a minister sitting and eating his breakfast in a modest restaurant. We scanned the place and its surroundings for bodyguards who could be protecting the man – as is the norm with Cabinet ministers wherever they go. But there wasn’t even a tending personal assistant ready at hand to pay the bill or perform some other little chore for the minister’s convenience”*. He continues to state that: *“My friends and I concluded that Pravin Gordhan was a true exponent of Barry White’s “Practice What You Preach” music piece”*.

According to Khumalo he was informed by a friend that Minister Gordhan was seen at OR Tambo International Airport standing in the queue with other passengers with no security personnel or assistants escorting him. Khumalo states that: *“He is an exemplary epitome of modesty and we pray that South Africans follows suit. Here’s someone who was among the patriots who pulled South Africa back from the precipice at the Codesa negotiations, saving the country yet again from the edge of self-destruction through extravagance”*.

The researcher applied a case study methodology to highlight aspects pertaining to Minister Pravin Jamnadas Gordhan’s ethical framework and how this influences his effectiveness as a leader in government.

KEYWORDS

Ethical leadership

Effective leadership

Authentic leadership

Moral courage

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Ronel van Wyk

11 November 2013

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Minister Gordhan thank you for the example that you are. Your commitment, loyalty, humbleness and integrity are inspirational and you have contributed to making the lives of many far better. Thank you for the privilege of doing this case study.

Finally to Andre Botha, thank you for believing in me more than I did in myself!

DEDICATION

This document is dedicated to each and every committed, hardworking, loyal and ethical government official that aspires to serve the people of South Africa and to create a better future for all.

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

The aim of this research document was to explore the basis of the ethical foundation utilized by the honourable Minister of Finance; Mr Pravin Jamnadas Gordhan and whether his ethical foundation has an impact on his effectiveness as a leader. The terms, authentic, moral and ethical leadership were utilized together with aspects pertaining to moral courage, moral compass and ethical judgment to describe the topic of ethical leadership.

The honourable Minister's effectiveness as a leader was measured against his performance within the specific role & responsibility as far back as his first leadership position in 1970-1971 as part of the student representative council (SRC) at the University of Durban-Westville. The effect of his values system (moral compass and courage) on his effectiveness as a leader was explored.

This chapter provides clarity on the relevance of the problem statement in South Africa (Section 1.2). It furthermore explores the importance of ethical leadership and its impact on effective leadership (Section 1.3). Lastly, it provides the purpose of the study in the South African environment (Section 1.4).

1.1 Relevance of the Problem to South Africa

The continuous involvement of government officials at all levels and across departments in allegations pertaining to fraud, corruption and unethical activities as well as the seemingly incompetence of leadership to address the overall non-performance and unethical behaviour, is a direct threat to the future prospects of democracy within South Africa. Effective leadership is required to ensure delivery within an ethically sound environment. The future prospects within South Africa are reliant on the manner in which we are able to address the following three factors: (1) Growth in the economy to reduce inequality; (2) Stability within Political Institutions; and (3) A supportive Political Culture.

Our constitution, although renowned at international level for its positive contribution towards individual rights, is outdone by limited governmental accountability and "South Africans are becoming increasingly pessimistic" (Mattes, 2002). According to Beh-Hur & Jonsen (2012) the public has lost faith and trust in organisations and its leaders. They quote recent scandals such as the demise of Enron and the "Bernie Madoff-incident" and state that renewed emphasis has been placed on the need for ethical

leadership in business and government spheres. According to Beh-Hur *et al* (2012) “Even business schools have been criticized for focussing their programs on wealth creation with seemingly no ethical platform on which to base decisions...” (962).

Dr Johan Burger, Senior Researcher at the Crime, Justice and Politics Programme, ISS Tshwane, indicates that some of the reasons or causes for the public protests in South Africa include “allegations of rampant corruption and nepotism within local government structures” (Dr Burger, 5 August 2009) . In a speech to the South African Local Government Association (SALGA) in East London, on Wednesday 22 April 2009, the Minister for Cooperative Governance and Traditional Affairs, Sicelo Shiceka states that “local government is perceived to be incompetent, disorganized and riddled with corruption and maladministration”.

In a report published in July 2011 by Jelani Karamoko on the frequency and nature of service delivery protests within South Africa, it is specified that “protestors often cite the lack of accountability of government officials... as factors that further aggravate their service delivery complaints” (Karamoko, 2011, p. 2). The report furthermore notes that the available data proposes that the probability of an increase in protests actions increases after elections, if the citizens are of the opinion that the elected government neglected the service delivery promises made during their election campaigns.

According to a government assessment report published by the Minister of Performance Monitoring and Evaluation in the Presidency in September 2013, approximately 80% of departments are non-compliant in 29 management standards, including aspects pertaining to improving service delivery, accountability, financial management and fraud prevention. The inability of departments to implement systems and policies in order “to promote ethical behaviour and discourage unethical behaviour and corruption” is highlighted in the report. The report is based on assessments done on government departments in order to identify the weaknesses in management practices that cause service delivery problems. (MPAT Report 2011/2012).

Assessments on government performance should be “linked to strategic planning, budgeting, performance monitoring and evaluation, and service delivery” according to the Public Service Commission’s: *Fact Sheet on the State of the Public Service* (2011, p. 12). According to the report, departments spend close to 100% of their budgets but achieve 59% of their outputs, which indicates some inefficiency.

The Auditor General Report released during March 2013, reports that only 22% of the total number of entities audited received clean audit opinions. This is a decline from the previous period (*Auditor General Report 2011-2012*, n.d.). This relates directly to

the lack of compliance and capability to deliver across government departments as a result of *inter alia* a lack of leadership in the various departments. The need for effective leadership in government is imperative to ensure follower satisfaction and continued support (Trottier, Van Wart, & Wang, 2008).

Trust-levels in government's ability to deliver have reduced consistently and public perceptions of government officials involved in corruption and unethical conduct remain at a high level. The manner in which government deals with the growing perception and confronts the current situation is important to the future of democracy in as far as delivering on promises made in respect of institutionalising socioeconomic benefits (Mattes, 2002). The progress toward this has been slow and in-effective at all levels of government and it has been increasingly linked to unethical actions of government officials at all levels.

However, one government department, the South African Revenue Service (SARS) has consistently delivered (effective) since 1999 and has embraced a culture which is fundamentally enshrined in the values it upholds (ethical). These values include equity and fairness; integrity and honesty; transparency and openness; and courtesy and commitment. It is submitted that the effectiveness of SARS and the development of its ethical culture is a direct consequence of the influence of Minister Gordhan, SARS' previous commissioner and current Minister of Finance, through his un-equivocal stance towards authentic and ethical leadership and his zero tolerance towards fraud, corruption and unethical actions. This is emphasized and confirmed in the manner in which Minister Gordhan addressed the unethical behaviour of the previous commissioner for SARS, Mr Oupa Magashula (The Star Newspaper 15 July 2013).

Four basic qualities are described as universal in relation to effective leaders. These are: (1) adaptive capacity; (2) the ability to engage others through shared meaning; (3) a distinctive voice, (4) and unshakeable integrity (Bennis & Thomas, 2007). Currently in South Africa, there are only a few examples of leaders with an "unshakeable integrity". One of these leaders is Minister Gordhan. The researcher used a life history approach as the basis for the case study on Minister Gordhan to illustrate that the basis of his ethical foundation is a strongly developed moral compass, which provides a platform for authentic leadership, which forms the root construct of ethical leadership, which impacts on effective leadership. The outcome is to present a complete description of the positive consequence of ethical leadership on effective leadership.

Unethical behaviour, which includes acts of corruption have become a cultural phenomenon in South Africa which needs to be addressed critically through the emphasis of ethical leadership. However, without deliberate and consistent action from management in relation to allegations pertaining to unethical actions (including fraud and corruption), and serious consequences to all involved in unethical behaviour, limited or no success will be made on changing the current status. Eusebius McKaiser raises the issue in an article published in The Star Newspaper on 15 July 2013, that “wrongdoing has become systemic” in South Africa. This comment relates to his disagreement with an opinion raised by an unknown prominent businessman in a tweet following the resignation of Mr Oupa Magashula. The businessman tweeted the following: “#oupamagashula I salute your unprecedented principled decision”. According to McKaiser the South African society has become “corruption-tired” and this has caused the “exceptional resignation” to become “an act of moral virtue”.

All civil servants should strive to not only uphold the laws of the country. They should also operate within “ethical rules and principles aimed at ensuring the consistent delivery of decent services to the millions of people reliant on the state” (McKaiser, The Star Newspaper on 15 July 2013). The South African society has become morally numb and is not shocked by unethical behaviour. “Only a criminal conviction stands a chance of shocking us” McKaiser, (The Star Newspaper on 15 July 2013).

Furthermore, the overall perception of the Criminal Justice System is that it is ineffective against corruption and related activities. This is evident from the successful prosecution of former National Police Commissioner, Jackie Selebi for charges pertaining to corruption against the non-prosecution of his corruptor, Mr Glenn Agliotti. A limited number of cases in which a successful prosecution has been obtained towards corruption and related activities are reported. The Minister of Justice on 3 November 2013 announced that a total number of 791 individuals were under investigation by the Anti-Corruption Task Team (ACTT) for corruption related crimes and a further 228 individuals have been convicted for similar crimes in the past 12 months (SAPA 2013-11-13). Even fewer cases pertaining to high level government officials involved in unethical and/or criminal activities in which the employer successfully addressed the behaviour has been finalized such as the Richard Mdluli matter.

1.2 The significances, value and implications of ethical & effective leadership

During a keynote address by Minister Gordhan on 8 October 2012 at the annual conference of the Institute of Municipal Finance Officers he emphasised the importance of effective leadership to ensure economic development in South Africa. He emphasised the significance of maintaining infrastructures and providing basic services to citizens and businesses. He also stated: “So when we speak of a capable state and a developmental state, what we mean is, first and foremost, a capable local government. In that context, the theme of this conference is most appropriate. Ethical leadership from senior financial managers is absolutely crucial to achieve both proper development and sound financial management” (Gordhan, 2012). This prompted the researcher to question the possible existence of a relationship between effective organisations and ethical leaders. Does ethical leadership cause organisations and employees to be more effective and what are the key critical variables such as a moral compass, moral courage and authentic leadership that influence the relationship?

1.3 Purpose of the research study

Corruption and aspects pertaining to unethical behaviour is not confined to South Africa. An approach towards having accountability as the catalyst towards ethical behaviour will be investigated during the research project. This approach proposed as an alternative to the traditional bureaucratic strategy in addressing corruption. Accountability and responsibility within all levels of leadership, based on governed delegation of authority is proposed as the future way forward (Koltoff, Erakovich, & Lasthuizen, 2010). This together with ethical leadership as the guidance for what behaviour is acceptable, principles, values and norms to act within will provide a basis for organisations to move from un-ethical and corrupt behaviour towards a culture which has its foundations on integrity, honesty and trust (Koltoff et al., 2010).

1.4 Potential Users of the Outcomes of the Study

The findings of this study would be of use to organisations, managers and leaders within government and the private sector wanting to develop future ethical and effective organisations and leaders. They will gain an understanding of the importance of the development of a moral compass for future leaders as the root construct towards authentic and ethical leadership and the significance and influence of ethical leadership on effectiveness.

CHAPTER 2: LITERATURE REVIEW

A literature review was conducted on aspects pertaining to ethical leadership as well as effective leadership in order to understand the constructs and to identify any previous research that supports the research topic. It furthermore provides a basis for addressing theoretical frameworks and models pertaining to ethical and effective leadership.

A conceptual framework pertaining to ethical leadership and effective leadership as well as the impact of ethical leadership on effective leadership is provided emphasizing the fundamental concepts of importance to the research topic. Section 2.4 provides a summary of the path of this research document.

2.1 What is Ethical leadership?

According to Brown, Trevino & Harrison ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (2005, p. 120). Ethical leadership does not only involve characteristics such as integrity, it includes transactional aspects which are utilised to manage the ethical behaviour of employees within the organisation and which should be aligned to support the ethical message, which include the utilization of communication and reward systems within organisations that support and remunerate ethical behaviour (Rok, 2009). Ben-Hur *et al* (2012) points out that ethical leaders need to display “a sense of righteousness and justice, a willingness to take responsibility and a commitment to self-sacrifice...” (p. 965).

Further research conducted linked the effectiveness of leaders with perceptions that the ethical leader is honest, acts with integrity and is perceived to be trustworthy, and a direct link is drawn between effectiveness of leaders, the perceived trust that their subordinates has for them as well as the appropriate attitudes and behaviours that they display (Kalshoven & Den Hartog, 2009). This supports the view held by Brown & Trevino (2006) pertaining to the understanding of subordinates of the term ethical leadership which includes being honest, trustworthy, fair, principled in decision-making, showing care and concern to other and behaving ethically in all avenues of life. The researchers termed these characteristics and personality mannerisms the *moral person* part of ethical leadership.

A second important aspect pertaining to ethical leadership highlighted by Brown *et al* (2006) relates to the *moral manager* aspect. This area relates to the “proactive efforts” that leaders use “to influence followers’ ethical and unethical behavior”. According to this study, moral managers enforce ethics by constantly communicating an ethics and value message and they visibly exhibit ethical behaviour and role modelling. Moral managers use the reward system as a tool to hold members accountable for their conduct. This enforces ethics as part of the leadership DNA even within an ethically neutral organisation.

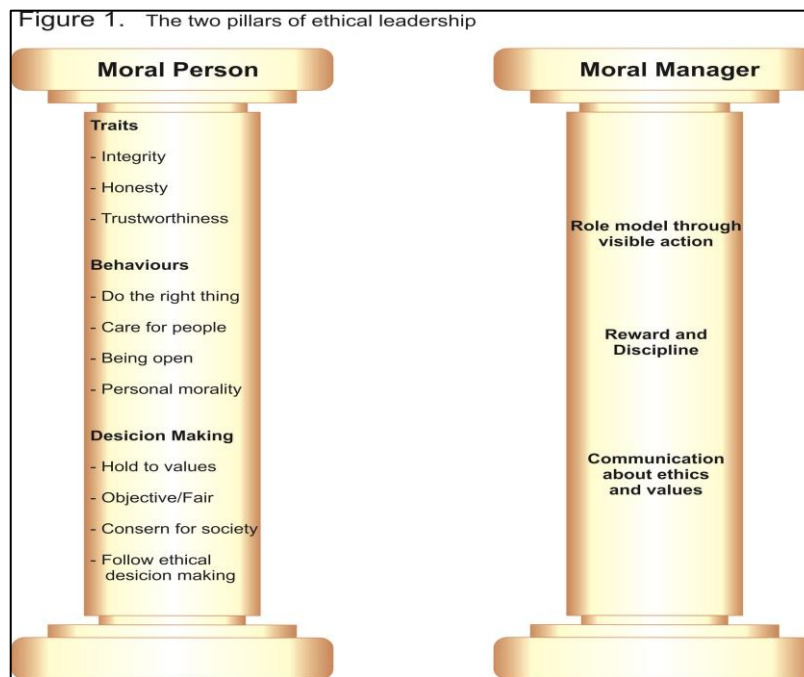
According to Parry & Proctor-Thomson (2002) it has become vital for ethical standards to be fully integrated into business practice in order to ensure long-term survival and sustainability. Desan Pillay in his research report on Institutional transformation at the University of the Free State” states that “Without ethical leadership a company may be at risk because of compliance problems, lack of effective action, dishonesty, and communication blocks” (2012, p. 20), and he continues to add that “ethically-led organisations have been found to have increased effectiveness due to a strengthened organisational culture, lower staff turnover levels, and increased employee effort”.

The *moral person* and *moral manager* were identified as important aspects pertaining to ethical leadership in as far as understanding the core characteristics that are related to ethical leadership. Brown *et al* (2006, p. 597) furthermore point out that “for leaders to be seen as ethical leaders by their followers, they must be attractive and credible role models”. This is held not only within their positional power but is far more dependent on their consistent exhibition of fairness and trustworthiness towards followers. The researchers maintain that ethical leaders consistently communicate about ethics, set high standards for others, which they themselves diligently follow and effectively utilize rewards and reprimands to affect followers’ behaviour (Brown *et al* 2006). This is supported by Kalshoven (*et al.*, 2009) in as far as the importance of leaders being able to build trust with their followers through a process in which they are perceived to be open in their communication, have integrity, be accessible, reliable, fair and consistent in their behaviour and to show care and concern.

Leaders are to develop a reputation as an ethical leader through their consistent, visible and morally right behaviour as both a moral person and manager. It is not enough to be an ethical person, leaders must facilitate a process during which the focus on ethics and ethical behaviour within the organisation is highlighted in such a manner that it influences the behaviour of the employees. Individualistic ethical leadership without being able to influence the values and ethics of an organization is

not sufficient in the complex world leaders have to operate within. In order to fortify their reputation as ethical leaders they must be known for their principled decision-making, authentic behaviour and judgment of ethical dilemmas and traits such as honesty trustworthiness and integrity. Ethical leaders also “need to make the ethical dimension of their leadership explicit and salient to their employees” (Trevino, Hartman, & Michael, 2000, p. 131). The reputation for ethical leadership rests on the two pillars of the moral person and moral manager and is clarified in Figure One below:

Figure 1: The two pillars of ethical leadership



Pillay (2012) suggests that transformational leadership supports the “creation of an ethical environment” and are the preferred leadership style to use “to facilitate the institutionalization of corporate ethics” (p. 20). He furthermore supports the view held by Parry *et al* (2002) in as far as “ethical values are indispensable to real leadership” (p. 78). He continues to emphasise the importance of leaders being aware of their behaviour including their formal and informal communications and acting with integrity throughout their actions (Pillay, 2012). Transformational leadership encourages followers to work towards goals that are other-enhancing, with no expectations to receive any benefits in return. This according to Derr (2012) has a positive influence on the ethical culture of the organisation and “promotes values such as honesty, loyalty, and fairness, while emphasizing the end values of justice, equality, and human rights” (p. 68).

Ethical leaders utilize past experiences to deal with ethical dilemmas and their moral perspective is developed to the extent that they are able to recognize, evaluate and act on ethical issues. Their actions are influenced by their moral courage to authentically act regardless of the consequences or other pressures. Ethical leaders need to be resilient and consistently sustain their authentic moral acts when they deal with ethical dilemmas. This offers a certain level of authenticity to their actions (May, Hodges, Chan, & Avolio, 2003).

It would be important to discuss the ethical basis that leadership applies in “doing the right thing” as it is pointed out that leaders that show an appreciation and understanding for the realities that affects their organisations are able to provide more effective leadership and they are able to implement effective plans through which they achieve organisational success (Caldwell, Bischoff, & Karri, *The Four Umpires: A Paradigm for Ethical Leadership*, 2002). The Four Umpire Paradigm Model” will be utilized to explain the ethical basis that the subject applies in decision-making, based on a two-by-two matrix that indicates the locus of each umpire’s perception and reality as either “black” and “white” or “grey” and “complex”.

Figure 2: Four Umpire Model: Perception & Reality

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Facilitating Idealist

Four different leadership views; Objective Neutral, Unbiased Realist, Subjective Controller and Facilitating Idealist have been identified and was utilised in the research too understand the ethical basis of Minister Gordhan in his decision-making (Caldwell *et al.*, 2002). This model emphasizes why it is important for leaders to evaluate the assumptions that form the basis for leadership decisions and actions.

Leadership's effectiveness is linked to their critical understanding of the realities that affect their organisations and the manner in which they can make effective plans to address these realities. According to this model, the "mental model is a critical factor that influences her ability to make quality decisions, in addition to creating a framework for the beliefs and values that ultimately determine her ethical framework" (Caldwell *et al.*, 2002, p. 153).

Research traditionally focused on theories of leadership traits, styles compared to the focus on the "importance of the leader's perspective in viewing reality and interpreting its meaning" (Caldwell *et al.*, 2002, p. 153). This research points to the influence of an individuals' mental model on the ability to make ethical decisions. The model provides a framework which allows an appreciation of the differences in a leader's "cognitive lens" with specific attention to the ethical implication of a leader's perception of reality and "perceptual capability".

According to the model, a leader is responsible to make specific decisions, similarly to an umpire determining the outcome of actions within a game. The Four Umpire model will be utilised with the model of Edgar Schein that talks to individual's assumptions and fundamental beliefs about the world:

- Beliefs about self;
- Beliefs about others;
- Beliefs about the past;
- Beliefs about current reality; and
- Beliefs about the future.

This model will provide a basis to analyse the foundation on which the subject makes ethical decisions based on an understanding of the subject's perspective.

Figure 3: Four Umpire Model: Perception & Reality: Umpire one

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Fascilitating Idealist

“I calls them as they is” – This individual is described as “Objective Neutral” and focuses on accuracy and precision, through making correct and objective decisions and by always being right. Reality and perceptions are black and white issues and are seen in an orderly, factual way, free from any prejudice or subjectivity that relationships could bring. The world is viewed in a simple, authoritative manner and is seen as “unsullied by ambiguity, subjectivity, or confusion and characterized by clear difference, defined values, and precise distinctions” (Caldwell *et al.*, 2002, p. 155).

This leader presents facts to employees and followers in an effort to convince them of the correctness of his or her arguments. The correctness of these facts are determined by quantifiable evidence and fixed values that the leader obtains based on his knowledge, experience and values. He is of the view that by remaining objective he will be able to avoid ethical conflicts. He is results-orientated and principled, and provides stability, certainty and predictability. Achieving the outcomes in an objective manner is more important to this individual than building personal relationships and he does not allow the subjectivity or obligations of relationships to influence the outcome. Objectivity is achieved through “arms-length relationships, procedural justice, and the ability to separate facts from emotions” (Caldwell *et al.*, 2002, p. 155). He is indifferent to the impact of his decisions for the consequences thereof and is only interested in whether he is correct and accurate in his view.

In relation to Edgar Schein’s Beliefs Model this leader sees his “Self” as: “I describe reality without bias in a straightforward world in order to provide the world with accuracy and objectivity”. This leader describes those around him “Others” in the following manner: “Others also have key roles in the game of life. Objective truth serves them”. “The Past” is described as “The past had its own outcome but it has no relevance to today”, while the “Current Reality” is described as “Today’s game is what matters now”. The leader looks at “The Future” in the following manner: “I will continue to describe reality according to clear rules” (Caldwell *et al.*, 2002, p. 155).

Figure 3: Four Umpire Model: Perception & Reality: Umpire two:

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Fascilitating Idealist

“I calls them as I sees them” – The “Unbiased realist” which sees reality in his own imperfect interpretation of black and white. This leader identifies his imperfections but this ability is subjectively grey, limited by potential perceptual errors. This leader is committed to make a good effort to serve others, with the knowledge that “his lens may be clouded by random error and unintended distortion” (Caldwell *et al* 2002, p. 155), but he endeavours to assess reality in the best way possible, and to deliver at a high standard.

This leaders’ heart is in the right space and he wants to make the best decisions he possibly can, but due to his inability to see past his own judgement and interpretation of reality he is not able to make the correct decisions. He is open, composed, committed, and rational and identifies that prejudice may influence his perceptions. He basis his actions on his duty to be compliant with the rules that applies to the situation and he displays his integrity by not allowing other influences such as relationships to cloud his perceptions. He therefore distances himself from and minimizes relationships to ensure objectivity. The role of this leader is to stay neutral, be instrumental in a practical unprejudiced manner to the achievements within the role that he plays and to deliver on the expectations of the role and to ensure that he continues to add value by doing the best objective job possible.

In relation to Edgar Scheins’ Beliefs Model this leader sees his “Self” as: “I describe the reality that I see to the best of my ability in pursuit of fairness”. This leader describes those around him “Others” in the following manner: “Others play an important role. They each benefit from fair treatment”. “The Past” is described as: “The past is useful in how we perceive the world today”, while the “Current Reality” is described as “We deal with today in the best way that we can”. The leader looks at “The Future” in the following manner: “We deal with the future as we have dealt with the past – in a practical way” (Caldwell *et al.*, 2002, p. 155).

Figure 4: Four Umpire Model: Perception & Reality: Umpire three

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Fascilitating Idealist

“They ain’t nothing ‘till I calls them” – Reality is not always clear for the “Subjective Controller” and in his view his moral lens is the correct one, developed in such a manner that he “sees” black and white”. He is responsible to provide order and clarity in a complex and chaotic world. This leader accepts the right to make decisions on behalf of others and to prioritise their values and interests according to his understanding. He assigns different values to people and allocate benefits and rewards depending on his own views of their importance. This leader presumes that he needs to define the rules and controls that govern others. He does this through his belief in his own competence and clarity towards the reality that he needs to address.

He values organizational and interpersonal relationships, as these aspects, in his view provide him with an understanding of the framework needed to make decisions and provide direction and guidance. This leader “presumes that his authority is valued, his intent to provide guidance and direction will be recognized, and his impact in being wise and competent arbiter will be acknowledged (Caldwell *et al* 2002, p. 156). He decides what is important, and defines morally correct behaviour in terms of his own personal measures.

The role of this leader is to clarify what reality ought to be, and to provide order and meaning to the world, based upon his value set and perceptions. In relation to Scheins’ Beliefs Model this leader sees his “Self” as: “I define reality in a confusing world and provide a framework that sustains order and helps to guide others”. This leader describes those around him “Others” in the following manner: “Others depend upon me to provide focus and direction in their lives”. “The Past” is described as “I use the past to help determine what I determine is best for the world now”, while the “Current Reality” is described as “I interpret the world and define what reality is today”. The leader looks at “The Future” in the following manner: “I have the right to determine the future by imposing my perceptions upon it” (Caldwell *et al.*, 2002, p. 155).

Figure 5: Four Umpire Model: Perception & Reality: Umpire four

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Facilitating Idealist

“I call them as we need them” – The “Facilitating Idealist” sees reality as complex, uncertain and grey, and can adapt to situations to find the most appropriate solution for all. His own perceptive skills are imperfect but well intended and are affected by a set of moral values that reflect a deep commitment to the welfare of all stakeholders through serving the “situational and contingent needs of people, organizations, and external conditions” (Caldwell *et al* 2002, p. 156). This leader is other-serving and provides direction to others through “making the right calls for each situation” (Caldwell *et al* 2002, p. 157).

This leader is flexible, adaptive and on a continuous journey of constant learning, with the purpose to empower others through care and concern. This leader has an understanding of the importance of systems and relationships and also has the capacity to connect the past with the future. “This capacity to see the contextual fit of choices and their consequences is fundamental in her ability to make calls that contribute to the best interest of others” (Caldwell *et al* 2002, p. 157).

This leader believes that all individuals have inherent value and are of great importance. This leader finds a systemic solution to problems and integrates resources to create a better reality for all. Umpire Four is described as having the most characteristics “of an empowering and ethical leader” (Caldwell *et al* 2002, p. 159). This leader is committed to the welfare of others and looks after the best interest of the organisation. This leader furthermore looks at an integrative approach towards finding solutions to problems in a flexible manner that suits the context.

The authenticity with which this leader not only communicates about values but also lives it provides him with credibility and establishes trust between leaders and followers. This is also a sustainable concept in that benefits are aimed at all stakeholders in the long-term.

This leader “is motivated by deep intrinsic values based upon a moral theory that a prima facie priority of interest is owed to those who have a stake in the organizations’ success” (Caldwell *et al* 2002, p. 161). This leader therefore focuses his attention on the needs of his employees and followers in an effort to create a better environment for them. He serves the higher purpose and uses his ethical framework to create a conducive environment for his people.

In relation to Scheins’ Beliefs Model this leader sees his “Self” as: “I am one of many participants in the game of life – where all have important needs and roles. I am here to serve and empower”. This leader describes those around him “Others” in the following manner: “Each person pursues individual needs as they pursue life’s best for them”. “The Past” is described as “The past is complex and gives insight into all of our needs”, while the “Current Reality” is described as “Today is a part of the stream of life. It is important, as is each day”. The leader looks at “The Future” in the following manner: “Our goal is to make the future as rich as it can be so that all can grow and benefit” (Caldwell *et al.*, 2002, p. 155).

The basis for our fundamental values is formed by our core beliefs (Schein, 1997). A good understanding of our own mental models through this model will allow us to understand the possible impact they may have on our decisions and our effectiveness and also provide insight into our ethical framework. The Five Beliefs Model should be seen as the “foundation for core values in leaders and organizations...” and “...the impact of these core beliefs largely determines their ethical behaviours” (Caldwell *et al* 2002, p. 159). We have an ethical responsibility towards our followers when we define reality, and should safeguard our beliefs and assumptions about reality in an ethical manner. According to Schein the behaviour and traits displayed by ethical leaders are crucial features in upholding and encouraging ethical behaviour in organisations. This relates to the ability of a leader to influence the culture of an organisation to reflect his values in the decision-making processes that take place throughout the organisation.

The role of ethical leadership in preventing and addressing corruption is also relevant to the research project. The context within which government officials and business operate and the institutionalization of corruption within the system makes the role of ethical leadership substantially more important (Kolthoff, Erakovich, & Lasthuizen, 2010). During an appearance at the University of Johannesburg on 25 April 2013 Minister Gordhan stated that corruption has become a social problem in South Africa.

The un-deniable link between government, business and corruption was the focus of the address.

May *et al* (2003) describes the term authentic leadership: “to focus on what we consider to be the root concept underlying all positive approaches to leadership and its development” (p. 248). Ethical leaders must conduct themselves in a legitimate and authentic manner at all times. Their behaviour must be fair, transparent and considerate towards others to be recognized credible and legitimate and for leaders to be considered ethical role models. The manner in which leaders reward and/or punish ethical behaviour, emphasize the benefits of role modelling in as far as ethical behaviour versus unethical/inappropriate behaviour and also creates a sense of fairness (Brown *et al.*, 2005). Leaders need to recognise that they provide important information to their followers through modelling and that their actions will be scrutinised (Kalshoven *et al.*, 2009).

Leaders need to develop a moral ability (capacity) to recognize and evaluate ethical dilemmas and furthermore apply what they have learned from previous experiences in dealing with these dilemmas. Amplifying this moral capacity will allow leaders to recognize these dilemmas more efficiently and act authentically within their ethical decision-making processes. The ability to consistently act authentically and ethically is influenced by the moral courage of the leaders and their resilience to continuously act in an ethical manner, regardless of any pressures to act otherwise (May *et al.*, 2003).

The present “morally complex” environment places substantial ethical demands on leaders and their followers and they are required to have “high levels of character in order to promote ethical behaviour” (Hannah, Avolio, & Walumbwa, 2011, p. 555). Continuous unethical behaviour and scandals, nurtured by a focus on wealth creation, with no ethical platform have caused a loss in faith and trust in government officials and business executives. The situation has caused a gap within the decision-making milieu that leaders have to operate within. The emphasis is on developing ethical leaders that will be able to combine: “Ethics, said Aristotle, was not mainly about establishing general moral rules and following them. It was about performing a particular social practice well, which meant wanting to do the right thing and figuring out the right way to do the right thing in a particular circumstance, with a particular person, at a particular time” (Schwartz, 2011, p. 4).

Being ethical does not only relate to doing right or wrong. Being ethical also relate to having the strength and inner determination to deal with moral inducements, as well as positive aspects such as “helping coworkers sharing, cooperating, and respecting and

treating coworkers with dignity” (Hannah *et al.*, 2011, p. 556). The possible influence of executives on the behaviour and culture within organisations highlights the importance of ethical leadership at the executive level. Executives are capable to impact on the culture that is created within an organization which could lead to unethical behaviour being instilled or ethical values being realized. The tone of the organisation starts at the top, and includes more than simply stating the importance of specific core values such as integrity and honesty, “It includes an overlooked transactional component that involves using communication and the reward system to guide ethical behaviour” (Linda, Brown, & Laura, 2003, p. 5).

2.2 Effective leadership – the need for a strongly developed moral compass

Watt (2011) states that merely achieving the goals and objectives of an organisation are not the only measures of being effective and “An ethical dimension to effective, successful leadership exists” (p. 205). Watt furthermore points out that the leaders of today have a responsibility to prepare the next peer group of leaders through influence and empowerment and to expose future leaders to ethical dilemmas. This, according to Watt will provide leaders with the required expertise that they need to lead effectively. Johnson (2005) supports this view in claiming that the responsibilities of leaders include addressing the ethical dilemmas and challenges that leaders are exposed to in addition to the “normal” managerial responsibilities. He states that “This involves issues of power, privilege, deceit, consistency, loyalty, and responsibility” (p. 10). He points out that the manner in which leaders deal with ethical dilemmas and challenges are an important determination of their leadership abilities.

“Effective leadership in top posts in modern organizations demands something far more complex than the desire to “do good”. It requires sound moral judgment.” (Kotter, 1985, p. 153). Leaders are routinely exposed to ethical dilemmas and the leaders’ ability to treat these dilemmas as part of doing business and not as exceptional incidents will impact on their effectiveness to appropriately deal with the issue (Hill, 2006). Hill continues to state that leaders’ “ethical judgment is learned and cultivated over the course of a career” (p. 268). She continues to emphasise the importance of leaderships’ understanding of self, as well being exposed to the so-called life-crucibles which is important to the development of a moral compass. According to her, limited experience of ethical dilemmas and situations of adversity inhibits the development of ethical judgment of leaders.

Pelletier & Kottke (2009) suggests that a lack of morality at leadership level opens the organisation up for unethical actions as well as other exploitative situations which does not support positive performance and does not create a conducive environment for its employees to operate within. According to them: “when leader morality is low, organizational life and leader succession deteriorates” (Pelletier & Kottke, 2009, p. 5).

This leads to the concept of what constitutes “good” leadership. Historically the effectiveness of leaders were measured by the direct impact they had on organizational performance. Although there is ample evidence that supports the view held that leadership can to an extent influence organizational performance this should not be the only measure of good leadership. Leadership should be measured against economic failures of companies as well as the moral collapse of these firms. The role of leadership includes the indirect influence they have on the structure, culture, goals and institutionalized processes within a company which leads to influencing the behaviour of each individual within the organisation. Leaders can achieve this *inter alia* through creating an environment in which discussing and reporting ethical issue is enforced and incentivised in order to encourage and strengthen the moral courage of employees which will lead to ethical behaviour (Hannah *et al.*, 2010).

Good leadership requires one to have a clear moral centre, act fairly and make decisions in a transparent and balanced manner and so set the “highest ethical standards for business” (Avolio, Pursuing Authentic Leadership Development, 2010, p. 744). He emphasises that a good individual performer does not translate into being a good leader. Good leaders must have the ability to earn the trust of their followers through their ethical behaviour and competence in order to ensure organisational success (Caldwell, Hayes, & Long, Leadership, Trustworthiness, and Ethical Stewardship, 2010).

Three elements of integrity; technical competence, ambition and a strong moral compass require a fine balancing act from effective leaders throughout their careers. It is this balance that is supported through development plans, career paths, opportunities and having an ethical leadership that grow effective leaders (Bennis & Thomas, 2007, p. xiv). A strongly developed moral compass provides a platform for authentic leadership, which in turn forms the root construct of ethical leadership. Having a moral compass allows leaders to consistently and with credibility (authenticity) deal with ethical dilemmas. Leaders must be able to recognize the level of influence, possible impact and power of every ethical situation and objectively

analyse and consider all available solutions in their decision-making processes (May *et al.*, 2003).

Leaders may be perceived by their followers, as ethically more astute to address moral problems, if they exhibit their ability to deal with ethical dilemmas with various intensities at all opportunities (Brown *et al.*, 2005, p. 130). A well-developed moral compass will allow leaders to, deal with everyday ethical dilemmas and apply judgment to ethical issues, keeping in mind their “ethical blind spots” and understanding their personal values. These ethical dilemmas or crucibles force leaders to question their values and judgment capabilities and to enhance their ability to make sound ethical decisions which causes leaders to become stronger and more confident in their decision-making capacity (Hill, 2006). Not being exposed to these ethical dilemmas and life experiences prevents the development of leaders’ ethical judgment and makes them vulnerable in as far as not being equipped to deal with ethical dilemmas.

“Fast-tracking – and consequently limited opportunity to develop a moral compass” may lead to the downfall of senior leadership (Hill, 2006, p. 270). Hill (2006) furthermore states that: “The combination of ambition, high need for achievement, and little personal sense of what they consider right and wrong from an ethical standpoint can be a formula for disaster. It is all too easy to slide down the slippery slope of unethical behaviour, even when well intentioned” (p. 270).

A strong, well-developed moral compass/judgment combined with moral courage will drive authentic and consistent ethical behaviour. Leaders have to endorse their ethical actions through a constant display of their moral courage and by abstaining from unethical behaviour to be seen as authentic. Moral courage is defined as “the ability to use inner principles to do what is good for others, regardless of threat to self, as a matter of practice” (Hannah *et al.*, 2011, p. 555).

According to Jim Collins the one aspect that can “catapult” a company from merely good to truly great” is its leadership (2001, p. 2), and Hood (2003) emphasises “the basis for effective leadership, and, more particularly, ethically based leadership, are the traits of honesty and integrity” (p. 270). Collins’ level 5 Effective Leader focuses on creating a clear vision for the organisation and to stimulate performance standards which should be intertwined with the underlying values of an ethical leader (Collins, 2001 & Hood, 2003).

2.3 Influence of ethical leadership on leadership effectiveness

“Ethics is an important part of effective leadership. Without integrity and ethics, a person is not able to become a good leader in his/her profession, industry or culture” (Muhtaba, Pattaratalwanich, Chawavisit, 2009, p. 2). According to this research conducted on Thai law students, different requirements in skills from individuals in different industries do not minimize the most important requirement of all in any industry namely effective leaders. The researchers state that “leaders gain the respect of their employees by being ethical and good role models” (Muhtaba *et al.*, 2009, p. 2). This respect is a fundamental aspect that builds the relationships between leaders and followers and provides a vital connection between them.

Researchers have attempted to identify new methods that can be applied by leaders to enhance “employee loyalty and commitment” (Hassan, Mahsud, Yukl, & Prussia, 2013, p. 133). This is directly related to the context within which we operate that include the economic and financial downturn and subsequent scandals that have been exposed worldwide. The researcher provides insight into the role that ethical leadership plays in “fostering cooperative attitudes and behaviours among employees” (Hassan *et al.*, 2013, p. 133), which could lead to “important outcomes, including subordinate motivation, satisfaction, performance, pro-social behaviours” (Hassan *et al.*, 2013, p. 134). De Hoogh & Den Hartog (2008) comment that: “we argue that ethical leader behaviour will contribute to employees’ optimism about their organization and will increase their willingness to remain and contribute to its success” (p. 297).

Brown *et al* (2005) states that “ethical leadership predicts outcomes such as perceived effectiveness of leaders” (p. 117). Characteristics of ethical leaders such as honesty, fairness, integrity and consideration for others, are considered important features of leadership effectiveness by these researchers. Ethical leaders are capable to effectively influence the behaviour of their followers through their authentic and legitimate actions. Employees are willing to go above and beyond the call of duty and engage in extra effort if, in their view they are treated fairly by a leader they trust. Employees will also be more willing to report issues and concerns to their leader, even if this could lead to negative consequences to them. This will only be possible if the employees have confidence in their leaderships’ ethical and trustworthiness.

Ethical leaders will be able to provide bad news to their employees and still retain their support due to their followers trusting in their ability to treat all fairly and in the interest of the organization (Brown *et al.*, 2005). Hassan *et al* (2013) supports this in as far as ethical leaders being able to influence subordinate commitments through trust, mutual

liking and respect which will lead to enhanced performance. These researchers furthermore state that the perception held of leaders being trustworthy and principled in their decision-making and caring towards their followers assists these ethical leaders to transform their followers behaviour to mimic their own and this leads to a different mind-set in which economic exchanges are not the main motivator for performance, but rather aspects pertaining to commitment and satisfaction based on ethical standards. This is also supported by means of ethical leaders holding their members accountable for their ethical actions. This causes ethical behaviour to become part of the DNA of the organisation but also leads to increase performance (Hassan *et al.*, 2013).

The term ethical leadership is closely associated with authentic leadership. According to Brown & Trevino (2006) an overlap between ethical leadership, transformational leadership and authentic leadership is fundamental to the understanding of the moral potential of leadership. Authentic leadership is described as the “root construct” for aspects pertaining to ethical leadership. It would therefore be prudent to explore aspects pertaining to the influence of authentic leadership as a basis for ethical leadership in the performance of organisations (Brown *et al.*, 2006, p. 599).

“We conceive of authentic leaders as persons who have achieved high levels of authenticity in that they know who they are, what they believe and value, and they act upon those values and beliefs while transparently interacting with others” (Avolio, Gardner, Walumbwa, Luthans, & May, 2004, p. 802). They are deeply aware of their behaviour and how this is perceived by others. The ability to differentiate between right and wrong (moral development) is an on-going process which according to Mujtaba *et al* (2009), “refers to progressive and continuous change from the beginning of life until the end” (p. 2). Authentic and ethical leaders are both ethically righteous leaders which consider the ethical consequences of their actions and the main purpose is to avoid unethical behaviours by leaders (Avolio *et al.*, 2004).

According to Khan (2010), authentic leaders have a positive outcome on the behaviour of employees which leads to improved performance in organisations. It is proposed that the “true” ethical leader is not only aware of others and the context within which he or she operates. The “true and authentic” ethical leader is in all aspects real to their self in all facets. Constructs pertaining to authentic leadership therefore becomes important within the research project if the current climate and requirements of leaders are taken into account.

According to Avolio & Gardner (2005) the complexities within the world places “a renewed focus on what constitutes genuine leadership” (p. 316) in order to repair the current lack of trust in leadership and provide followers with confidence and hope. Avolio *et al* (2005) identifies the roots of authenticity in Greek philosophy: “To thine own self be true” (p. 319).

Rok (2009) suggests that we can reduce the importance and need for hierarchical structures, including the traditional leadership role in this (positional power) through focusing and understanding our employees and taking into account their ethical values. This could create a chance for improved leadership. Ethics, competence and effectiveness, according to this researcher are intimately part of the DNA of leadership. In understanding these aspects which relate to effectiveness and ethics, a sound framework can be created for leaders which could improve their performance that will lead to overall better performance. According to Rok (2009) “These skills include things like knowing how to motivate people, communicate, formulate a vision that includes everyone in it, instils ethical norms in their staffs and constituents, manage the internal and external dialogue, etc ”(p. 465).

Ethical leaders are effective leaders because they have the best interest of their employees and other stakeholders at heart when taking decisions. They furthermore adhere to their own values and are seen to “walk the walk”. They create legitimacy through their consistent ethical behaviour which creates a positive environment that is conducive and stimulates performance. Ethical leaders are trusted by their followers that causes less of an enticement with employees to become involved in unethical activities.

Ethical leaders provide opportunities to their employees to “voice their opinions” and make fair and balanced decisions. Employees working in this environment would want to reciprocate, which causes a situation in which individuals treat one another fairly and with dignity, leading to a positive environment in which all can perform optimally (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009). This report furthermore states that ethical leaders’ followers model their behaviour and imitate the behaviour of their leaders knowing that they will receive fair benefits and rewards, both positive and negative if they do.

An understanding of the possible influence of one individual such as Minister Gordhan, within an organisation such as SARS in respect of the overall effectiveness of the organisation due to the individual’s perceived ethical principles, is an important aspect of the research findings. The reform of the public service in South Africa, the various

changes enforced and the objective of “making those services more effective and efficient, less expensive and capable of providing a better quality of service” has been criticized for not meeting its goals in the majority of departments (Webb, 2010, p. 669). Webb further states that the changes that were introduced did not diminish any of the opportunities for corruption and irregular activities, and it is argued that the disorganized manner in which the reform was implemented created more opportunities for irregular behaviour.

Developing states are particularly vulnerable to corruption as they “have strong political and administrative systems, adequate levels of public accountability and freedom of press” (Webb, 2010, p. 673). South Africa started its fight against corruption during 1997 but has been described as ineffective in as far as the available capacity to fight corruption that includes skilled investigators and financial resources. The most important aspect of the prevention strategies includes influencing the organisational culture, aligning processes and systems, introducing a code of ethics and introducing a “whistle-blowing-policy” (Webb, 2010, p. 674). Codes of ethics are required as part of the process to institutionalise ethical behaviour in organisations and should be seen as the message from senior management in relation to the values and behaviours that they deem appropriate. However, the moral developments that include the moral courage of individuals is the main driver of behaviour, and no amount of legislation, codes, policies or systems can prevent unethical behaviour from occurring (Adams, Tashchian, & Shore, 2001).

2.4 Main theoretical arguments pursued in this research

Leaders are required to earn the confidence and loyalty of their followers in order to maintain a long-term and sustainable relationship through consistent ethical behaviour. The behaviour must be focused towards improving the circumstances of others and not of the leadership. However, ethical behaviour on its own is not adequate to establish an ethical organisation, ethical leadership is a prerequisite (Aronson, 2001).

The ethical basis that leadership applies in “doing the right thing” is an important aspect in explaining the decision-making process of leaders. Aspects pertaining to what the characteristics of ethical leadership is, and how “good leaders” are defined is important in understanding whether a positive relationship exists between ethical leadership and being an effective leader. Traits pertaining to how leadership, specifically how Minister Gordhan sees reality, and upon which his perceptions are based are important in understanding the manner in which he makes decisions, and how these decisions

influenced the performance of organisations. To be effective, leaders need to realise that: “Leaders are the source of institutionalized values which, in turn, condition the actions of organizational members” (Avolio, 2010, p. 65).

Aspects pertaining to the communication style and how Minister Gordhan’s gets his vision across and in so doing how he enforces ethics and influences the behaviour of his followers and the organisations that he leads, were investigated in as far as establishing the moral manager trait that he displays. This is supported through the identification of the core characteristics of ethical leadership and whether Minister Gordhan displays this consistently (Brown *et al.*, 2006). It was important to establish whether he displays aspects pertaining to fairness and transparency and whether this behaviour provided him with authenticity and legitimacy in order to establish whether he is indeed an ethical leader. It was furthermore also important to establish whether Minister Gordhan has the ability to identify ethical dilemmas and apply what he learned through the “crucibles of life” in addressing these to establish whether he is an effective leader.

The influence of past experiences and knowledge that Minister Gordhan has built-up over his career and lifetime and his ability to deal with ethical dilemmas through a continuous learning process in response to Bennis *et al* (2007) so-called “crucibles” were also investigated (p1). This furthermore emphasised the ethical platform (umpire model) utilised by the Minister in making decisions and in “doing the right thing” (Caldwell *et al.*, 2002). The critical aspects pertaining to the application of perception by Minister Gordhan in decision-making and having the ability to engage with employees at all levels and obtain their input in respect of issues was also part of the research focus, this relates to his “mental model”.

Minister Gordhan’s “beliefs about himself, beliefs about others, beliefs about the past, present and future were interrogated through the interviews conducted in order to provide insight into the foundation he utilises in making ethical decisions. His ability to see the reality as a complex environment and his ability to be agile and flexible within this context was part of the focus of the research. Furthermore, Minister Gordhan’s ability to provide clarity about the goals and objectives and the vision that he wants to achieve was also investigated. The manner in which he defines his own reality and that around him, the way he looks at the past present and the future and his understanding of the influence of these aspects was interrogated throughout the research process (Caldwell *et al.*, 2002).

The characteristics displayed by Minister Gordhan as described by the individuals during the interviews as well as those supported through observation and other documentation and information, were compared to those characteristics generally linked to ethical and effective leaders in an effort to investigate whether he can be described as an ethical and an effective leader. Furthermore, the framework (his ethical orientation) that he applies in making decisions was compared to that of the framework generally utilised by ethical leaders (Schein, 1985).

The ability of Minister Gordhan to influence the characteristics and culture of the organisation was examined during the interviews as well as through the critical analysis of performance and compliance reports. His influence, through his own authentic actions on aspects pertaining to unethical behaviour as well as corruption and non-delivery on goals were scrutinised as part of the research project (Kolthoff *et al.*, 2010). Minister Gordhan's effectiveness as a leader was investigated in order to identify critical aspects within his leadership style that is conducive to being an effective leader, what makes him an effective leader and whether his ethical platform has an influence on his effectiveness.

Aspects pertaining to his ability to ascertain "sufficient consensus" within a group or team as well as his ability to achieve targets and goals on a consistent basis was part of the examination. The focus was to utilise reports, media articles and questions posed during the interviews held with specific individuals to establish why Minister Gordhan is seen as an effective leader and how his ethical stance influence this.

CHAPTER 3: PROBLEM STATEMENT

This chapter frames the specific questions that are examined in the case study of ethical and effective leadership in reference to Minister Gordhan. Unethical behaviour, which includes acts of corruption have become a cultural phenomenon in South Africa that needs to be addressed critically through the emphasis of ethical leadership. However, without serious consequences to all involved in unethical behaviour, limited or no success will be made on changing the current status. The successful prosecution of former National Police Commissioner, Jackie Selebi for charges pertaining to corruption against the non-prosecution of his corruptor, Mr Glenn Agliotti can be utilised as an example in which although seemingly successful prosecuting aspects of corruption, the overall perception created is of a system that is ineffective and corruption cannot be addressed.

Effective leadership is required to ensure service delivery and to re-build the public's faith in governments' ability to deliver on its promises. The on-going service protests and increasing number of reported cases pertaining to fraud and corruption at the highest level of government is not contributing towards building confidence and hope in South Africa. The research questions that have been developed are aimed at providing the reader with a critical understanding of the ethical basis that an effective leader, such as Minister Gordhan utilises in creating trust and influencing the culture of an organisation to mimic his own and to create effectiveness within the organisation.

3.1 Research Question Validation

During a keynote address by Minister Gordhan on 8 October 2012 at the annual conference of the Institute of Municipal Finance Officers he emphasised the importance of effective leadership to ensure economic development in South Africa. He emphasised significance on delivering and maintaining infrastructures and providing basic services to citizens and businesses. He also stated: "So when we speak of a capable state and a developmental state, what we mean is, first and foremost, a capable local government. In that context, the theme of this conference is most appropriate. Ethical leadership from senior financial managers is absolutely crucial to achieve both proper development and sound financial management" (Gordhan, 2012). This prompts the researcher to question the possible existence of a relationship between effective organisations and ethical leaders. Does ethical leadership impact on

effective organisations and what are the key critical aspects that influence this relationship?

The influence of Minister Gordhan's ethical leadership style on the effective reform of the SARS was investigated. The research focused on the ethical leadership of Minister Gordhan as a catalyst in reforming SARS in relation to information gathered during in-depth interviews with nine individuals within the organisation. The benefit for future research will be a basis from which to investigate identified aspects in comparison to other organisations. The focus was on answering the following question "is it the ethical leadership style of Minister Gordhan that makes him an effective leader?"

In order to understand the ethical foundation and platform of the Minister specific questions pertaining to the characteristics of ethical leadership were formed. These questions related to whether the interviewee understand the basic construct of ethical leadership, whether they were able to comment on aspects pertaining to this concept, and whether they could relate these aspects to the behaviour of Minister Gordhan. Specific questions pertaining to the core beliefs of Minister Gordhan, how these beliefs were formed, his influence on organisations through his behaviour as well as their views on the Ministers' integrity, humility and consistent honourable behaviour were posed during the interviews. Aspects pertaining to Minister Gordhan's stance towards the values of other, and whether he displays self-less acts towards others were also part of questions posed to understand the ethical foundation of the Minister.

Questions pertaining to the characteristics of a "good leader", defining Minister Gordhan's leadership style as well as the manner in which he values the inputs from others in his decision-making processes focused on obtaining insight into the understanding of the interviewees on what effective leadership entails and whether Minister Gordhan displayed these characteristics. The final part of the questions pertained to the possible relationship between ethical leadership and effective leadership. The questions posed related to obtaining insight into the effect of ethical leaders on effectiveness, whether the Minister's ethical platform plays a part in his effectiveness as a leader, and why they state this as a fact as well as their view on whether ethical leaders are more effective leaders and why they believe this.

3.2 Research Questions

The specific research questions posed to the individuals related to:

- *What are the characteristics of ethical leadership?*
 - The interviewees were required to provide their understanding of the term ethical leadership, the five most important characteristics of ethical leadership as well as their understanding on the basis of ethical leadership. In an effort to establish whether Minister Gordhan displayed any of the characteristics mentioned by the individuals they were thereafter questioned on whether they define him as an ethical leader and also provide reasons for such statements. They were also questioned on their understanding of his upbringing and the influence of ethics during his early years.
 - Questions were posed pertaining to their understanding of Minister Gordhan's ethical framework and platform as well as the areas which are non-negotiable to him. These questions were specifically aimed at understanding his ethical basis and framework. Aspects pertaining to specific characteristics linked to ethical leadership of Minister Gordhan and whether he displays these such as being humble, acting with integrity, being selfless and displaying consistent honourable behaviour were also tested during the interviews.
 - Information pertaining to specific incidents during which the Minister displayed respect for the values of others were obtained as well as evidence of his ability to influence the ethical behaviour and culture of individuals and organisations.
- *What are the characteristics of effective leadership?*
 - The ability to identify characteristics of effective leaders and whether the Minister displays these characteristics were part of this section of the interview. His leadership style as well as the reasons why they defined him as an effective leader or not was investigated. Specific aspects of an effective leader such as the ability to establish a successful team, listen to others and value their opinions and the ability to praise others and support them was analysed in an effort to establish Minister Gordhan's effectiveness as a leader.

- *What are the key factors that influence the relationship between effective leadership and ethical leaders – how does ethical leadership affect effective leadership?*
 - The influence and importance of ethical leadership on effective leadership was interrogated through specific questions focusing on whether it is possible to be an effective leader and still behave unethically. The interviewees were required to provide specific reasons for their answers. Aspects pertaining to the consistency of the Minister's ethical behaviour were also investigated as well as their views on the level of influence that his ethical platform has on this effectiveness as a leader. The final part of the interviews focused on obtaining their views and input on the effect that a lack ethical behaviour has on government's ability to deliver on its promises and whether an increase in ethical leadership would improve government's overall performance.

The researcher utilised a case study methodology to provide clarity within the current context and time-line that we find ourselves in within South Africa. The purpose and reason for using this specific research methodology relating to this specific topic is explained in Chapter 4.

CHAPTER 4: RESEARCH METHODOLOGY

Research on the effect and impact of ethical leadership on effective leadership is not a topic that has been extensively explored. De Hoogh *et al*, (2008) reports that “Despite its relevance empirically based knowledge about ethical leadership is limited. Only a few students to date have tested the proposed link between ethical leadership and effectiveness” (p. 297). However, the current global context requires that this topic should be exhaustively explored as a culture that supports corporate governance and responsible leadership is becoming non-negotiable. The importance of creating an understanding of ethical and effective leadership and the impact of ethical leadership on effective leadership was the focus of the case study conducted on Minister Pravin J. Gordhan.

The research methodology applied as well as the sampling method and main data sources are discussed below. Furthermore the section below deals with the limitations presented during the study as well as the data collection method utilised during the research project.

4.1 Research methodology

The researcher utilised a qualitative research approach in relation to the project on the basis that research on the specific topic is at an early stage and the qualitative study approach benefitted the study in answering questions pertaining to the “how” and “why” of the effect and impact of ethical leadership on effective leadership (Blumber, Cooper, & Schindler, 2005). According to Yin (2003) exploratory case studies are considered in research leading up to social research which fits the purpose of this study in trying to establish whether ethical leadership impact on effective leadership, how and why?

The main reason why the researcher utilised the case study research methodology relates to the applicability of the subject (effective leadership and delivery of services) to the current context (non-delivery within South Africa) and its’ real-life character (real-life example in Minister Gordhan and the organisations he leads), and its ability to relate to various audiences. The researcher had the required access to specific individuals and information that would be of critical importance in order to understand the Minister as an ethical and effective leader.

The case study method lends itself to provide a holistic and detailed account of the topic and it gives meaning to complex issues that expand the understanding of the

readers (Reis, 2009). The case study research method provides an opportunity to understand complex issues or objects such as ethical and effective leadership within specific contemporary and real-life situations and utilising multiple sources of evidence (Yin R. K., 1984).

The reason why this specific method is relevant is the ability the case study methodology provides in investigating a modern-day phenomenon such as ethical leadership or situation in its “real life” context, as being applied by an individual presently, such as Minister Gordhan as an “active ethical and effective leader”. According to Simons (2009) “Case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a “real life” context. It is research-based, inclusive of different methods and is evidence-led. The primary purpose is to generate in-depth understanding of a specific topic (as in a thesis) programme, policy, institution or system to generate knowledge and/or inform policy development, professional practice and civil or community action” (p. 21).

The strengths of using the case study methodology include the following:

- Allows the researcher to study specific subjects in depth, and can provide insight into how and why things happen in a specific manner. How the ethical leadership platform of the Minister was formed and why is he such an effective leader?
- Is beneficial to utilize when trying to understand the dynamic processes involved in change, it can provide critical insight into those factors that contributed towards the change.
- “Case study is flexible, that is, neither time-dependent nor constrained by method” (Simons, 2009, p. 23).
- Allows for observations made in respect of experiences undergone, and allows the knowledge extracted from these experiences to be used in understanding the significance of the subject under investigation.
- Participants are engaged during the research process. This is significant as “It signals a potential shift in the power base of who controls knowledge and recognizes the importance of co-constructing perceived reality through relationships and joint understandings we create in the field” (Simons, 2009, p. 23).
- Lastly it allows the researcher to self-reflect in his/her understanding of the case and themselves.

Probing questions pertaining to the interviewees' understanding of ethical leadership and how this is displayed by Minister Gordhan, as well as their understanding of effective leadership and its link to Minister Gordhan and the relationship between ethical and effective leadership in the leadership style of Minister Gordhan was the focus of the interviews. The questions were posed in an open-ended broad format and provided a foundation for future research into the development of ethical leaders. The research related to a case study on Minister Gordhan with the purpose to investigate the specific conditions and characteristics that have influenced the behaviour of Minister Gordhan, by applying a life history approach.

In using the case study methodology the researcher was able to obtain a detailed understanding of the foundation of the ethical basis of Minister Gordhan and how this affects his effectiveness. According to Bromley, (1991) "The case study emphasizes the proximal causes of the behaviour and circumstances, whereas life history emphasizes the remote origins, and the continuities and discontinuities in the organization of behaviour over a relatively long period of time" (p. 86).

This specific research method allowed the researcher to obtain the maximum amount of information about the specific reasons why and how Minister Gordhan behaves in the specific manner he does. A different research method would not have allowed the researcher to probe the specific subject to the level of detail that was possible with this research. Because the focus is on a specific subject (one individual), and access was obtained to key critical information (in-depth interviews) the level of detail obtained is much greater and far reaching than would be possible through normal quantitative methods. This method allowed for nuances to be captured during the interviews that would have been lost otherwise which also provided insight into how Minister Gordhan is perceived.

4.2 Population and unit of analysis

The unit of analysis chosen by the researcher related to a single case and included one subject, Minister Gordhan. The specific subject was purposefully chosen from a sample of leaders in the current context in an attempt to understand why he behaves in the specific manner that he does, whether it relates to ethical leadership, why individuals perceive him as being effective and whether his ethical foundation has an influence on his effectiveness.

The reason for selecting this specific candidate relates to the researcher having access to critical information on the subject as well as the outstanding example he sets as an effective and ethical leader. The researcher has been exposed to aspects pertaining to the influence that Minister Gordhan exerted over the SARS as far as effective and ethical leadership is concerned. Furthermore, the current context within leadership and the lack in ethical and moral courage and service delivery provides a reason for this research to be conducted.

4.3 Sampling

The researcher utilised purposive sampling in identifying the particular sample that would contribute most towards obtaining the required information needed to successfully conduct the research project. The researcher applied purposive sampling as the research project required a small number of participants in what could best be described as an “extreme case” in as far as purposive sampling variety terms. The individuals that were interviewed were able to provide critically important and unusual information in relation to Minister Gordhan’s ethical behaviour and why and how this affected his efficiency. “Findings from extreme cases will be relevant in understanding or explaining more typical cases” (Saunders & Lewis, 2012, p. 139).

The researcher selected nine individuals that have been exposed to Minister Gordhan over a period of 30 years in a variety of ways, including individuals that have been exposed to his way of operation in the role of subordinate and his peers. The individuals have been exposed to Minister Gordhan in different roles and responsibilities and were able to provide insight and knowledge on the reasons why Minister Gordhan is seen as an ethical and effective leader.

These individuals all have strong characters and their judgment of Minister Gordhan is based on their ability to identify those areas and critical aspects that provide insight into why and how Minister Gordhan behaves in the specific manner he does. These individuals were exposed to incidents and situations during which the ethical and moral courage of Minister Gordhan was tested and provided valuable insight into the framework he utilizes to make these difficult ethical decisions. The individuals were also able to provide insight into the aspects that allows Minister Gordhan to be effective, and how his ethical authentic leadership style influences his effectiveness.

The researcher obtained access to these individuals by means of her network and with the assistance of the Minister Gordhan. This is known as purposive sampling.

The purpose of the sampling technique is not to test from the entire population which the sample represents, but to select specific samples because of their characteristics. Patton (1990) supports the use of purposive sampling in qualitative research as this provides an opportunity to highlight the unusual aspects of the subject that is being investigated and focuses on the exceptional aspects within the specific phenomenon. In this case it focuses on the ethical leader being effective within the current context.

Purposeful sampling also provides for an opportunity to identify specific sources of information that will be able to provide information that is crucial to understanding the overall phenomenon (ethical and effective leadership) within a specific framework (Minister Gordhan). These sources of information does not only have the ability to provide information about the phenomenon (ethical and effective leadership), but can provide in-depth information about the specific subject under investigation (Minister Gordhan) and how this subject links to the phenomenon (Patton, 1990).

The individuals that partook were deliberately identified for their relevant knowledge, interest and experience in the subject. They are also known for their courage to speak out against unethical behaviour and support the importance of it within the context they operate. The individuals provided an honest and truthful account of their view on why Minister Gordhan is an ethical and effective leader, and what the relationship between these two phenomena is.

4.4 Data collection tool and method

Data was collected through the following methods: Interviews, direct observations and document analysis which are acceptable gathering methods within the case study methodology (Yin R. K., 1984) . The purpose of qualitative interviews is to obtain in-depth information and identify the true significance of incidents and actions of the subject, including their specific behaviours in order to explain their association to the phenomenon under investigation.

The researcher utilised semi-structured interviews in an effort to obtain specific details pertaining to Minister Gordhan's ethical leadership and how this affects his effectiveness as a leader. The same questions were posed to the different respondents, although the sequence of the questions differed in some interviews. The researcher developed a set of field questions (***Attached as Appendix A: Interview Matrix***) aimed at guiding the one-on-one sessions with the identified individuals in order to obtain in-depth knowledge in respect of the research questions posed.

However, the researcher pursued specific lines of questioning by adding questions that provided for new insights, deeper probing, amplifying a specific point and clarification during semi-structured interviews.

Reports such as newspaper articles, key-note addresses and other public documents published in respect of Minister Gordhan and his ethical and effective behaviour was utilized in providing clarity to the questions posed. The context behind the specific document was considered as well as the target audience and other circumstances surrounding the period during which the document was published or the speech made. In researching documents the researcher was able to verify the information received during the interviews and to obtain invaluable information pertaining to the history of the subject and specific events that played a part in his development as an ethical and effective leader (Saunders & Lewis, 2012).

4.5 Data Analysis

The researcher gathered qualitative text data in the interviews that was conducted. The data was digitally recorded transcribed in text format, and include the answers to the specific questions posed during the interviews. The transcripts of the interviews include the specific questions that were posed as well as the detailed answers that were received. It further includes information pertaining to the non-verbal behaviour of the participants that provide information pertaining to specific observations made during the interviews that are relevant to the research topic (Saunders & Lewis, 2012, p. 167).

The raw data was analysed using Atlas software as well as the interpretive skills of the researcher. The information obtained during the interviews and documents obtained, was coded, categorized and mapped according to the research questions posed in chapter 3. Thereafter, it was analysed, and the categorised data utilised to determine and explain specific patterns and testing for alternative explanations for these patterns, in respect of the research questions posed. A deductive approach based on specific terms used in the literature review was used in determining the specific categories that were coded (Saunders & Lewis, 2012, p. 194).

The interpretation of the information related to providing an understanding of the insights that the researcher derived in respect of why Minister Gordhan behaves in the specific manner he does, as well as how his ethical behaviour influences his effectiveness. The researcher ensured reliability in her findings by using opportunities

to triangulate data by utilising different information sources such as interviews, observations, media articles, case studies as well as observations made throughout the process. The researcher endeavoured to cross-check her findings in as far as identifying patterns within the raw data that could provide new insight and possibly corroborate evidence found. This was done by checking for patterns from one set of data to another, to ultimately answer the research questions posed (Yin R. K., 2003).

4.6 Limitations

Although case studies have the potential to provide rich raw material for advancing new ideas and thinking, the data could possibly be unique to the studied subject. The case study methodology is also criticised by some as they have a perception that one case cannot form a basis for reliable findings, and is therefore seen as a “exploratory tool” (Saunders & Lewis, 2012, p. 117).

“Qualitative case studies are limited, too, by the sensitivity and integrity of the investigator” (Reis, 2009). Due to the fact the researcher is the primary gatherer of information, and therefore responsible for collecting and analysing the data, his or her skills and experience in gathering and analysing the data plays an important part in the quality of the findings and could produce some bias to the end results. Furthermore, the skills and experience required in observing and interviewing subjects is not readily available, and is an important skill that the researcher should have when conducting qualitative case studies.

“The investigator is left to rely on his or her own instincts and abilities throughout most of this research effort” (Reis, 2009). The ethical framework of the researcher should be above reproach, as the researcher has the ability to select the data to be presented, and could choose to include literally any data to substantiate his or her findings. Lastly, issues pertaining to reliability, validity and generalisation should also be kept in mind during the case study method and processes. The bias that could be brought to the research linked to the subjectivity of the researcher towards the subject could either be seen as a limitation or it could be seen as substantiating the true meaning and purpose of doing case study research (Reis, 2009). The possible generalisation of the data collected for the case study to a wider population is cited as one of the disadvantages of this method. Depending on the view held, case studies mainly focuses on collecting qualitative data. Observations made could be seen to be subjective and “flawed by demand characteristics if the participant knows they are being watched” (Psud43, 2012).

CHAPTER 5: RESULTS

5.1 Introduction

This chapter provides a background on Minister Gordhan, his upbringing, roles that he played as an activist within the struggle, and the leadership positions he has held as backdrop to the findings obtained during the study. The chapter furthermore provides a framework within which the findings obtained in relation to the research questions identified in Chapter 3 are reported. Findings are reported in relation to the ethical basis and platform that Minister Gordhan utilises as well as his effectiveness and how his ethical platform influences his effectiveness as a leader.

The findings are discussed within the framework of the interview matrix and provides overall findings in relation to each question posed to each individual that were interviewed in relation to the three research questions identified in Chapter 3. Findings pertaining to each component within the three research questions are reported on the following:

- What is ethical leadership?
- Is Minister Gordhan an ethical leader?
- What is effective leadership
- Is Minister Gordhan an effective leader and does he display the four universal qualities of an effective leader, namely an adaptive capacity, the ability to engage other through shared meaning, does he have a distinctive voice and does he display an unshakeable integrity?
- How does ethical leadership affect his effectiveness

5.2 Background on Pravin J. Gordhan

Minister Pravin Jamandas Gordhan was born in to humble circumstances in Grey street Durban South Africa on 12 April 1949, to conservative Gujarati-speaking parents who moved to South Africa in the 1920's from India. His parents enforced an orthodox Indian upbringing in which they focused on the "Indian Ethos". Minister Gordhan is married with two children.

He holds a Bachelor of Pharmacy that he received from the University of Durban Westville in 1973 and credits his experiences at the University "for awakening his political consciousness" (The Weekender, 18 March 2006). He holds the following honorary titles: Doctorate of Commerce (honoris causa) (University of South Africa

UNISA, May 2007); Doctorate of Law (honoris causa) (University of Cape Town), June 2007) and DTech: Business Administration (Central University of Technology – Free State (CUT), March 2009).

Minister Gordhan has held the following positions: Member of Parliament from 1994 to 1998; Chairperson of the Constitutional Committee in Parliament from 1996; Deputy Commissioner for SARS from March 1998; Commissioner for SARS from November 1999; Minister of Finance of the Republic of South Africa from 11 May 2009.

Minister Gordhan became involved in politics during 1966 after holding discussions with inter alia one of his English teachers, Ranji Nowbath. Nowbath encouraged his pupils to always question the status quo. Minister Gordhan started to actively play a role in the political resistance movement in the late 1960's after making his transition from high school to university. He organised and led the student movement and created civic structures during 1970-1980's and became part of the student representative council (SRC) of the University during 1970/71. The activities of the SRC were suspended in 1972 and remained suspended until 1980. This did not prevent Minister Gordhan from continuing with his political activity and he found alternative ways in which he mobilized students and used these events to raise the political consciousness of students and actively arrange resistance activities.

Minister Gordhan took part in the call from the Natal Indian Congress to boycott elections in the 1980's and played a central part in the historical 1980's students boycott at the University of Durban Westville. The success of this boycott according to feedback received from respondents interviewed during this study can be in part attributed to the leadership, guidance and passion of individuals such as Minister Gordhan as well as Yunus Mohamed.

According to Minister Gordhan, this was a learning experience in relation to the hard realities of political idealism. To survive in these hard times required effort, time, and commitment but it also provided opportunities to upcoming leaders to lead when they were required too. The number of students that became involved in community action under the guidance of Minister Gordhan was so vast that the process was termed "Pravin's College of Organisation". The process facilitated exposing students to the art and science of what the struggle required at grassroots level and focused on mobilising the community (ordinary citizens) against the enemy.

Minister Gordhan was detained and incarcerated three times by the apartheid government and spent four years in the underground structures and he became involved in the South African Communist Party (SACP) and the African National

Congress (ANC). Minister Gordhan started his career as a pharmacist at the Durban King Edward VIII hospital from 1974-1981, until he was expelled from the hospital after being detained by the South African Police Force (SAPF) in 1981 for his continued involvement in resistance politics. According to Minister Gordhan this was “just a job, there wasn’t a passion or a calling. It was something to earn money, and provide a cover” (Wits Business School: PG Master Juggler p5). During this period Minister Gordhan was appointed as an executive member of the Natal Indian Congress.

He served as Secretary of Operation Vula, the underground military-political network of the ANC, mainly active in KwaZulu-Natal during the early 1990’s. Throughout the leadership development process Minister Gordhan continuously identified his strengths and used these to make things happen. This included his ability to negotiate with authorities, being persistent and understanding what strategies and tactics were required in specific situations. Minister Gordhan provided inputs as far as generating ideas but also ensured that the end result was achieved. Although the ideas were generated by him, Minister Gordhan noted that a “collective processes” involving others was responsible for the successful execution thereof.

He participated in the multi-party talks at the Convention for a Democratic South Africa (CODESA) in 1990 during which his actions were described as that of a “... tough, single-minded, street-wise negotiator with firm ideas about how to get the job done and zero tolerance for anyone who lagged behind” (The Weekender, 18 March 2006). Minister Gordhan acted as the co-chairperson of the Transitional Executive Council responsible for the preparation of South Africa for the 1994 election (1991-1994) and played a pivotal role within this structure in respect to the drafting of the White Paper on Local Government which formed the foundation for the development of local government authorities in South Africa.

Minister Gordhan acted as the Chairperson of the Constitutional Committee in Parliament, which structure was responsible for the oversight over the implementation of the Constitution of South Africa (1996). He joined SARS in 1998 as Deputy Commissioner and was appointed as the Commissioner for SARS in November 1999. Minister Gordhan was given the important task to transform South Africa’s Revenue and Customs administration and had to invest in building the trust levels between SARS and the private sector. In his view the “key to improving the level of tax compliance – which was only at the 50% mark – was to enhance mutual trust”.

The organization’s consistent ability to exceed its revenue targets since 1999 during which period Minister Gordhan became the Commissioner are attributed to the

transformation efforts led by Minister Gordhan. SARS's ability to collect tax has been described as "an exceptional example of effective government" when compared to world-wide trends and the enhancement of mutual trust between SARS and the private sector has been identified as an important factor in this regard. Minister Gordhan was elected as the Chairperson of the World Customs Organisation (WCO) which represents a forum of 169 member states for an unprecedented five terms until 2006. He was also elected as the Chairperson of the Forum on Tax Administration (FTA) with the Organisation for Economic Cooperation and Development (OECD) from 2008. Minister Gordhan was presented with the award as Finance Minister of the Year (2013), Sub-Sahara Africa by the influential website, Emerging Markets on 12 October 2013 (Business Day, 14 October 2013).

5.3 Research Questions Results

Research Questions 1:

5.3.1 What are the characteristics of ethical leadership?

The findings obtained in relation to the characteristics of ethical leadership and aimed at providing an understanding towards the ethical leadership phenomenon, including aspects pertaining to the manner in which ethical leaders utilise communication and reward systems to influence ethical behaviour; and more specifically how Minister Gordhan applies this in influencing the culture of organisations and enforces ethical behaviour.

A view is expressed pertaining to whether Minister Gordhan is an ethical leader, and how the characteristics of ethical leadership apply to him. The findings also provide insight into the consistency with which Minister Gordhan acts in an ethical manner as well as the basis of his decision-making process when he is faced with ethical dilemmas. The findings also reflect a view in relation to the application of aspects pertaining to the Four Umpire Model in understanding the Ministers' perspective on taking decisions in relation to ethical dilemmas.

- *What are the five most important characteristics of ethical leadership?*

All the respondents highlighted the ability to "walk-the-talk", leading by example, "practicing what you preach" and being consistent in your behaviour as a leader as the most important critical aspect in relation to ethical leadership. The importance of a consistent alignment between what leaders claim to be their values compared to their

actual actions are required for leaders to have moral legitimacy. Furthermore, the respondents identified the following key characteristics of ethical leadership: authenticity; integrity; honesty; impartiality; humbleness; courageousness; accountability; building trust; credibility; and respect. These characteristics are not prioritised or ranked or exclusive and rather compliment one-another. The respondents identified aspects pertaining to the higher purpose, the need to have a common purpose, acting from duty and communicating a clear vision as important characteristics of ethical leadership. Respondents stressed the importance of selflessness and “doing something because it is simply the right thing to do” and having values that “are based on substantive fairness to others putting yourself in the service of others instead of your own ends”.

- *What is the basis/foundation of ethical leadership?*

The need for ethical leaders to have a strong moral compass that guides them through difficult conditions without formal networks or support as well as having a principled stance towards core issues was identified as the core foundation of ethical leadership. Respondents emphasised that ethical leaders have “a very strong conviction and desire to do the right thing”. The majority of respondents indicated that ethical leadership is founded on the values and principles that you are exposed to from a very young age.

What is the basis of Minister Gordhan’s ethical foundation?

- *Would you describe Minister Gordhan as an ethical leader and why?*

All the respondents stated that they viewed Minister Gordhan as an ethical leader. According to them Minister Gordhan consistently displayed the characteristics mentioned in question 5.3.1.1 and was able to translate these characteristics into consistent behaviour which included a consistency in the decisions he made in the various roles he has served in and his ability not to become involved in any controversies. Minister Gordhan is able to influence the culture of the organisations within which he operates through his consistent ethical behaviour, and instils an ethical culture within these organisations.

The respondents indicated that Minister Gordhan through his actions focuses on achieving the higher purpose and acted with integrity. They also stated that he is a humble, self-less person that values the opinion of others, takes accountability for his actions and that never abuses his power. According to the respondents Minister

Gordhan is impartial in his decision-making process, courageous when faced with ethical or moral dilemmas and able to inspire his employees and followers.

- *Do you know what the stance was pertaining to ethics/ethical behaviour within Minister Gordhan's home and during his childhood?*

Information provided indicate that the Minister was exposed to an Orthodox Indian upbringing in which he was taught the principles of "Indian Ethos" which include:

- Man is permitted to enjoy both internal as well as external quality of life;
- All human beings and nature are interconnected and interdependent;
- Co-operation, mutual trust, respect and team efforts can lead to all round prosperity and success for everyone;
- Every man must manage himself before controlling others. He must recognize his own strengths, weakness and identify his dreams, goals and ambitions;
- Mediation results in a calm mind which provides clarity of mind when dealing with problems;
- Duty which includes all the ideals, philosophies, purposes, influences, teachings and experiences that shapes a man's character;
- The spirit of sacrifice: renunciation results in mental peace and inner growth which results in a higher level of consciousness.

Minister Gordhan is an extremely private individual and information provided pertaining to his upbringing and the stance towards ethical behaviour within his home and early childhood was limited. However, the influence of the struggle period, specifically the period during which Minister Gordhan operated within the structures of the UDF as an activist and the requirements "to always take the moral high ground" whilst fighting the system and the manner in which specific principles were ingrained in all members were underlined as an important part of his development. Respondents commented on the humble upbringing of Minister Gordhan in down-town Durban and expressed a view that the focus was not on obtaining material things but to rather achieve success through hard work and commitment towards a cause that would benefit others.

- *What do you think is the bases of Minister Gordhan's ethical behaviour and how was this developed?*

The basis of Minister Gordhan's ethical behaviour relates to his willingness to display moral courage in challenging situations. His moral courage is driven by a need to fight against injustices and to always put others first. Respondents expressed a view pertaining to the effect that the hard times that he endured (crucibles) during the

struggle period had on his leadership qualities and that these crucibles played a tremendous part in the formation of leadership qualities. The type of leadership was a result of and resorted within the will of the people and any signs of arrogance would not be tolerated and would lead to a loss in your role as a leader in the community. This leadership style was defined as one that is not found within MBA literature or leadership schools, "it is passed on by your seniors to you".

Aspects pertaining to the respect that Minister Gordhan has for all individuals from all levels as well as the self-respect he has for himself were also highlighted as basis for the ethical behaviour of Minister Gordhan. The Minister's ability to mobilise individuals to the extent that they were willing to put their lives in danger to achieve the cause set out speaks to their undoubted belief in his integrity and motives and authenticity as a leader that he achieved through having a moral content and conviction. One of the responses received stated "And if people see you acting out of the right motives and displaying the right motives they will identify".

- *What are the core beliefs that are non-negotiable to Minister Gordhan?*

Most of the respondents referred to the importance of the higher purpose principle as the main driver behind the decisions made by Minister Gordhan. Strong comments were made pertaining to their belief that Minister Gordhan "would not do anything for any other reason than the belief that it would serve the country, and a constant belief that we can make people's lives better". His actions are aimed at creating an environment for people to excel in without losing their individuality.

The respondents indicated that Minister Gordhan do not tolerate dis-honesty and lies but provides a space within which individuals are allowed to make mistakes and learn from them as long as they take accountability for their actions and responsibly execute their duties. Respondents also stated that Minister Gordhan does not tolerate arrogance in any shape or form. The respondents stated that integrity is non-negotiable to Minister Gordhan as well as being accountable for your actions and taking responsibility for the consequences of your actions. The empowerment of people and treating individuals with dignity are also features that are non-negotiable for the Minister.

- *Would you describe Minister Gordhan as a humble person and why?*

All the respondents except for one indicated that they viewed Minister Gordhan as a humble individual. According to the feedback the respondents described Minister Gordhan's style as "inspiring followership through a need to demonstrate not

to simply accomplish goals”. Minister Gordhan utilises his leadership for something other than self-aggrandizement and his decisions are never driven by his ego. Respondents reflected on the willingness of Minister Gordhan as a humble leader to take risks on others, entrusting them with his vision. The Minister insists on feedback and does not shy-away from admitting when he made a mistake or acknowledge that the once appropriately made decision has become irrelevant.

The responses received also emphasised a view held by all the respondents in as far as Minister Gordhan living a simple life, low-key life with little regard to anything “bling”. One of the responses related to the viewpoint held in relation to the Minister’s humility as a leader and states that “truly effective leaders listen deeply, look for shared goals, work towards a mission that is bigger than them, and have deep integrity in their work”.

One respondent out of the total number of respondents replied that he did not view Minister Gordhan as a humble person due to his personal experience and observation of the Minister. His views are based on his personal perspective which relates to the fact that according to him, the Minister likes to have power and “wield it”. He furthermore stated that although the Minister always insisted that those around him should be humble, in the view of this respondent although the Minister himself believes that he is a humble person, he is not. However, this respondent included in his response that “strange enough though he is one of the best listeners that I have ever seen”.

- *Would you describe Minister Gordhan as a self-less individual that acts in ways that are other-enhancing rather than self-enhancing?*

Respondents stated that Minister Gordhan in general, but specifically during his tenure as Commissioner for SARS was self-less, hardworking, honest, able to time the appropriateness of his actions, fair in the way in which he handles conflict and able to empower others. The respondents also commented on the choices made by Minister Gordhan in serving in Government compared to earning a larger salary within the private sector and choosing to serve and utilise the power that came with the position “for the greater good”, and to achieve the higher purpose and not to improve his own position. Minister Gordhan is described as a true servant to his people rather than a boss that acquires support and commitment through the authenticity of his message and actions. However, the true test of his selflessness was during the struggle period during which he continued to support the cause even after being incarcerated and tortured and acted ethically in the leadership role that he fulfilled

during this period. He was willing to sacrifice his life for the benefit of many without expecting any compensation in return.

- *Would you describe Minister Gordhan as an individual that displays consistent honourable behaviour? Why do you say this?*

All the respondents agreed that Minister Gordhan displays consistent honourable behaviour and indicated that in their view he displayed moral courage in the manner that he addresses difficult issues on a consistent basis. They furthermore commented on Minister Gordhan's authenticity and honesty in the manner in which he communicates on matters. Feedback provided states that the behaviour displayed by Minister Gordhan has not changed "since early ages" in as far as his commitment towards doing the right thing. Minister Gordhan has always had a consistent vision that he communicates throughout the organisation or structure that he serves in and insists on feedback in order to ensure clarity throughout the various levels of the entity.

- *Would you describe Minister Gordhan as a person with integrity? Why do you say this?*

All the respondents agreed that Minister Gordhan is a person with integrity and noted the impeccable handling of the inquiry into the behaviour of former SARS Commissioner Oupa Magashula as one of the examples to support their views. They furthermore agreed that Minister Gordhan consistently acts in a specific manner because it is morally the right thing to do in light of the values and principles that forms the foundation of his actions.

Responses state that even though Minister Gordhan's integrity has been tested over the years he overcame the challenges by being transparent and consistent in his responses. Respondents state that Minister Gordhan has never displayed signs of being a "bully" or abusing his power simply to prove a point. This allowed him to gain legitimacy as well as earn him the reputation of being a no-nonsense straight shooter.

Minister Gordhan does not get into compromising positions as a result of his integrity being second nature to him and being the default position from which he makes decisions in addressing ethical dilemmas. Furthermore respondents reflected on the transparent and consistent process that Minister Gordhan utilised in addressing ethical dilemmas such as the allegations received against Mr Magashula which ensures that the individual is treated with the utmost of dignity, not humiliated in any way and the process focuses on the issue that needs to be addressed never on the individual. Respondents also commented on the manner in which Minister Gordhan applies a

specific process when dealing with ethical dilemmas which process is focused on establishing the facts of the issue at hand and not to enforce an outcome that Minister Gordhan envisages.

- *In your view, has Minister Gordhan consistently and throughout the period during which you have known him displayed a respect for the values of others, including individuals and organisations through his actions?*

The respondents all agreed that Minister Gordhan has a huge appreciation and respect for the values of others, including that of individuals and organisations with views that are different from his own. The style in which he facilitated the process as chairperson of CODESA and the manner in which he could achieve sufficient consensus between the various parties on critical issues was provided as an example towards substantiating their views. The respondents indicated that Minister Gordhan would not try to persuade any person to change their views but would through his consistent action and the manner in which he “just lived what he believed in and if you in the core of your heart believe in the same thing you will follow it” express their appreciation for the manner in which Minister Gordhan respects the values of others.

Feedback received indicates that Minister Gordhan, as a non-believer, shows respect towards other people’s religious beliefs as long as this does not impede on the rights of others. According to the respondents Minister Gordhan prefers it that everybody does not agree with his views and he values the opinion of others and wants that opinion to be heard. Responses also emphasised that the Minister is known for creating diversity and cultural forums in order to understand and accommodate such values and cultures and embrace diversity.

- *Would you describe Minister Gordhan as a person that instils a positive atmosphere of consistent ethical behaviour opposed to placing unwanted constraints through laws or societal norms?*

The respondents were all in agreement in acknowledging that Minister Gordhan brings about ethical behaviour through his actions which include constant communication and “appealing to the better side of people”. Respondent number one quoted Edward Kennedy “to appeal to the better angels of our nature” in explanation to his response on the question. The respondents were also all in agreement in as far as holding a view that Minister Gordhan does not bring about ethical behaviour by enforcing law or procedures but creates it through his actions, to the benefit of South Africa, with an ethical compass and having in mind the higher purpose and never forgetting who we

serve. According to the respondents Minister Gordhan leads through example and entrenches the principles of higher purpose to ensure that the message of ethical behaviour becomes second nature amongst employees or followers, and they understand why they are required to act in a specific manner.

Respondents also stated that Minister Gordhan acts similarly to other highly moral leaders who created their own personal identity and brands which relate to their willingness to always stand up for the right thing. These moral leaders are called “ethical mavericks” and respondents characterise them as “moral absolutists”. Respondents continue to explain that “to them, wrong is not defined by context, bribery not by the amount of money involved, and corruption not by how seemingly innocuous an act may be”.

- *In your view, would Minister Gordhan be able to work within an organisation or structure with different values from his own?*

All the respondents replied in a similar manner indicating that Minister Gordhan would follow a holistic forward-thinking decision-making process in which he would encourage individuals to be mindful of their actions and the consequences and impact of their actions and to take responsibility for their actions. This process allows individuals to become part of the change process required in organisations and allows for a long-term sustainable competitive advantage to be built. This holistic approach allows managers to understand the socially complex issues that are affected by their decisions and to have a comprehensive planning and management process that will assist people in improving their quality of life while at the same time ensuring sustainability to the environment in which they need to operate in. The purpose of this would be to as far as possible influence the values of the organisation to become aligned to that of Minister Gordhan’s values and principles.

- *How does Minister Gordhan influence the ethical behaviour of individuals and organisations?*

Respondents stated that Minister Gordhan establishes explicit ethical goals with clear criteria and demonstrates his commitment to these goals through his own actions to the lower levels. Minister Gordhan is clear in his communications on the expectations that he has in relation to the ethical goals that have been established and he ensures that sufficient training is provided to all the employees that are affected. He implements a system that can assess and monitor employee behaviour and provides for a performance management system that rewards ethical conduct. This is part of the

successful transformation process of SARS and comments made included that “SARS was formed in his image” and that the organisations’ performance is testimony to his ability to change behaviour and facilitate performance.

The respondents remarked on the reputation of SARS being above reproach and the organisation maintaining a high level of confidence with the public as a result of the ethical behaviour of Minister Gordhan even in light of the recent developments with the former Commissioner of SARS, Mr Oupa Magashula. Minister Gordhan does not get into compromising positions and ensures through his authenticity and consistent behaviour that he forces an ethical type of behaviour in the organisations he serves in. In their view, Minister Gordhan influences those around him by leading through example to espouse to his way of working and creates a climate in which people want to performance and not let him down. Minister Gordhan displays contextual intelligence and creates transparency in organisations by including as many individuals as possible in deliberations of issues. This is explained as Minister Gordhan’s attempt to create “an organisation in his mind in which there were no shadows” and to furthermore ensure that all the individuals in the organisation feel part of the same project and focuses on the same outcomes of that project.

Research Question 2:

5.3.2 What are the characteristics of effective leadership?

The findings provide insight into the importance of an ethical dimension in leadership as part of being an effective leader. The findings furthermore reflect on the importance of the process leaders apply in dealing with ethical dilemmas and their ability to treat these ethical challenges as part of business as usual. The findings reflect on Minister Gordhan’s ability to infuse his normal managerial responsibilities with his principles and values, and how this affects his effectiveness.

- *What is effective leadership / what makes a good leader?*

All the respondents commented on the importance of leaders having clear goals and being able to achieve those goals in spite of extreme challenges. The example of Minister Gordhan being able to transform a corrupt and dysfunctional organisation into an effective and efficient machine and changing the behaviour of a non-compliant society with low tax morality into a more compliant environment was provided to support the view held in relation to his effectiveness as a leader. Good leaders rely on facts in their decision-making processes and support and promote innovation and

continuous improvement through team work. The characteristics that Minister Gordhan displays in as far as his honesty, his self-awareness, the self-direction and focus that he has in achieving goals and the ability that he has to motivate and delegate as well as a solid emotional intelligence that is displayed in the manner in which he can control his emotions in difficult and challenging situations are also aspects of effective leadership. Minister Gordhan is able to “walk-the-talk” and lead by example but he is flexible enough to adapt in those situations that require it, while still adhering to his principles.

- *What are the five most important attributes that constitute effective leadership?*

The respondents indicated that an ability to communicate and set goals in such a way that they are clearly and easily understood is one of the most important aspects pertaining to effective leadership. The ability to plan well is also a necessity which does not merely imply the ability to draw-up a plan but includes the ability to clearly understand the issues and problems at hand and try to find solutions to those “in its fullest dimensions” and then to make a decision on the way forward and how these issues will be dealt with, in other words to strategize. According to the respondents it requires the ability to admit to making mistakes, learning from those mistakes be resilient and to persevere in difficult circumstances. Similarly respondents indicated that leading by example and “walking-the-talk”, being a role model, being visionary, showing care and concern to your employees and putting their needs first, having a sense of humour and showing self-control and having high emotional intelligence are important characteristics of effective leadership.

Explain aspects pertaining to Minister Gordhan’s leadership style and effectiveness?

- *What makes the Minister “PG”?*

The term “PG” is used during discussions in reference to the manner in which Minister Gordhan operates and relates to his effectiveness. This was supported during the interview with Respondent number one when the question “What makes PG, “PG”?” was posed to him. The respondent immediately asked whether this question related to the Minister being an effective leader. Comments received from the respondents include Minister Gordhan’s ability to focus on the goals he sets out to achieve and his ability to communicate these very well. According to the respondents Minister Gordhan “puts an enormous amount of energy in realising it, by setting the course, adjusting the speed when necessary and adjusting the direction where required, but he would never entirely change the destination based on the available

information”. Minister Gordhan’s willingness to trust and provide opportunities for development was identified as critical parts of his character. Minister Gordhan has the ability to stay true and honest to who he is at all times and he has invented the following three concepts that drive his vision:

- The higher purpose;
- Sufficient consensus
- Multilateralism

Minister Gordhan is described as “life’s administrator” and focuses on commanding his views on the world around him with structure, schedule and order. This allows him to understand the reality he needs to address and to systematically develop procedures, rituals or regulations that will provide a framework for the situation.

- *How would you describe Minister Gordhan’s leadership style?*

The responses received indicated that Minister Gordhan does not have one style that he applies in all situations. It became clear throughout the interviews that Minister Gordhan has the ability to adapt and he is flexible in utilising various leadership styles as different circumstances require it. He is described as a transformational leader and sets the vision required to provide direction and obtain buy-in, but it was categorically stated that throughout this he never compromises on the beliefs and values that he ascribes to and he has the moral courage to stick to this.

It is stated that his transformational leadership style is the most dominant style he utilises. Respondents indicated that the leadership style of Minister Gordhan can be coercive in cases of emergency in which there is not time to debate or argue and decisions need to be made on an urgent basis and he can be described as being dominant in extreme circumstances. Similarly Minister Gordhan can also display affiliate leadership characteristics during periods in which organisations he serves in are going through stressful period and employees need care and concern to provide them with a solid basis to operate from. Minister Gordhan is also able to apply democratic leadership in instances where the opinion and buy-in from the employees or the public is required to ensure a successful execution of a specific strategy.

Furthermore Minister Gordhan is able to apply a command style in those situations which require him to take the lead and demand specific performance from individuals within a specific time period. The example was provided of SARS meeting its yearly target for the entire period that Minister Gordhan was appointed as its Commissioner and the manner in which he would motivate staff during filing season to perform at

extraordinary levels and produce exceptional performance. Respondents also describe Minister Gordhan as a charismatic leader that “gets things done and he changes the world”.

- *Would you describe Minister Gordhan as an effective leader? Why, what makes the Minister effective?*

Examples provided of Minister Gordhan’s performance track record include the involvement and contribution that Minister Gordhan made to re-building the UDF in the 1980’s and his involvement in “one of the most effective underground structures within the movement”, in relation to the first draft of the Constitution of South Africa and the manner in which he re-built SARS into the organisation it is today. More than one respondent commented on the fact that “there is a record to show” that Minister Gordhan is effective in everything he does. Respondents commented on Minister Gordhan’s ability to re-invent himself during challenges and his dedication towards details no matter how small they may have been perceived to have been was inspiring to the team and provided a role model to them which they could aspire. His achievements in respect of his involvement in the Local Government White Paper were described as “he did phenomenal things for the local government, he was the chairperson and he really drove the system and I think people have forgotten about his contribution to local government”.

Minister Gordhan’s is described as having contextual intelligence and being able to read situations and be flexible in adapting his approach within his moral framework and value system were highlighted as important contributors towards the perception of the respondents of his effectiveness as a leader. Minister Gordhan insists on feedback to be able to identify areas of development and concern that need to be addressed and he does not see these as failures, he is realistic in his outlook and wants to use the feedback to enforce continuous improvement. All the respondents noted that all of the actions of Minister Gordhan were done in a consistent manner that provided him with moral legitimacy and caused him to be regarded as an authentic honest leader which made employees trust him and support him in his goals and objectives and ensured performance within the organisation.

Minister Gordhan is described as being “an awesome communicator” and having the ability to sell his product to his target market. He communicates a clear vision which is aligned to his values which is always aimed at achieving more for the greater good of others and once these goals are set Minister Gordhan would stop at nothing to achieve them. Minister Gordhan is also sufficiently skilled and knowledgeable towards the

specific requirements for decisions to be made within the various roles that he is responsible for but he always aligns this to his values and principles. Minister Gordhan is also a great manager of risk and he ensures that he obtains sufficient information on issues before taking a decision.

- *How did he become effective?*

According to the responses received Minister Gordhan base his actions on “doing the right thing, and when you do the right thing you can never be wrong” which is formed through the early learning that he was expose too as well as the influence within his live. The respondents indicate that Minister Gordhan constantly re-invents himself and uses his value system and his willingness to learn and open himself up to new experiences to be as effective as he possible can be in the position that he holds. Responses received also indicate that Minister Gordhan applies his value system as the basis and reasoning behind his actions in as far as wanting to achieve an improvement on the state of affairs of the collective and not of a specific segment and then adds the required academic knowledge to achieve success. Responses furthermore indicate that Minister Gordhan developed an ability to focus the area of disagreement individuals may have with him towards an understanding of “How do we get there”? This steered the discussion towards reaching sufficient consensus which lead to obtaining buy-in from different stakeholders and in the end provided an opportunity for decisions to be made.

Some of the responses held the view that leaders are not born but are moulded through the crucibles of life, the trial and error that individuals experience and that Minister Gordhan is extremely resilient in the way that he addresses challenging situations. According to the responses Minister Gordhan would attempt to address a situation from various perspectives and would not give up on the matter until he succeeded no matter how many times he would need to try. It was also mentioned that Minister Gordhan accepts accountability for his actions and does not blame other if success is not achieved. Respondents state that Minister Gordhan was always a “driver” and provided examples from 1987 in how he was able to mobilise people in the townships towards achieving successes in the cause against the Apartheid-system.

- *Would you describe Minister Gordhan as a person that listens to others and puts value in the opinion of the team – does he display a willingness to include others in his decision-making processes and therefore not have a need to appear to be the smartest person in the room?*

All the respondents commented strongly on the manner in which Minister Gordhan creates an environment in which the opinion of each individual is given the opportunity to be heard and considered. Minister Gordhan places value on the from all individuals at all levels and an example was provided in relation to input that he requested from one of the Cleaners at SARS Head Office in relation to the type of art procured and presented in the office. According to the responses Minister Gordhan never treated secretaries or other junior staff as his subordinates but always treated them with the utmost of dignity and truly valued their input and deliberately requested their input on issues. Minister Gordhan would facilitate a process in which he would include individuals from all levels of the organisation in identifying a name for a new project such as in the case of the so-called “Siyaka” and “Remogo” programmes. Minister Gordhan called in as many individuals from different levels in the organisation and required them to identify an appropriate name for the programme which focused on bringing the individuals within SARS closer together. The name “Remogo” which translates into “we are one” was suggested by one of the cleaners in SARS and was adopted as the official name of the project.

Minister Gordhan utilised these opportunities to energise the employees and although some experienced these sessions as exhaustive and draining the sessions also guaranteed those involved in them “to come out a richer person on the other end of the process”. Respondents also remarked on the practice that was introduced in SARS in as far as regular Management Forums that were held during which the vision, goals and objectives were clarified and the ideas and inputs from employees from different levels of the organisation was obtained. Minister Gordhan regularly visited the regional offices, even the most outlying border posts in an attempt to clarify the vision and to obtain buy-in and commitment from all the employees at SARS.

- *Does Minister Gordhan consider the view of others and is he prepared to offer praise and support to others who contribute to organisational success?*

Feedback received included views that working for Minister Gordhan was never a “job that you have to go to, it was more...the Minister instils a deep, deep loyalty in people that goes beyond what you can explain”. The respondents identified Minister Gordhan’s ability to recognize and develop the potential of individuals first

hand in as far as “the Minister just saw potential in people beyond whatever potential you would see in yourself and if you go with him then you actually really get to know yourself better you get to reach your potential, I mean I did things with Minister that I could never imagine I would have ever done in my life, he stretches your boundaries for you and sometimes it overwhelms you because he believes in you so fully...”.

Minister Gordhan exhibited unwavering trust in and support to his people caused them to rise to the occasion and to stretch far above their own expectations. Minister Gordhan also used other platforms to express his appreciation for the performance of employees which include thanking the staff of SARS during his Budget Speech for the contribution in ensuring that the target is met and for the hard work and dedication that they show. These messages are seen to be authentic and sincere and his pride towards the achievements of the employees of SARS is evident from his input.

Research Question 3:

5.3.3 What are the key factors that influence the relationship between effective leadership and ethical leaders – how does ethical leadership affect effective leadership?

The influence of ethics on effectiveness is reported on within a framework that provides insight into the manner in which a lack of ethical leadership influences the performance of individuals and organisations as well as providing insight into the consistency with which Minister Gordhan applies his ethical values and principles. His ability to gain the respect of others and their buy-in through his ethical behaviour is furthermore reported on. Minister Gordhan’s self-awareness, his awareness and sensitivity towards the values of others, his contextual intelligence and resilience are highlighted in the findings below. His ability to create a sense of loyalty and commitment within the organisation and the respect he displays towards the inputs of others are reflected in the below findings in relation to the association between ethical leaders and their effectiveness.

What is the influence of ethics on effectiveness?

- *Do you think that you can be an effective leader without having ethical values – can an effective leader behave unethically? Why do you say this?*

Most respondents indicated that although it is possible for leaders to behave unethically and achieve success, this would not be sustainable in the long-term. According to the responses this would only be possible to sustain through fear which would not be easily done as in the example of Stalin in Russia. However, it was stated that it would be possible to be ethical and not effective and also to be very effective but not act ethically. The point was made that these two concepts should not be conflated and neither of them causes the other one to exist, but there should be an overlap between the two concepts which will result in sustainable performance.

The respondents indicated that ethical behaviour is not an inherent necessity or value for effective leaders, but they cannot be separated as this would not be sustainable. The feedback also emphasised that their personal or private life of leaders cannot be separated from the professional role and responsibilities of leaders and these two should be aligned.

- *Have you experienced any incidents during which the Minister held any of his subordinates accountable for a set of criteria and standards while holding himself to another?*

All the responses received indicated that none of the respondents have ever experienced any incidents during which Minister Gordhan held others accountable to a different set of criteria from those that he himself holds. However, some of the respondents indicated that Minister Gordhan would actually hold himself to a higher standard than those around him and that they have witnessed him being over-critical of his own behaviour and actions. It was stated that he would never expect anything from anybody else that he does not also expect from himself and he makes it clear that the things that he requires others to do are required for the purpose of achieving the best result for the largest amount of people.

- *Has the Minister ever displayed any different behaviour from the values and high standards that he expects from others?*

All the respondents indicated that Minister Gordhan has never lapsed in his behaviour in relation to the standards and values that he regularly and publicly communicates and that he utilises as the basis for his actions and in his decision-making processes.

How does Minister Gordhan's ethical platform influence his effectiveness as a leader?

- *Do you think the Minister's ethical platform plays a part in his effectiveness as a leader? Why do you say this?*

The respondents indicated that it is their view that Minister Gordhan's ethical platform does indeed play a part in his effectiveness as a leader and that although he can be described as a "messy" manager, he convinced those around him to follow him through his authenticity and his consistent ethical behaviour and he caused his followers and employees to believe in his cause and to pursue it with him. Respondent one commented that "he was worthy to pursue" and that the fact that even though Minister Gordhan is known for being a somewhat "difficult" person many people like and support and believe in his abilities. Minister Gordhan's authenticity as a leader and his consistent behaviour provides him with moral legitimacy which causes employees and followers to perform.

- *Is it your view that ethical leaders are more effective leaders? Why do you say this?*

Respondent number one stated that his view was that ethical leaders are not necessarily more effective leaders but he preferred to work with ethical leaders as he prefers to operate within an ethical environment as he sees himself as an ethical person with his own set of values which would be frustrated if exposed to unethical leadership. The other respondents in general agreed that ethical leaders in their view are more effective leaders due to the moral legitimacy that they create which causes their followers to support their causes and to perform. According to the feedback received ethical leaders are able to earn respect and coherent power from those that they lead and this makes it easier to influence their behaviour if you lead by example. Coherent power according to the feedback is not something that can be received through an appointment into a specific position but it has to be earned through the respect of you followers and by being a moral leader. This creates trust with followers and causes them to follow the leader. The message of Minister Gordhan is a consistent honest message which causes followers to want to perform no matter what the requirements are.

- *How does a lack of ethical leadership affect government's ability to deliver on its promise?*

Respondent number one specifically referred to the necessity of SARS maintaining its confidence and reputation with the public in an event to prevent taxpayers from not wanting to pay their taxes. He also stated that the government's in-ability to deliver on its promises will at some stage effect SARS as the public will start to question why they need to pay tax when their money is wasted. He therefore indicated that the current situation could start to affect compliance levels if not improved and used the low-level resistance towards E-tolling as an example of this. He also indicated that in his view corruption had the ability to bring down a country.

Respondent number three provided feedback on the basis of a systemic approach which is required to ensure service delivery. According to Respondent number three effective leaders are required to develop and implement effective systems that will assist individuals in doing the right thing and the system should be developed in such a way that it helps individuals in doing the right thing. He furthermore expresses an opinion that we have enough ethical people but we lack ethical people with a systemic understanding of what is required in building effective institutions.

The respondents furthermore indicated that a lack of ethical leadership affects all institutions, not only within government but also the private sector. Examples pertaining to the Enron and Arthur Anderson debacle were provided to support this opinion and specific mention was made that the cause of ethical leadership in these organisations was the major cause of its collapse. Respondents furthermore stated that a lack of ethical leadership causes leaders not to have the moral authority to demand a specific type of behaviour from subordinates. The inability to lead through example will transcend into non-performance and non-delivery of service by subordinates.

- *How would an increase in ethical leadership improve government's performance?*

Respondent number one commented that the failure in government's performance related to the current administrative systems and their inability to assist individuals in following a clear and effective process. He stated "I think even if somebody is highly ethical he could be compromised just by the administrative system in South Africa". He specifically commented on the procurement system and the lack of clarity in applying requirements of the Public Finance Management Act in relation to "the most efficient

way of doing your job and running your business” within an environment which does not guide decisions required for example on how much to spend when you hire glasses for the Presidency. According to this respondent the current system is failing the young and inexperienced individuals tasked with these types of responsibilities.

Feedback indicated that an increase in ethical leadership would lead to cost saving within the various departments, would ensure an improvement in the living standards of the citizens of South Africa, would ensure a more efficient education and social system and would also lead to a more effective policing and justice system. Most importantly it would lead to a sustainable system. Furthermore leading by example and displaying consistent ethical leadership will transcend to the subordinates and will influence their behaviour and will create a dynamic environment that supports performance and service delivery.

5.4 Conclusion

In conclusion, the following major findings will be critically analysed and discussed in Chapter 6:

- Minister Gordhan’s ethical leadership characteristics that he consistently displays which include honesty, integrity, selflessness, humbleness, his moral courage and being able to “walk-the-talk”;
- His moral courage that forms the basis of the process that he utilises in addressing ethical dilemmas;
- Minister Gordhan’s ability to clarify goals and objectives and to, based on his values system, introduce a systemic process according to which performance is managed;
- Minister Gordhan’s ability to incorporate the ideas of others in his decision-making process in an effort to create trust and respect;
- Ethical leaders are generally more effective as they had moral legitimacy that they earn through their consistent actions.

CHAPTER 6: ANALYSIS OF RESULTS

Minister Gordhan is described as being the only one in government that ethically addresses allegations of corruption, nepotism and impropriety compared to the normalized manner in which unethical behaviour is regularly ignored or subjected to elaborate and usually ineffective disciplinary processes (Financial Mail 18 July 2013). According to David Lewis (Business Day, 18 July 2013 – *Gordhan sets a standard for all to uphold*), Minister Gordhan has proved that it is possible to “hold those in public office to the highest standard of accountability and protect the integrity of public office”. Feedback received from respondents interviewed indicate that Minister Gordhan is part of a leadership school that “to them, wrong is not defined by context, bribery not by the amount of money involved, and corruption not by how seemingly innocuous an act may be”.

6.1 What are the characteristics of ethical leadership and how does Minister Gordhan display this?

According to the feedback received from the respondents, Minister Gordhan can be described as an individual that consistently focuses on the higher purpose, to improve the lives of others which he creates through efficient communication, providing opportunities for all to input on issues and to regularly emphasise his point of view regarding doing the right thing. This is in line with how Brown, *et al*, (2005) describes what the characteristics of ethical leadership is and it is therefore submitted that Minister Gordhan is indeed an ethical leader as he consistently displays the most significant characteristics of ethical leadership. It should be noted that the consistency with which these characteristics are displayed is the true test of ethical leadership.

Respondents all reflect on Minister Gordhan’s ability to “walk-the-talk”, to lead by example and ability to translate his values into consistent behaviour. The standard set by Minister Gordhan that relates to “unimpeachable ethical conduct” has been established as the appropriate standard to prevent and address corruption and unethical behaviour, and it should be implemented across other sectors of government and business (Business Day, 18 July 2013 – *Gordhan sets standard for all to uphold*). This un-apologetic insistence on holding the moral high-ground is what causes Minister Gordhan to excel as a leader as he is seen as authentic in his actions and behaviours and this causes not only his followers but also those in opposing camps to respect and support him.

The findings furthermore supports that Minister Gordhan's ethical leadership includes aspects of Rok's view (2009, p. 465) in as far as ethical leadership not only including aspects pertaining to integrity, but also transactional aspects such as the manner in which he communicates on ethical issues and the reward system that he implements to support ethical behaviour. The findings indicate that Minister Gordhan through his actions, including the manner in which he consistently communicated his view on ethical aspects and the reward system that he introduced in SARS, influenced the culture of the organisation. Minister Gordhan was able to clarify extremely complex issues and clearly communicate his vision to the employees. He was also able to setting achievable goals that were visible to all. Findings indicate that Minister Gordhan was willing to praise those individuals that attributed to the success of the organisation but was also willing to provide individuals with opportunities to develop. This type of behaviour creates trust between Minister Gordhan and his followers and forces them to act appropriately. This is supported by the research of Kalshoven *et al* (2009) in as far as the importance of the type of behaviour displayed by ethical leaders and the effect that this has on their followers the link to the effectiveness of leaders.

Respondents remarked on the Minister Gordhan's ability to identify potential in employees that would not believe in their own abilities. He would provide a process within which the employees could develop with his support and assistance without feeling overwhelmed. Minister Gordhan is able to obtain the required support and trust from his followers by making his goals and objectives clear, and in providing them with developmental opportunities.

Minister Gordhan is seen as an ethical leader and is characterised as a humble, self-less individual that values the opinion of others, does not abuse his power and takes accountability for his actions. This supports research conducted by Hartog *et al.*, (1999) linking the effectiveness of leader with perceptions that they are honest, act with integrity and are trustworthy. The findings furthermore also support research by Brown *et al.*, (2006) pertaining to the importance of the view that subordinates hold of their leaders in as far as their consistency in being honest, trustworthy, fair principled in decision-making, showing care and concern to others and behaving ethically.

Aspects were raised in relation to Minister Gordhan's ability to mobilise individuals in such a manner that they would be willing to put their lives on the line to follow the cause that he supported during the apartheid era. They did this because of their undoubted belief in his integrity and motives and his authenticity which he earned through his dedication to the struggle and their belief that he "would not do anything for

any other reason than the belief that it would serve the country, and a constant belief that we can make people's lives better". He earned their trust and respect by not giving up on the cause when he was detained three times for his commitment to the struggle against the apartheid system but stayed true to his beliefs and continued to act ethically. It would not have been possible for Minister Gordhan to be as effective as he was in the struggle period if his followers did not trust him or believed in his authenticity as a leader. To be able to convince people in the manner in which you behave towards a specific cause, to be willing to put their lives on the line for somebody requires a special kind of leadership, which Minister Gordhan has been able to consistently display.

His *moral person* is especially visible if one analyses the findings pertaining to those core beliefs that are non-negotiable to him. The beliefs include his focus on the higher purpose and his continued drive towards creating a better environment to more people within the framework of his values which include honesty, integrity and accountability form the platform for his ethical behaviour and decision-making process. The respondents emphasised that Minister Gordhan does not get into compromising positions and influences those around him by creating a climate in which they can perform, based on values and principles. Due to the fact that Minister Gordhan does not get involved in compromising positions, he is seen as a moral person and followers are willing to support him.

In as far as aspect of the Minister's *moral manager* is concerned his ability to influence the ethical behaviour of organisations and individuals as well as the culture of these entities through his communication and consistent moral behaviour was highlighted in the responses received. All the respondents remarked on Minister Gordhan's ability to bring about ethical behaviour through his consistent action including constant communication and "appealing to the better side of people". The findings emphasised that Minister Gordhan does not bring about ethical behaviour through strict controls and legislation, but creates it through his own actions that are always focused on the higher purpose and are based on his values and principles.

However, Minister Gordhan would establish explicit ethical goals with clear criteria and would demonstrate his commitment to these goals to employees through his own actions. In doing this, Minister Gordhan is able to influence the culture of organisation and enforce ethical behaviour at all levels. One of the examples in this regard relates to the manner in which he changed the culture within SARS by leading through example, entrenching the principles of the higher purpose and making sure that the

message pertaining to ethical behaviour and the need to act in a specific manner becomes second nature amongst employees. He clearly communicated his expectations and ensured that training was provided to employees. He also implemented a performance reward system that focused on incentivising correct behaviour and regularly communicated to staff on aspects pertaining to the importance of ethical behaviour.

The transparent and decisive manner in which Minister Gordhan dealt with the allegations against Mr Magashula demonstrates his ability to deal with ethical dilemmas in an efficient manner. Minister Gordhan clearly expressed his stance on how allegations of improper behaviour should be dealt with by government departments and furthermore explicitly stated that the integrity of SARS must never be compromised (Financial Mail 18 July 2013). Compared to Mr Magashula whose actions to resign although praised by some, is not based on moral conviction. Mr Magashula was left with no alternative but to resign as he would have been submitted to a rigorous disciplinary process which could have resulted in much harsher consequences (Business Day 16 July 2013 – *Take a lead out of Gordhan's book*). Mr Magashula's credibility as an authentic ethical leader was therefore severely damaged.

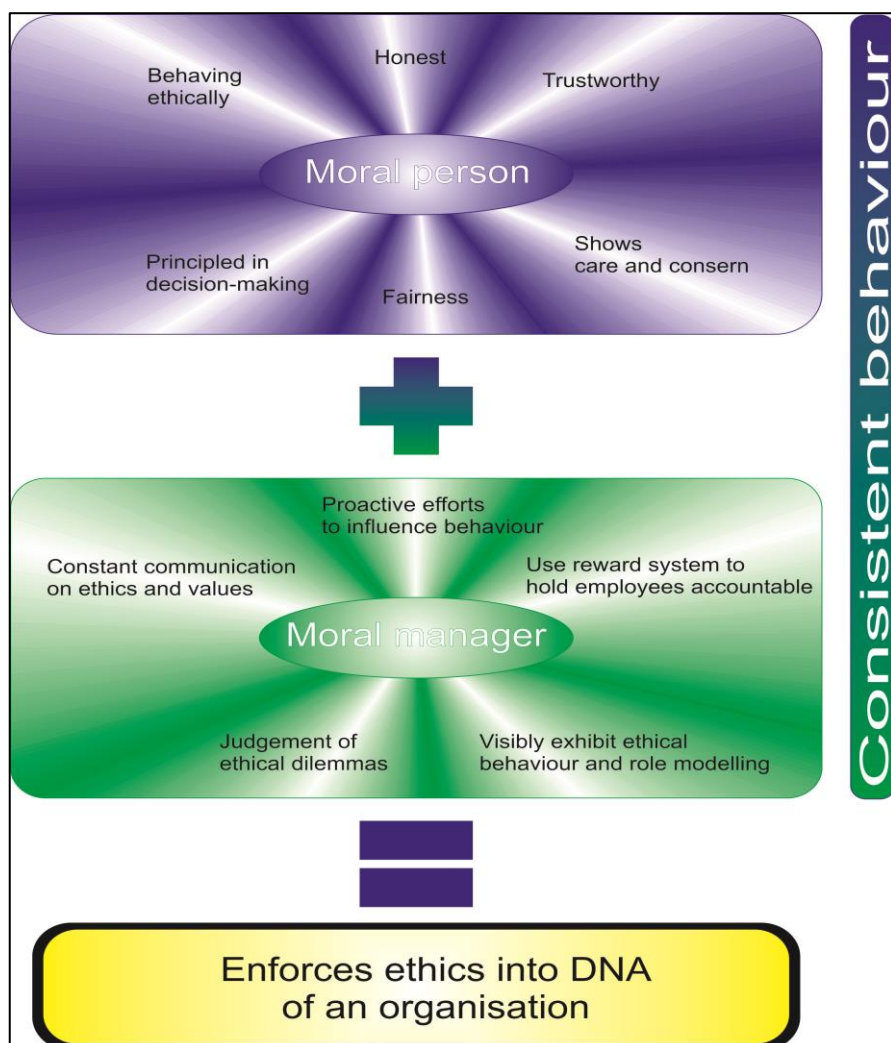
Respondents stated that the Minister Gordhan's ability to change behaviour in SARS was a critical part of the successful transformation process of the organisation and noted that "SARS was formed in his image". They furthermore remarked that the reputation of SARS is still above reproach and the organisation maintains a high level of confidence with the public as a result of the behaviour of Minister Gordhan. Respondents remarked on the sustainability of the culture that was introduced in SARS by Minister Gordhan being tested during the inquiry into unethical behaviour of Mr Magashula and that it has endured. Minister Gordhan managed to create "an organisation in his mind in which there were no shadows". It is testimony to Minister Gordhan's ability to influence the culture of an organisation in the long-term in a sustainable manner that SARS currently still operates within the same framework and values that he introduced.

The importance of the moral person and the moral manager aspects in relation to ethical leadership is furthermore highlighted in as far as leaders' ability to be credible role models. Feedback in relation to the ethical behaviour of Minister Gordhan implies that the behaviour he displays has not changed "since early ages" in as far as his commitment to doing the right thing. The respondents commented that Minister Gordhan is a person with integrity which they support with *inter alia* comparing

the manner in which he addressed the inquiry into the behaviour of Mr Magashula with the manner in which other departments deal with similar or worse allegations such as those levelled at the suspended boss of SAPS Crime Intelligence, General Richard Mdluli. They agreed that Minister Gordhan consistently acts in a specific manner simply because it is the right thing to do in light of the values and principles that form the basis of his actions.

He is described as a true role model that has overcome various serious ethical challenges by being transparent, fair and consistent in his response, which links to research stating that ethical leaders' credibility are mostly dependent on their consistent exhibition of fairness and trustworthiness towards followers (Brown et al 2006, p. 598). Minister Gordhan on a consistent basis displays aspects pertaining to his moral person and moral manager and this provides him with the required framework to enforce ethics within the DNA of an organisation.

Figure 6: Framework of Minister Gordhan's ability to influence ethical behaviour and cultures of organisations



Minister Gordhan’s ability to influence the values and ethics of organisations and individuals allows for a sustainable system to be implemented that forms a framework for individuals to operate in an ethical environment that is a requirement for the complex world that individuals need to operate. This creation of an ethical environment, that is also supported by Pillay (2012, p. 20) suggests that the transformational leadership style that is displayed by Minister Gordhan is the preferred style to use “to facilitate the institutionalization of corporate ethics” (2012, p. 20).

The nature of Minister Gordhan’s ethical leadership is explained as relating to his willingness to display moral courage in challenging situations which is aligned to the view held in May *et al.*, (2003, p. 247-260) , in which it is reported that ethical leaders’ actions are influenced by the moral courage to authentically act regardless of the consequences or other pressures. Thus, their past experiences in dealing with ethical dilemmas and the moral perspective that they develop, as well as their resilience and ability to consistently sustain their authentic moral acts are what provides ethical leaders with authenticity. Respondents expressed their view that the hard times that Minister Gordhan endured during the struggle periods which included being incarcerated and tortured had a profound effect on his leadership qualities and these crucibles played a part in the formation of his leadership qualities.

In an effort to explain the ethical basis that Minister Gordhan follows in making a decision it would seem that Minister Gordhan could be described as an “Umpire Four” as far as applying The Four Umpire Paradigm Mode.

Figure 7: Four Umpire Model: Perception & Reality: Umpire four

		View of Reality	
		Black & White	Grey & Complex
Perception	Black & White	Objective Neutral	Unbiased Realist
	Grey & Complex	Subjective Controller	Fascilitating Idealist

Minister Gordhan’s actions are well intended and always focused on the higher purpose and aimed at creating a better life for the greatest number of people, and his actions are always guided by a set of moral values. These moral values indeed reflect a deep commitment to the welfare of all stakeholders and in the case of Minister Gordhan it was reported that his moral courage is driven by a need to fight against injustices and to always put others first. (Caldwell *et al.*,2002, p. 156).

Respondents commented on Minister Gordhan's willingness to rather serve within the governments' structures compared to earning a larger salary in the private sector and to utilise the power of the position "for the greater good". Minister Gordhan has the ability to adapt to situations and is flexible in applying various leadership styles to situations as they demand it. He displays characteristics of transformational leadership which in the case of the "Umpire Four" provide for the opportunity to find the most appropriate solution for all, in as far as setting the required vision, providing direction and obtaining buy-in without compromising on his beliefs.

Respondents describe Minister Gordhan as having contextual intelligence and being able to read situations and to be flexible in adapting his approach within his moral framework. This supports the view held that Minister Gordhan displays the most characteristics in terms of "Umpire Four" in terms of his ethical decision-making framework. According to the model, this leader has the ability to be flexible, adaptive and he is on a continuous journey of constant learning with the purpose to empower others through care and concern. Respondents stated that treating people with dignity and empowerment of individuals were some of the core beliefs that are non-negotiable to Minister Gordhan. According to feedback received Minister Gordhan truly respects everybody from the cleaner, to the person that serves him to the person in the Presidency. "He would never look at them as merely his secretary, but would treat them with dignity and value their input".

An "Umpire Four" leader has an understanding of the importance of systems and relationships and can connect the past with the future. Minister Gordhan achieves this through facilitating a process in which "sufficient consensus" is achieved. He coined this concept during his term as the chairperson of CODESA during which he had to create a platform that would facilitate discussion between parties with vastly different views that would lead to moving from the past into the future in a sustainable systemic way. The outcome of the discussions at CODESA was the platform for the radical changes within the political context of South Africa.

Minister Gordhan is described as one of the best chairpersons ever and he continued to influence structures in his capacity as the chairperson on the WCO in emphasising the importance of multilateralism between countries. He again applied his concept of sufficient consensus in this structure in order to ensure fairness of the process towards smaller countries. Minister Gordhan's exposure to people from different backgrounds during the early 1980's taught him how to influence and persuade individuals rather than dictate to them in order to obtain their commitment to the cause. The walking-the-

floor concept that he would later apply in SARS is similar to the strategy that the Minister applied during the struggle as an activist in knocking on each door in the community to identify and mobilises potential supporters for the cause.

One respondent related to the manner in which the Minister would fold a piece of paper that contained notes from him, as resulting from his experience to folding sari's as a young boy in his father's sari shop. Minister Gordhan continued to use this folding method in his administrative processes and this has become an identifiable aspect of his style. Similarly, the respondent commented on the Minister's insistence on re-aligning documents within files to ensure that they would be perfect and his neat handwriting and ability to take very precise and detailed notes that included diagrams. This relates to his authenticity and talks to the incidents that influenced his behaviour and outlook on life.

Minister Gordhan is described as having great contextual intelligence which relates to "Umpire Four's" ability "to see the contextual fit of choices and their consequences" and he applies this to his decision-making process with the aim to create an environment for individuals in which they can excel without losing their individuality. Minister Gordhan displays contextual intelligence and creates transparency in organisations by including as many individuals as possible in the deliberation of issues. His logic is not simplistic but complex because he views life as complex. He never looks for the facile easy solution but attempts to apply contextual intelligence to the situation and tries to consider, weigh, discard or retain all available information before acting on it. He does not merely tick a box, he believes when he does something it is done because he wants to make a difference which is the reason why Minister Gordhan puts so much effort into everything he becomes involved in. He subscribes to the following view "Use your power wisely, use it constructively and positively and to make good stuff happen".

"Umpire Four" believes that all individuals have inherent value and are of great importance (Caldwell *et al* 2002, p. 157). Minister Gordhan was willing and committed to a process to achieve a better life for people that could have resulted in him losing his life. During this process he placed the value of freedom to all above his life, his career and his family and endured not only physical torture but also three periods of incarceration. He is described as a true servant to his people who does not expect any compensation in return to his actions.

“Umpire Four’ finds systemic solutions to problems and integrates resources to create a better reality for all (Caldwell *et al* 2002, p. 157). Minister Gordhan has the ability to deflect attention away from disagreement and focus on creating an understanding of “How do we get there”. This leads to obtaining buy-in from different stakeholders and provide for decisions to be made based on sufficient consensus being reached. Minister Gordhan values the input from all individuals and considers these opinions in his decision-making processes, and ensures that all individuals in the organisation feel part of the same project and are able to focus on the same outcomes. He supports a strategy in which employees need to do “more with less” and utilise resources to the best of their abilities.

During the transformation process within SARS Minister Gordhan guaranteed that no employee would lose his or her job and that efforts would be made to find the most appropriate role for each individual. Minister Gordhan is described as a “driver” and was able to mobilise individuals from 1987 against the apartheid system. This was done in a systematic manner, walking from door-to-door, getting to know the individuals and how they could contribute to the process. He followed a similar process during the transformation of SARS during which he “walked-the-floor” and obtained feedback on the issues that faced the organisation. These were dealt with in a systematic, transparent manner and he included as many people as possible in this process.

All of the respondents agreed that Minister Gordhan is an ethical leader. “Umpire Four”, according to Caldwell *et al*, (2002, p. 159) is described as having the most characteristics “of an empowering and ethical leader”. It is furthermore stated that this leader is committed to the welfare of others and looks after the best interest of the organisation. The feedback confirms that Minister Gordhan through his actions focuses on achieving the higher purpose and acted with integrity. His leadership is described as “inspiring followership through a need to demonstrate not simply accomplishing a goal”, and he utilises his leadership not for self-aggrandizement but in the pursuit of a better life for others. A statement made by one of the respondents captures the motive behind Minister Gordhan’s actions and states that “truly effective leaders listen deeply, look for shared goals, work towards a mission that is bigger than them, and have deep integrity in their work”.

According to the model, “Umpire Four” leaders communicate and live authentically through their values and consistently act accordingly (Caldwell *et al.*, 2002, p. 159). This provides them with credibility and establishes trust between leaders and followers. Respondents state that Minister Gordhan is impartial in his decision-making processes,

courageous when faced with ethical or moral dilemmas and able to inspire his employees and followers. All of the respondents agreed that Minister Gordhan displays consistent honourable behaviour as well as moral courage in the manner that he consistently addresses ethical issues. Minister Gordhan, in line with Caldwell *et al.*, (2002, p. 161) can be described as a leader that “is motivated by deep intrinsic values based upon a moral theory that a *prima facie* priority of interest is owed to those who have a stake in the organisation’s success”. He acknowledges those individuals that contribute to the success of the organisation in ways such as implementing a special “Amakwezi Award” system that rewards exceptional performance on the spot, separately from the normal performance management system within SARS and he regularly thank the employees of SARS for their hard work in forums such as the Parliament during his budget speech.

Minister Gordhan sees himself in terms of Schein’s Beliefs Model as “I am one of many participants in the game of life – where all have important needs and roles. I am here to serve and empower” (Caldwell et al 2002, p. 161). Respondents commented on the Minister Gordhan regularly engaging with individuals from all levels within the organisation on important aspects such as a new name for a new project, and even including one of the cleaners to assist in the process. He does this to obtain as many inputs possible, but also ensures that all employees are informed of the goals and objectives and he ensures buy-in from them. Respondents described Minister Gordhan as self-less, hardworking, honest, able to time the appropriateness of his actions, fair in the way in which he handles conflict and able to empower others. He does not believe that any person is more important than the next even considering the positions that people held.

Minister Gordhan supports the idea of investing in the development of others not to his benefit or to obtain something in return from them but to ensure that they have a better life. This relates to the manner in which “Umpire Four” sees others around him in as far as “Each person pursues individual needs as they pursue life’s best for them”. “Umpire Four” looks at the past as complex but necessary to provide insight into our needs, reality is seen as part of the stream of life and the future should focus on growing to benefit all. This forms the platform of Minister Gordhan’s ethical belief-system and the respondents echoed this view.

The core beliefs that we hold about ourself, others, the past, present and the future influences our decisions and provides insight into our ethical framework and behaviours (Schein 1985). Minister Gordhan’s ability to influence the culture and

behaviours within organisations is directly related to his core beliefs and ethical behaviour to such an extent that the organisation starts displaying his values and principles. A question pertaining to whether Minister Gordhan would be able to work within an organisation with values different from his own resulted in all the respondents providing the same feedback in as far as the Minister being able to work within an organisation with different values from that of his own, but he would see this as a challenge to change the values to that of his own in a systemic and sustainable manner.

Minister Gordhan's zero tolerance towards corruption was also emphasised by the respondents and it clear from the feedback that he understands the role of ethical leadership in preventing and addressing corruption. He consistently communicates against corrupt activities and is consistent in his actions against individuals who allegedly are involved in corrupt activities.

Minister Gordhan can be described as an authentic leader in as far as his conduct and behaviour. Feedback received from respondents confirms that he is fair, transparent and considerate towards others no matter what their background or position in life is and he is seen as a role model (Brown et al 2005, p. 119). His unwavering dedication towards defending the integrity of the organisations that he leads in keeping those responsible for their actions that are appointed in positions of authority strengthens the perception held of him as an ethical leader (Business Day 16 July 2013 *Take a leaf out of Gordhan's book*).

Minister Gordhan has developed the required moral capacity to recognize and evaluate ethical dilemmas and apply his experiences in dealing with issues (May et al 2003). He consistently does not become involved in any controversies and he ensures that he abides by a transparent process in dealing with ethical issues. He displays moral courage and consistently acts authentically and ethically and is resilient towards any ethical challenge that he may be faced with regardless of pressures that he may experience due to his decisions. The consistency and authenticity with which leaders deal with ethical dilemmas, are a requirement to build trust with their followers. This trust-relationship could be severely damaged through leaders' inaction against unethical behaviour. Minister Gordhan has been described as a leader that "appreciate the need for public trust", and he earns it through the integrity that he displays and demands from those around him (Business Day, 18 July 2013 –*Gordhan sets a standard for all to uphold*). He is respected by his peers, industry leaders, opposing

party members as well as the public in general because of the ethical character that he consistently displays.

David Lewis (Business Day, 18 July 2013, *Gordhan sets standards for all to uphold*), states that the same standard with which Gordhan dealt with the “Magashula” incident should be applied throughout government in addressing allegations pertaining to corruption and unethical behaviour. Lewis indicates that Minister Gordhan’s actions and standards are so powerful and influential that if applied across departments it would have the ability to re-instil the public’s confidence in the government’s ability to perform and deliver the required services. SARS is known for its high ethical standards, which in part was set by Minister Gordhan during his tenure as the Commissioner. Minister Gordhan protected this ethical culture that he visibly supported in SARS in the manner in which he addressed Mr Magashula’s indiscretions. Minister Gordhan “has firmly established that unimpeachable ethical conduct is the appropriate standard to be applied in high office” (Business Day, 18 July 2013, *Gordhan sets a standard for all to uphold*).

Minister Gordhan is vocal about the practise of unethical behaviour nurtured by a focus on wealth creation. This behaviour according to Schwarts *et al* (2010) has caused a loss in faith and trust in government officials and business executives. He is described as a humble man, with no interest in “bling”. He lives a simple life based on the values and principles that he adheres to. During the Medium Term Budget Policy Statement 2013 on 23 October 2013 Minister Gordhan expresses his view on the need to cut costs and stop waste in his so-called “Boss Man Busts Bling-Bling” speech. He informed Parliament of the intended cutting down on waste and extravagance by members of Parliament in the form of “9 commandments” that he laid down for Ministers. These include *inter alia* the cost limits for official cars to be standardised, limiting overseas delegations in as far as Ministers allowed to only fly Business Class, their assistance to be limited to two, using direct routes, better contract management for consultants delivering services to government, no credit cards, restricting the hiring of vehicles to B Class and implementing guidelines to reduce catering costs. The changes announced by Minister Gordhan during this speech compliment his actions and how he applies himself in his spending behaviour. He is therefore trying to influence current behaviour to mimic his own.

Minister Gordhan has displayed the ability to show strength and determination in the manner in which he deals with ethical dilemmas as well as building a platform to empower others in a dignified manner (Hannah *et al*, 2011, p. 556). He fully

comprehends the influence and power that his position holds and he utilises it to instil an ethical culture and to enforce ethical behaviour by giving the tone from the top and by leading with example and by using consistent communication and rewarding good behaviour (Linda et al, 2003). Minister Gordhan understood that he, as well as SARS could not afford a cover-up or use “kid gloves” in the matter of Mr Magashula as it would have undermined his stance on aspects of corruption and unethical behaviour. According to Ranjeni Munusamy, “It must have pained Gordhan to discharge someone he trusted and worked with closely, and who conducted himself in an exemplary manner up to now”, but he continued to act swiftly and the outcome that was achieved was generally well-received and welcomed (Daily Maverick 15 July 2013).

Minister Gordhan continuously communicates a core message in all the forums he attends pertaining to the higher purpose and how people should become part of it. Imagine calling a penalty shot on yourself in golf, even if nobody else saw the ball move. This is what Bobby Jones, one of the greatest golfers in the world and the creator of the US Masters tournament did in 1925. Jones went on to lose against Willie Macfarlane in a play-off and upon being congratulated on his sportsmanship and honesty Jones stated “You may as well praise a man for not robbing a bank. There is only one way to play this game” (Financial Mail 18 July 2013).

The Financial Mail continues to describe the personal reputation of Minister Gordhan as being similar to that of Jones as far as Minister Gordhan’s response to compliments on the manner in which he dealt with the inquiry held into the behaviour of the Mr Magashula. According to the editorial “Gordhan did everything right”. Gordhan in line with his reputation as a no-nonsense ethical leader, immediately reacted to allegations in the media about Mr Magashula and appointed retired Judge Zak Jacob to lead an inquiry. Mr Magashula resigned from his position after being confronted with the findings of the inquiry which stated that “he had been less than truthful regarding inappropriate contact with a dodgy character”. Minister Gordhan in a transparent manner made publicly known the findings of the inquiry. Compared to the manner in which recent allegations of corruption, financial misconduct and impropriety was handled in relation to the upgrade of the private residence of the State President in Nkandla; allegations of nepotism and financial wrongdoing by the former Minister of Communications, Dina Pule and breaches of the executive code of ethics by Minister Tina Joemat-Petterson it would seem as if Minister Gordhan has managed to display the required courage to act efficiently (Business Day, 18 July 2013, *Gordhan sets a standard for all to uphold*).

The reason for his drastic action related to the importance of the preserving the integrity of SARS as a key pillar in the fiscal order of the country and the fact that the foundations on which the organisation was built rests on the trust and credibility that the citizens have in it. Minister Gordhan states “It is therefore critical that those to whom the stewardship of this vital fiscal institution is entrusted conduct themselves, during and after working hours, in a manner that ensures that they are above question” (media briefing 12 July 2013).

6.2 What are the characteristics of effective leadership and how does Minister Gordhan display this?

Minister Gordhan is described as “a man whose grandfatherly demeanour is in stark contrast to his reputation as a demanding boss and all-round prickly person” in an article published in The Weekender on 18 March 2006. This article reflects on his journey at SARS and for being responsible in turning the organisation into a “mean tax-collecting machine”. One of the central elements of his transformation of the institution relates to his use of techniques he developed while being an activist. The article describes him as still being “an old activist at heart”. His philosophy is described in the following words: “be polite to the taxpayer, be fair to the taxpayer, but do not let the taxpayer think for a minute he can mess with us and get away with it”. This transformation process is described as a period in which he had to change the way in which big business looked at SARS. Minister Gordhan utilised the example of how SARS addressed a huge non-compliance scheme run by role players within the electronics industry to change the perception of big business towards SARS.

According to the article Minister Gordhan called in 60 to 70 CEO’s and chief financial officers from leading retailers in the electronic industry in South Africa into his boardroom at the SARS Head Office in Brooklyn, Pretoria and explained their non-compliance to them in approximately ten minutes. The article states that “there was an absolute dead silence” after his comments. Minister Gordhan expresses a view in this article that his experience at CODESA assisted him in dealing with the situation and he suggested a tea-break after which engagements happened that resulted in court appearances, suspended jail sentences, payments in arrears taxes and fines.

The article continues to state that this changed the landscape for ever and that things in the tax world would never be the same. Minister Gordhan continuous in the article to give credit to, at the time the Minister of Finance, Trevor Manuel and his support towards efforts such as the above-mentioned engagement with big business.

Minister Gordhan indicates that he was given independence and political backing and Manual showed immense faith and confidence in Gordhan's ability to steer the ship.

"He works like a madman" is one of the statements made about Minister Gordhan in the same article in *The Weekender* (18 March 2006). Minister Gordhan expresses a view in this article that he sees himself as an "old-style activist", using the skills he acquired as "an anti-apartheid civic organiser in the 1980's to good use, changing the mind-set of a government department that collects hundreds of billions of rands in tax every year". Minister Gordhan furthermore expresses a view that high standards are non-negotiable and that taxpayers in exchange for handing over their hard earned money have the right to be treated fairly and with respect.

Minister Gordhan understands the importance of feedback and openly admits to making mistakes. He furthermore acknowledges that a once appropriately made decision can become irrelevant. He does not merely focus on achieving the end-result that supports the view that Watt holds in as far as simply achieving the goals and objectives of an organisation is not the only measure of being effective. According to Watt, "An ethical dimension to effective, successful leadership exists" (2011, p. 205) and this is supported with the views held on Minister Gordhan by the respondents in as far as his ability to influence performance by leading by example. Johnson (2005, p. 10) supports this view in claiming that the responsibilities of leaders include addressing the ethical dilemmas and challenges that leaders are exposed to in addition to the "normal" managerial responsibilities. Minister Gordhan is described as an effective leader partly because of the manner in which he addresses ethical dilemmas in a fair, transparent and consistent way.

Minister Gordhan is an effective leader as he is able to apply sound moral judgment in his decision-making processes. He does not move away from his values and has the moral courage to enforce his values in a contextually intelligent way. Kotter (1985, p. 153) supports the importance of leaders having a sound moral judgment and Minister Gordhan utilises a transparent and consistent process in addressing ethical challenges.

The platform for his decision-making process can be described in the following manner:

Figure 8: Minister Gordhan's ethical framework



Minister Gordhan is therefore able to utilise his strongly developed moral compass to consistently act in a specifically appropriate manner (authentic leadership) that forms the basis of his ethical leadership which impacts on his effectiveness as a leader due to the fact that he is trusted and respected and people are willing to support his cause. In the case of allegations against the former Commissioner of SARS, Mr Magashula, Minister Gordhan ensured that the individual was treated with respect, not humiliated in any way and dealt with in a dignified manner and the process focussed on the issues at hand not on the individual.

Minister Gordhan's track record speaks for itself in as far as his achievements as an effective leader and the feedback received from the respondents supports the view that he is able to re-invent himself during challenges and uses his value system and willingness to learn as a platform to open himself up to new experiences and to be as effective as possible. He applies his value system as the basis and reasoning behind his actions and does not treat ethical dilemmas as exceptional incidents.

Minister Gordhan does not tolerate dishonesty and integrity is non-negotiable to him. Leaders need to own the accountability that comes with the position that they hold and take responsibility for the consequences of their actions. He provides an environment within which individuals are allowed to make mistakes and learn from them, but their actions have to be based on solid values and principles. Minister Gordhan ascribes to the view held by Pelletier et al (2009, p. 5) "when leader morality is low, organizational life and leader succession deteriorates". They suggest that a lack of morality at the leadership level opens the organisation up for unethical actions as well as other exploitative situations which does not support positive performance and does not create a conducive environment for its employees to operate within. Minister Gordhan

because of his value system does not become involved in compromising positions and has a default position based on his integrity in dealing with these situations.

Respondents reflected on their understanding of the characteristics of good leaders and emphasised the importance of leaders having clear goals and being able to communicate and achieve their goals. This supports the old view held pertaining to the effectiveness of leaders being measured by the direct impact they had on organizational performance, but feedback suggests that this should not be the only measure of good leadership. Leadership should not only be held accountable for the financial performance of companies, but should be held morally accountable for the actions, in as far as the moral collapse of firms or organisations.

Minister Gordhan was able to transform a corrupt, dysfunctional organisation within the context of low tax morality into a world-class tax authority. He changed the behaviour by leading by example and by influencing the culture and behaviour to such an extent that employees wanted to perform and excel at their roles and taxpayers wanted to comply with legislation. Minister Gordhan is described as a charismatic leader and respondents indicated that he was able to energise those around him through his actions, and made them believe in the higher purpose with the aim to create a better future for all (Avolio, 2010, p. 741). He never hesitated to put his life on the line and was willing to make the ultimate sacrifice in achieving the goals that he set out to do. He relied on facts during his decision-making processes and ensured that he gathered all the available information, including those from opposing views. This provided him with the benefits of knowing before-hand what issues he needed to address and ensured that he was not surprised at any stage by critical issues not being addressed. He supported and promoted innovation and would rather prefer an individual failing than not try at all. It was indicated that he saw the failure not as failing but as a valuable learning experience. Feedback and public opinion voiced in an article by Moonsamy (Daily Maverick 15 July 2013) reflects that SARS is seen as “one of the most efficient government department, where innovation and service excellence triumph”.

Minister Gordhan is a transformational leader and he is seen as a role model by the respondents and others in as far as his commitment to empower others, the higher purpose and in achieving his goals. This relates to the view held by Burns in as far as leaders that had as their goal the upliftment of others but also endeavour to develop the next generation of “exemplary” leaders (Burns, 1978:). Minister Gordhan’s transformational leadership which according to Avolio “was positively related to a broad

range of positive individual and organizational outcomes” caused him to be flexible and agile and able to adapt to the circumstances and lead with the appropriate style (2010, p. 742). Minister Gordhan is described as being a charismatic leader that “gets things done and he changes the world”. His characteristics in as far as his honesty, his self-awareness, the self-direction and focus that he has in achieving goals and the ability that he has to motivate and delegate as well as a solid emotional intelligence that is displayed in the manner in which he can control his emotions in difficult and challenging situations are aspects of his effective leadership.

According to Avolio good leadership requires one to have a clear moral centre, act fairly and make decisions in a transparent and balanced manner and through this to set the “highest ethical standards for business” (2010, p. 744). Minister Gordhan applies specific transparent processes in dealing with ethical dilemmas that is focused on establishing the facts and not to enforce the outcome that he may envisage. He has a strongly developed moral compass that provides a platform the views held about his authenticity as a leader, which forms the root of his ethical leadership. Due to the fact that he has a moral compass it allows him to consistently and with credibility (authenticity) deal with ethical dilemmas. Minister Gordhan is contextually intelligent and able to recognize the level of influence that his position holds the possible impact and power of every ethical situation and the threat to the reputation of the organisation that he leads and he objectively analyse and gather all the available information before considering all available solutions (May et al, p. 247).

Minister Gordhan has confirmed the importance of a well-developed moral compass/judgment and displaying moral courage in driving authentic and consistent ethical behaviour. His leadership power lies in the constant display of moral courage and by abstaining from unethical behaviour. He does not get involved in compromising activities. He applies moral courage in the sense that he applies his values and principles to better the lives of others, in line with the official definition of moral courage which relates to “the ability to use inner principles to do what is good for others, regardless of threat to self, as a matter of practice” (Business Ethics Quarterly, 2011, p. 555).

Minister Gordhan has successfully applied the three elements of integrity; technical competence, ambition and a strong moral compass throughout his career. This is supported through development plans, career paths, opportunities and having an ethical leadership that grow effective leaders (Bennis & Thomas, 2007, p. xiv). Minister Gordhan ensures that he is sufficiently skilled and knowledgeable towards the

specific requirement for the decisions he needs to make in the various roles he fulfilled, but always aligns this to his values and principles. He has the ability to communicate and set goals that are understood, plan well according to the root causes that he is able to identify, find solutions to these root causes and make a decision on the way forward.

Minister Gordhan is seen as ethically astute because he has displayed the ability to deal with all types of ethical issues at different levels and in various occurrences through his consistent performance in various structures and roles he fulfilled (Brown *et al* 2005, p. 130). His well-developed moral compass allows him to deal with everyday ethical dilemmas and apply judgment to ethical issues, without losing sight of his weaknesses. He has developed this ability through a lifetime of experiences he had in dealing with ethical issues involving diverse aspects and dealing with individuals from diverse backgrounds. He shows respect and values the input of others and he does not allow his own judgement to cloud his perception or decision-making process. He was able to negotiate successfully at forums such as CODESA on aspects which, although he had opposing views from some of the participants, he ensured their views were heard.

Respondents noted the importance of being exposed to ethical dilemmas and life experiences in building the quality of leadership displayed by Minister Gordhan. Being exposed to ethical dilemmas develops leaders' ethical judgment and equips them to deal with these issues.

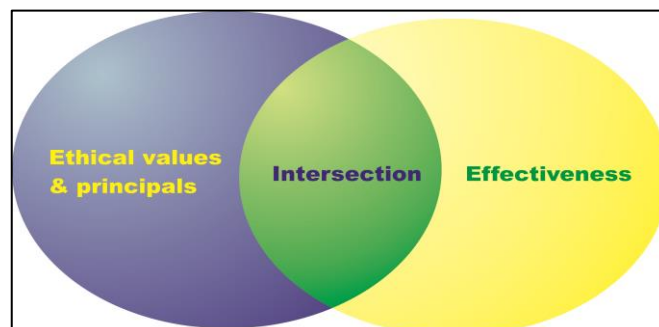
The successful transformation of SARS cannot only be linked to the effective leadership of Minister Gordhan. The context within which the transformation happened, the political support he received, the ability to appoint capable individuals and establish efficient teams, the positive economic climate and the sustained leadership period of approximately ten years all contribute to the successful transformation of the organisation. However, in line with Jim Collins it is submitted that the one aspect that can "catapult" a company from merely good to truly great" is its leadership, and according to Hood (2003, p. 270) "the basis for effective leadership, and, more particularly, ethically based leadership, are the traits of honesty and integrity". These are traits that are central to the character of Minister Gordhan.

6.3 How does Minister Gordhan's ethical leadership affect his effectiveness?

Pravin Gordhan defends the integrity of the organisations he leads and manages to provide credibility and legitimacy to these organisations, through his authentic ethical actions. He also manages to influence the culture and behaviours within these organisations. This is in stark contrast to the manner in which other government officials deal with allegations pertaining to unethical behaviour and corruption. According to an editorial in the Financial Mail (18 July 2013), it is not clear whether other Ministers within the government are demanding the highest standards of behaviour, similarly to what Minister Gordhan is demanding. This includes the manner in which the State President has recently reshuffled the cabinet in a supposed attempt to deal with non-performance and unethical behaviour. However, this action is not seen as legitimate or authentic in the absence of clear and transparent reasons for the changes, and definite actions against non-compliance.

Minister Gordhan following the inquiry into Mr Magashula's conduct requested an ethics review from the SARS audit committee to ensure that the integrity of the SARS processes and systems are above reproach. The code of conduct of the organization has been placed under review and an invitation has been made to the public for input into this document (Business Day, 16 July 2013 *Take a leaf out of Gordhan's book*). Minister Gordhan through these actions influences the ethical behaviour within the organization and ensures credibility and legitimacy to the process. Respondents state that although it is possible for leaders to be effective and not behave ethically, this would not be sustainable in the long-run, which view is supported by Muhtaba *et al*, "Ethics is an important part of effective leadership and it is reported that a lack of integrity and ethics will prevent a person from becoming a good leader in his/her profession, industry or culture" (2009, p. 2). One of the respondents indicated the need for an overlap between ethics and effectiveness, and the need for the overlap to exist. According to this respondent, the bigger the overlap, the more sustainable the leadership would be. The respondent provided the following figure in his explanation:

Figure 9: Overlap between ethical values & principles and effectiveness



Leaders have to gain authenticity and respect from their employees by consistently behaving ethically and by being role models (Muhtaba et al., 2009, p. 2). Minister Gordhan has managed to achieve this and has managed to build relationships with his followers through the respect he has earned. Minister Gordhan embodies the role that ethical leadership plays in “fostering cooperative attitudes and behaviours among employees...” and which could lead to “important outcomes, including subordinate motivation, satisfaction, performance, pro-social behaviours” (Hassan, Mahsud, Yukl & Prussia 2013, p. 133) .

The characteristics identified by the respondents in relation to ethical leadership and which are displayed by Minister Gordhan namely honesty, fairness, integrity and the consideration of others are all important features of leadership effectiveness. This also supports the view of Brown *et al* (2005, p. 117 that “ethical leadership predicts outcomes such as perceived effectiveness of leaders”. Ethical leaders such as Minister Gordhan are capable to effectively influence the behaviour of their followers and other through their authentic and legitimate actions. His ability to clearly communicate his vision to employees and his insistence on receiving feedback from the employees on issues that are of concern and important to them, causes employees to be willing to go “above and beyond the call of duty” and engage in extra effort as they believe that are treated fairly by a leader they trust. Minister Gordhan would not try to persuade individuals to change their beliefs, but would through his consistent action and by leading by example convince individuals to follow him. It was stated that he “just lived what he believed in and if you in the core of your heart believe in the same thing you will follow it”. He encouraged employees to acknowledge their mistakes in an honest manner and to learn from the experience. He therefore created an environment in which individuals were willing to report issues and concerns to him, even if this could lead to negative consequences to them. This will only be possible if the employees have confidence in their leaderships’ ethical and trustworthiness.

Minister Gordhan faced serious challenges during the period in which he took over the leadership of SARS. Internally he was surrounded by individuals that were suspicious of his ability as a pharmacist and activist to lead revenue authority and externally he faced a low tax morality within the general population. He managed to convince the employees of his ability to lead through his consistent actions and focusing on instilling the principles of the higher purpose within the organisation, and he created a credible and legitimate tax system that is trusted by the citizens of South Africa.

According to Khan (2010, p. 167), authentic leaders have a positive outcome on the behaviour of employees which leads to improved performance in organisations. He focused on providing information in terms of the purpose of tax and what the benefits would be to the country. He was able to provide bad news about paying tax to the citizens of South Africa and he was also able to convince the employees to become more productive and change their focus towards service delivery and still retain their support due to their followers trusting in his ability to treat all fairly and in the interest of the organization and the country (Brown *et al.*, 2005, p. 122). Hassan *et al* (2013, p. 134) supports this in as far as ethical leaders being able to influence subordinate commitments through trust, mutual liking and respect which will lead to enhanced performance. Minister Gordhan was able to achieve this by showing respect to his subordinates and by providing them with opportunities to raise issues.

Minister Gordhan would walk-the-floor and at times would exclude management from forums in order to provide opportunities for subordinates to raise issues in a safe environment in which they did not fear any reprisals. Minister Gordhan would respect the inputs and would emphasise the importance to management in addressing the issues raised whether it related to individuals complaining about not having toilet paper or the manner in which they were miss-treated by their management. Minister Gordhan would insist that management address these issues and would provide feedback to the employees in relation to the progress on their issues. This caused employees to hold a positive perception about Minister Gordhan of trustworthy and principled in his decision-making and caring for his followers, he managed to transform the employees of SARS to model his ethical behaviour which lead to a different mind-set in which economic exchanges are not the main motivator for performance, but rather aspects pertaining to commitment, service delivery, achieving the higher purpose and satisfaction based on ethical standards. Minister Gordhan furthermore insisted on holding individuals accountable for their behaviour (Hassan *et al.*, 2013, p. 134). This caused ethical behaviour to become part of the DNA of SARS, and it lead to increase in performance and service delivery.

Minister Gordhan has a sense of self, and has created his own personal identity and brand pertaining to his willingness to always stand up from the right thing and can be called an “ethical maverick”. This relates to the characteristics of authentic leadership which in the view of the respondents are characteristics that they can relate to Minister Gordhan and which are “Authentic leaders are individuals who are deeply aware of how they think and behave and are perceived by others as being aware of their own and others’ values/moral perspective, knowledge, and strengths; aware of the

context in which they operate; and who are confident, hopeful, optimistic, resilient, and high in moral character” (Avolio, Luthans & Walumba, 2004, p. 4). Minister Gordhan was able to motivate 14,000 employees of SARS to sustain incredible performance and achieve their targets from 1999 when he became Commissioner. This performance is still sustained presently and is directly linked to the influence that Minister Gordhan had on motivating staff during filing season and creating a willingness to extend themselves in such a way that the organisation’s goals was achieved and produced exceptional performance.

Minister Gordhan has the ability to differentiate between right and wrong (moral development) and respondents state that he is a “moral absolutist”. He understands that this process is an on-going process which according to Mujtaba *et al*, “refers to progressive and continuous change from the beginning of life until the end” and he values the authenticity that the process gets from systemic solutions (2009, p. 2). As an authentic and ethical leader Minister Gordhan utilises systems to facilitate a platform that guides the behaviour of individuals and does not allow unethical behaviour to occur (Avolio *et al.*, 2004, p. 4). Minister Gordhan publicly supported and demanded the need to review the actions of Mr Magashula to ensure the legitimacy and credibility of SARS in its’ capacity as a critical pillar of South Africa’s fiscal basis and to restore the trust relationship with taxpayers. Minister Gordhan’s’ approach was publicly supported and has been described as “a good sign for our democracy and offers the opportunity to restore the integrity of such an important institution” (Business Day 15 July 2013 – *Gordhan orders SARS ethics review*).

In contrast Mr Magashula’s behaviour in as far as not revealing critical information to Minister Gordhan before the inquiry, as well as his lack of truthfulness during his testimony at the inquiry leads one to believe that his personal morality was not beyond suspicion, (Financial Times, 18 July 2013). Mr Magashula in an Eyewitness interview held on 15 July 2013 stated that: “I think I made one big error and that was to allow the Minister to issue a statement that wasn’t factual. We pride ourselves in setting the highest standards at SARS.” Mr Magashula’s moral compass is not developed in as far as being able to identify the issue at hand in as far as offering an individual a position, and facilitating the process to have her appointed outside of the governance processes within the organization as well as exposing the organizations reputation and that of the office of the Commissioner of SARS in fraternizing with a character of dubious reputation. Mr Magashula should have applied his moral capacity and ability to address the ethical dilemmas in an appropriate manner.

Minister Gordhan understands the importance of the credibility of SARS' reputation and the possible implication on its ability to collect tax should its reputation or that of its leader be put in question. He therefore acted in a manner which was aimed at identifying possible transgressions and restoring the credibility of the organization. His own actions in dealing with the former Commissioner in a transparent and fair manner support the perception held of him as an ethical leader and this provides Minister Gordhan with the required legitimacy to demand the same standard from his followers.

Judge Yacoob in his findings stated that "It is vital that, in addition to appropriate sanctions against the Commissioner, every conceivable step is taken to make sure that all officials, especially senior officials, conduct themselves with the required integrity and purpose. We see the consequences of not doing so as dire". (Business Day 15 July 2013 – *Gordhan orders SARS ethics review*). The success of SARS is built on the trust relationship that it has managed to nurture with taxpayers. This trust relationship cannot survive in an environment which is not built around sound ethical standards and this could lead to loss in revenue. Minister Gordhan has managed to build a transparent, ethical organization which has become one of the most successful revenue authorities in the world. Without ethics the organization will not survive.

Minister Gordhan stated in a media briefing on 12 July 2013 that SARS "is an institution whose very foundations are built on the trust and credibility that South African taxpayers have in it. It is therefore critical that those to whom the stewardship of this vital fiscal institution is entrusted conduct themselves, during and after working hours, in a manner that ensures that they are above question".

Minister Gordhan brings about ethical behaviour through his actions which include constant communication and "appealing to the better side of people". Aligning with the view held by Rok (2009, p. 465) feedback suggests that the Minister Gordhan did not bring about ethical behaviour through enforcement of laws but created followership through his actions, similar behaviour could reduce the importance and need for hierarchical structures, including the traditional leadership role in this (positional power) through focusing and understanding employees and taking into account their ethical values. This could create a chance for improved leadership. Respondents agree that Minister Gordhan consistently displays a respect for the values of others and insists on hearing opposing views to that of his own.

Ethics, competence and effectiveness, according to this researcher are intimately part of the DNA of leadership and are characteristics that are part of the ethical leadership

DNA of Minister Gordhan. According to Rok (2009, p. 465) “These skills include things like knowing how to motivate people, communicate, formulate a vision that includes everyone in it, instils ethical norms in their staffs and constituents, manage the internal and external dialogue, etc”. Minister Gordhan inspires his followers, communicates clearly on his vision and bases all of this on ethical values. Rost (1993) indicates that leaders’ effectiveness rests on their ability to motivate employees, but furthermore states that “Leadership, therefore, is conceived mainly as a set of values, qualities and behaviours exhibited by the leader that encourage participation, development, and commitment of followers”.

Minister Gordhan is known for creating diversity and cultural forums in order to accommodate different values and cultures and embrace diversity. He prefers that everybody does not agree with his point of view and he want everybody’s opinion to be heard. He allows individuals to become part of the change process in as far as obtaining their views and in sharing his vision and objectives. This allows for a long-term sustainable competitive advantage and is visible within the sustained performance and culture of SARS that still embodies the values that he introduced.

The serious allegations of corruption raised against former National Police Commissioner Jackie Selebi was dealt with in an ineffective manner that caused severe damage to the credibility of the South African Police Service and affected its ability to effectively deal with crime. This is in stark contrast to the manner in which Minister Gordhan dealt with allegations of impropriety against the former SARS Commissioner, Oupa Magashula. Minister Gordhan managed to protect the integrity of SARS in transparently dealing with the allegations and clearly stated his stance against unethical behaviour which provides authenticity and legitimacy to his actions. The consequences of Mr Magashula resigning should encourage accountability within the organization and should restore the credibility of the organization. Minister Gordhan has managed through his actions to “sent a clear message that there will be no compromises on such matters in institutions that fall under him” (Business Day, 16 July 2013 *Take a leaf out of Gordhan’s book*).

The inefficient manner in which leaders deal with ethical dilemmas are causing the non-delivery of services and Cosatu general secretary Zwelinzima Vavi has warned that South Africa was “headed for a predator state where a powerful, corrupt and demagogic elite of political hyenas are increasingly using the state to get rich”. Minister Gordhan is described as a lonely voice with an unprecedented value system within an infested with: “the rabid dogs and hyenas” that run free of the state.

Moonsamy continues to explain the current context within that of the book “To Kill a Mockingbird” in as far as saying that: “The mockingbirds, those whose lives are dependent on the state, are being killed by service delivery failures, inefficiency and abuse of resources” (Daily Maverick 15 July 2013). Similarly to the part of Atticus Finch in the book, Minister Gordhan is willing “to stand by his principles and maintain his integrity even when it made him unpopular and caused distress and danger to his family”.

The necessary accountability and responsibility within all levels of leadership, based on governed delegation of authority proposed as the future way forward by Koltoff *et al* (2010) is currently not visible and has been reflected on by Minister Gordhan during his February 2013 Budget Speech when he said that “our solutions, hitherto, have not matched the size and complexity of the challenge”. Minister Gordhan latest actions during the Midterm Budget Review in October 2013 is focused on achieving the required accountability and responsibility with an ethical leadership framework as a guidance for what behaviour is acceptable, principles, values and norms to act within will provide a basis for individuals and organisations to move from un-ethical and illegal behaviour towards a culture which has at its foundations aspects pertaining to integrity, honesty and trust (Koltoff *et al.*, 2010).

It is perceived that Minister Gordhan would support a system in which ethical challenges are dealt within the framework that he utilises to deal with these type of issues and that it would resound from the “senior echelons in government” (Moonsamy, Daily Maverick, 15 July 2013). Minister Gordhan acknowledges that the system is flawed in his 2013 Budget Speech in stating that there were “too many people who have a stake in keeping the system the way it is”. He informed Parliament and public of his intentions to implement measures that would prevent the manipulation of “politically exposed persons” and that he would utilise the services of the Financial Intelligence Centre “to explore how to bring South Africa into line with international anti-corruption and anti-money laundering standards...” (Moonsamy, Daily Maverick, 15 July 2013).

To truly understand the man behind Minister Gordhan and to realise the effect he has on the organisation and its individuals an excerpt prepared by one of the respondents is included below:

“WHEN DID CHANGE REALLY, REALLY BEGIN IN SARS?”

I remember the day when our Commissioner first arrived in SARS a little ‘more’ than ten years ago. I say a little more than ten years ago because he actually arrived ahead of his scheduled induction into the heady world of tax and customs administration. Following many telephone discussions between his parliamentary support offices in Cape Town - to schedule the arrival of the new Deputy Commissioner – all was set, or so we thought! He had pulled his first ‘manoeuvre’ on the well laid plans of mice and men! He pitched up early and we were only ‘alerted’ a couple of hours ahead of the impending arrival. All hell broke loose – no office, no name on the door, no parking space, no furniture, no briefing, no secretary, no introductions to staff, no NOTHING!

PANIC STATIONS al la beeg time.....

So, it was off to the airport in my beat-up old Volksie Kombi, puffing along at breakneck speed along the R21 to Kempton Park, the proverbial (smoking) bat out of hell. Along the way the lack of planning started to take its toll.

What the heck did he look like?!!! Has he got luggage? (Neither the boot nor the sliding door locks worked). What flight?

Do I hang a sign round my neck.....good idea...but I couldn’t remember his name let alone the correct spelling of his surname. Then the speed-camera under the Tembisa bridge flashed.....damn, NOT again. Another ‘personal indictment’ not covered by subsistence and travelling claims....

I made it, just in time as he stepped out of the arrival hall! There I was, attempting to scribble his name on a piece of cardboard, unceremoniously removed from a notice board outside the terminal, using an almost dry whiteboard marker retrieved from the depths of my cubby-hole. Funny thing, I recognised him without much difficulty...and I still have the tattered piece of cardboard with the name MR PG GOHDAIN scrawled across it. Great – no piles of luggage, just a small overnight bag. Pretoria Head Office here we come, or so I thought!

What do I talk about? Tax, change, the weather – stay out of politics I had been warned! Actually he was more interested in where I came from, the family, why I

decided to serve the public in such a disliked profession and what I wanted to achieve in life. You could have flattened me with a stroke of the almost dry whiteboard marker!

Had I picked up the right person? A boss doesn't speak like this – they order! First port of call....NOT Head Office....his hotel, and would I mind if he booked in, dropped off his bag and 'catch a ride' to the office. That was the beginning of a ride that I will never forget and is truly, for me, when change became real in our organisation.

Over the years I believe that I have got used to the 'chaos' of the first meeting, have adapted to the regular 're-configuration' of plans by the Boss, have enjoyed the refreshing 'new-eyes' that have been brought to bear on how we run this organisation, have learnt to enjoy basking in the glory of our success, have also learnt from failure, but most of all I savour how much we all have grown under the ever watchful eyes of a person's person" – Aiden Keanly, 15 October 2013.

6.4 Conclusion

Minister Gordhan consistently displays characteristics of ethical leadership which include, integrity, honesty, trust, self-less individual that values the opinion of others, does not abuse his power and takes accountability for his actions, focusing on the higher purpose, which supports the view, held by Brown *et al*, (2005) and Hartog (et al., 1999) in relation to the characteristics of ethical leadership and linking it to their effectiveness. Minister Gordhan is able to translate his values into consistent behaviour. The importance of consistent communication and a reward system that incentivises ethical behaviour is supported in research conducted by Kalshoven *et al* (2009). Minister Gordhan utilises this to create trust between him and his followers and forces them to act appropriately.

Minister Gordhan was able to create trust with his followers to the extent that they were willing to put their lives on the line to support him. They believed in his integrity and motives and he earned their trust and respect by persisting to the cause and he stayed true to his beliefs and continued to act ethically. Minister Gordhan is seen as a credible role model and he consistently acts in a specific manner simply because it is the right thing to do in light of the values and principles that form the basis of his actions which support research by Brown *et al* (2006) stating that ethical leaders' credibility are mostly dependent on their consistent exhibition of fairness and trustworthiness towards followers.

Minister Gordhan's transformational leadership style assists in facilitating the process to influence the culture within organisations, which is emphasised by Pillay (2012), as the most efficient manner to influence behaviour. Minister Gordhan is willing to display moral courage in challenging situations which is aligned to the view held in May (et al., 2003, p. 247-260), in which it is reported that ethical leaders' actions are influenced by the moral courage to authentically act regardless of the consequences or other pressures.

Minister Gordhan can be described as a Facilitating Idealist, and uses his power and position to create a better life for the greatest amount of people, based on his own set of moral values. Caldwell *et al*, (2002) states that this type of behaviour relates directly to a need to fight against injustices and put others first, which also explains the reason why Minister Gordhan chooses to serve within governments' structures compared to earning a larger salary in the private sector and to utilise the power of the position "for the greater good" and he is a true servant of the people. Minister Gordhan is flexible in applying various leadership styles to situations at they demand it, and he utilises contextual intelligence to read situations and to adapt his approach within his moral framework.

Minister Gordhan has developed the required moral capacity to recognize and evaluate ethical dilemmas and apply his experiences in dealing with issues (May et al 2003). He does not become involved in any controversies and he displays moral courage. Gordhan has been described as a leader that "appreciate the need for public trust", and he earns it through the integrity that he displays and demands from those around him (Business Day, 18 July 2013 –*Gordhan sets a standard for all to uphold*). Minister Gordhan is praised for the manner in which he deals with ethical issues such as the inquiry on Mr Magashula and is held-out as an exemplary. Minister Gordhan displays strength and determination in the manner in which he deals with ethical dilemmas (Hannah et al, 2011, p. 556) and he utilises the influence and power to instil an ethical culture (Linda *et al*, 2003).

Minister Gordhan does not just focus on achieving the end-result in as far as simply achieving the goals and objectives of an organisation as similarly to Watt (2011) this should not be the only measure of effectiveness. According to Watt, "An ethical dimension to effective, successful leadership exists" (2011, p. 205) and this is supported with the views held on Minister Gordhan by the respondents in as far as the Minister's ability to influence performance by leading by example and his ability to apply sound moral judgment in his decision-making processes. He does not move

away from his values and has the moral courage to enforce his values in a contextually intelligent way. Kotter (1985, p. 153) supports the importance of leaders having a sound moral judgment and Minister Gordhan applies his strongly developed moral compass to which forms the basis of his ethical leadership and which impacts on his effectiveness as a leader. This leads to Minister Gordhan not tolerating dishonesty and insisting on integrity and accountability within leadership positions.

Minister Gordhan provides credibility and legitimacy to the organisations that he serves in through his authentic ethical actions. He influences the culture and behaviours within these entities. Minister Gordhan has managed to gain authenticity and respect from his employees by consistently behaving ethically and by being a role model (Muhtaba et al., 2009). Minister Gordhan embodies the role that ethical leadership plays in “fostering cooperative attitudes and behaviours among employees...” and which could lead to “important outcomes, including subordinate motivation, satisfaction, performance, pro-social behaviours” (Hassan, *et al.*, (2013, p. 133) .

According to Khan (2010, p. 167), authentic leaders have a positive outcome on the behaviour of employees which leads to improved performance in organisations. Minister Gordhan furthermore insisted on holding individuals accountable for their behaviour (Hassan et al., 2013, p. 134). This caused ethical behaviour to become part of the DNA of SARS, and it led to increase in performance and service delivery. Minister Gordhan was able to motivate 14,000 employees of SARS to sustain incredible performance and achieve their targets from 1999 when he became Commissioner. This performance is still sustained presently and is directly linked to the influence that Minister Gordhan had on staff.

The success of SARS is built on the trust relationship that it has managed to nurture with taxpayers. This trust relationship cannot survive in an environment which is not built around sound ethical standards and this could lead to loss in revenue. Gordhan stated in a media briefing on 12 July 2013 that SARS “is an institution whose very foundations are built on the trust and credibility that South African taxpayers have in it. It is therefore critical that those to whom the stewardship of this vital fiscal institution is entrusted conduct themselves, during and after working hours, in a manner that ensures that they are above question”.

CHAPTER 7

7.1 Introduction

Ethical leaders are effective leaders because they have the best interest of their employees and other stakeholders at hand when taking decisions. They furthermore adhere to their own values and are seen to “walk the walk”. They create legitimacy through their consistent ethical behaviour which creates a positive environment that is conducive and stimulates performance.

7.2 Major Findings

Minister Gordhan has developed strong moral courage which he utilises during his decision-making processes, which leads him to consistently behave ethically. This forms the platform he utilises within his ethical leadership, which provides him with authenticity and legitimacy and creates a trust relationship with his followers. This trust relationship is the basis on which effective performance is built, as the followers commit to the cause of Minister Gordhan and is willing to execute whatever is required from them in order to get the job done. One of the respondents remarked that it does not matter whether Minister Gordhan asks you to make a cup of tea or whether he asks you to develop a new system, his approach towards what is required to do is to always do it for the betterment of others. This is an inspirational manner in which he motivates his followers to perform. Minister Gordhan has consistently displayed an ability to attend to ethical dilemmas in an effective manner and has built a reputation as an ethical and effective leader. This has caused him to be regarded as trustworthy and has also resulted in providing legitimacy to the organisations he serves in.

His adaptive qualities, his ability to respect the views of others and to include these views in his decision-making processes, even if these are opposing views from his own, his distinctive voice and his unshakeable integrity makes him an effective leader. It is required of leaders to not become involved in compromising positions and to consistently act in an appropriate manner, but be flexible enough, without losing sight of their values systems to change their strategies as is required. The need to keep individuals accountable and responsible for their actions and its consequences was highlighted in this study as a critical aspect of effective leadership. The need for ethical leadership at all levels, but specifically at top management level is crucial for the success of any organisation to build authenticity and legitimacy into the process and ensure sustainability.

7.3 Recommendations for Organisations & Leaders

The need for the development of an ethical leadership cadre that has a strongly founded moral baseline that can assist them in making decisions that will ensure organisational success cannot be over-emphasised. Leaders need to influence the culture of organisation and its employees by example and by taking the lead in supporting appropriate actions. Leaders and organisations need to align their processes and systems with their values system and need to ensure that a systemic approach is followed in the introduction and implementation of these guidelines.

Leaders need to enforce the principles of ethical leadership and ethical behaviour and its benefits to their workforce and they need to create a climate in which ethical behaviour is incentivised. A strong system that supports ethical behaviour is required to ensure sustainability and transparency and will also reduce the administrative burden that could be a result of a new system.

7.4 Recommendations for Future Research

Recommendations for future research include aspects pertaining to a comparison between specific government departments and their leadership within the South African context and the ability of the specific leadership to effectively lead the departments for which they were responsible. This research should take into account the type of departments, the time period according to which the specific individuals lead the organisations as well as the performance of the organisation. The specific reasons for their effectiveness or their inability to successfully lead the organisation should be the focus of the research.

Furthermore, research relating to the development of moral courage would provide insight into the platform required for ethical leadership and would highlight the need for it. The need for ethical leadership within government and whether this would ensure service delivery is another aspect that needs to be researched. The current context within which we note an escalation in service delivery protests and an overall decline in trust in government's ability to deliver identifies the need to identify the true root cause of the discontent of citizens in order to protect the democracy of South Africa.

Research in the development of ethical leadership within government structures and the systems that should support it should also be useful in identifying aspects of leadership development that should be focused on.

7.5 Conclusion

Ethical leaders are trusted by their followers which cause less of a need with employees to become involved in unethical activities. Ethical leaders provide opportunities to their employees to “voice their opinions” and make fair and balanced decisions. Employees working in this environment would want to reciprocate, which causes a situation in which individuals treat one another fairly and with dignity, which leads to a positive environment in which all can perform optimally (Mayer *et al.*, 2009). This report furthermore states that ethical leaders’ followers model their behaviour and imitate the behaviour of their leaders as they know that they will receive fair benefits and rewards, both positive and negative if they do.

“Exercising leadership can get you into a lot of trouble” (Heifitz & Linsky, 2002, p. 2). It requires that leadership to question the gap in the behaviour of colleagues and their values and visibly and consistently do the right thing.

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APPENDIX A: Interview Matrix

Individual Interview conducted with:	
Reason for the interview:	Research project conducted by Ronel van Wyk: Case study on PJ Gordhan, the effect of ethical leadership on effective leadership
Topics for discussion:	The following topics will be discussed during the interview, and the questions posed will relate to your knowledge and views in respect of Minister PJ Gordhan in relation to his: <ol style="list-style-type: none"> 1. ethical leadership 2. effective leadership 3. the effect of ethical leadership on effective leadership
Please provide a brief background in relation to how long you have known Min Gordhan, what the extent and the nature of the relationship is:	
<u>1. Ethical Leadership</u>	
1.1 What is ethical leadership?	
1.1.1 What are the five most important characteristics of ethical leadership ?	
1.1.2 What is the basis/foundation of ethical leadership?	
1.2 What is the basis of PG's ethical foundation?	
1.2.1 Would you describe PG as an ethical leader? Why?	
1.2.2 Do you know what the stance was pertaining to ethics/ethical behavior within his home during his childhood?	
1.2.3 What do you think is the bases of PG's ethical behavior and how was this developed?	
1.2.4 What are the core beliefs that are non-negotiable to PG?	
1.2.5 Would you describe PG as a humble person? Why?	
1.2.6 Would you describe PG as a self-less individual that acts in ways that are other-enhancing rather than self-enhancing?	
1.2.7 Would you describe PG as an individual that displays consistent honorable behavior? Why do you say this?	
1.2.8 Would you describe PG as a person with integrity? Why do you say this?	
1.2.9 In your view, has PG consistently and throughout the period during which you have known him displayed a respect for the values of others, including individuals and organisations through his actions? Please provide details of specific incidents that you can recall that will substantiate your answer	
1.2.10 Would you describe PG as a person that instills a positive atmosphere of consistent ethical behavior opposed to placing unwanted constraints through laws or societal norms?	
1.2.11 In your view, would PG be able to work within an organisation/structure with different values	

from his own?
1.2.12 How does PG influence the ethical behavior of individuals and organisations?
1.2.13 How does PG influence the culture of organisations/structures that he serves in?
<u>2. Effective Leadership</u>
2.1 What is effective leadership?
2.1.1 What makes a good leader?
2.1.2 What are the 5 most important attributes that constitute effective leadership?
2.2 PG's leadership style & effectiveness
2.2.1 What makes PG, PG?
2.2.2 How would you describe PG's leadership style
2.2.3 Would you describe PG as an effective leader? Why - what makes PG effective?
2.2.4 How did he become effective?
2.2.5 Would you describe PG as a person that listens to others and puts value in the opinion of the team - does he display a willingness to include others in his decision-making processes and therefore not have a need to appear to be the smartest person in the room?
2.2.6 Does PG consider the view of others and is he prepared to offer praise and support to others who contribute to organisational success?
<u>3. Effect of ethical leadership of effective leadership</u>
3.1 Influence of ethics on effectiveness
3.1.1 Do you think that you can be an effective leader without having ethical values - can an effective leader behave unethically? Why do you say this?
3.1.2 Have you experienced any incidents during which PG held any of his subordinates accountable for a set of criteria and standards while holding himself to another?
3.1.3 Have PG ever displayed any different behavior from the values/high standards that he expects from others?
3.2 Influence of PG's ethical platform on his effectiveness as a leader
3.2.1 Do you think PG's ethical platform plays a part in his effectiveness as a leader? Why do you say this?
3.2.2 Is it your view that ethical leaders are more effective leaders? Why do you say this?
3.2.3 How does a lack of ethical leadership affect government's ability to deliver on its promises?
3.2.4 How would an increase in ethical leadership improve government's performance?

APPENDIX B: List of Respondents

Semi-structured And Expert Interviews – according to the attached Interview Matrix

Interview Ref Nu	Designation	Gender	Race
Respondent 1	Senior Specialist, SARS	Male	Black
Respondent 2	Executive, SARS	Female	White
Respondent 3	Executive, SARS	Male	Indian
Respondent 4	Executive, SARS	Male	Black
Respondent 5	Executive, SARS	Male	White
Respondent 6	Executive, SARS	Male	Black
Respondent 7	Executive, SARS	Male	White
Respondent 8	Senior Manager, SARS	Male	Colored
Respondent 9	Senior Manager, SARS	Male	Indian

INTERVIEW: Adrian Lackay: 27 September 2013:

Rvw: Introduction into the purpose of the interview – research project, doing a case study on Minister Pravin Gordhan. The reason why I chose you as one of the people that I am interviewing is that from your view as an employee with him to look at the contribution that he has made and the basic topic of the research relates to his ethical basis and whether this makes him more effective. That is what I am trying to look at whether having an ethical basis makes you more effective. The topics that will be discussed are... How long have you known PG?

AL: I joined SARS on 1 September 2003 and within a few days started to work with him. Obviously it took me a lot longer to get to know the person and to get to a level of being reasonably comfortable in working with him.

Rvw: And the extent and the nature of your relationship was work?

AL: It started there, I think it has developed a bit more beyond that, should I expand more on that?

Rvw: Yes please.

AL: I think the biggest affiliation I have for/with him was in 2006, where my mother was diagnosed with cancer, he had never met my family by that time, we've been working together since 2003 and having our ups and downs as things work here, she died within 11 days of being diagnosed, she had an aggressive form of cancer. I phoned his office, he called me back in the evening and he said "go home as soon as you can, we will help you with leave and whatever you need but you need to be there now", which is a very generous sort of fatherly approach. Then she passed away on the 18th of November 2006, he has never met my family but he made a point of flying down to Cape Town attending the funeral, even staying and moving his flight when the service was very long. My mother was very much involved in the community... he moved flights to make sure that he could go to the grave-site. And since then I have been experiencing those endearing qualities in him not only as a leader but as an individual who really care about the staff who are with him. And it is part of the values, before we get to ethics and integrity, it is part of his personal character and the values that he lives not necessarily just talks about, but the values he lives. SO things like that I think subconsciously it strengthens loyalty to the point that you say with this guy I can go to war or I can go to war for him. Because as the CEO of this organisation he did not have to do any of those things and probably people in our position never, or hardly interacts with the CEO at that level of the institution with 15,000 people.

Rvw: And the amazing part Adrian is that Shirley Zinn came to the MBA class to speak to us....and I knew she was with SARS and her past, and the accident during which she lost her child. People love when I talk about Pravin, hardest manager, the moment Shirley started speaking about him. Endearing way she speaks about him. He does it because of who he is.

AL: Look and that is why I am still here in the position to be very honest. It is because of him. His ministry needs this institution, this administration needs this institution and I think from time to time he needs people that he knows and can rely on. A bank offered me a job in May of this year, compared to my salary it was about 40-50% more than my current salary and I turned it down. Here is the offer still (produces the original offer). So that is the kind of loyalty that he creates and the history.

Rvw: so before 2003 you never had any dealing with him in any capacity?

AL: No

Rvw: Asking two questions about ethical leadership – what do you think are the 5 most important characteristics of an ethical leader?

AL: for me it all emanates from the values or the values system that the individual has and those values you can then expand into honesty, integrity. In his case where it comes from I do not know. He always speaks about his history as a political activist and he is not a very religious person and many people draw on the religion that they grew up with as a basis and their moral compass in life to guide them not to steal, not to commit fraud not to be corrupt, not to take bribes or ask for bribes not to compromise systems, not to be serving their own self-interest. I do not know what the definition of a moral compass for him is but there is certainly a very strong conviction and a desire to do the right thing, and if you think back of the 70's and 80's when they were busy with their work, there were very little incentives for him to be jailed, detained without trial. There were very little prospects for them being involved in a political struggle were the outcome they knew for-sure would be victory, access to power, access to wealth. In fact, people like him and Ivan Pillay would remind some of us from time to time that when they joined government after 1994 it was the first time that they had a pension, so they never had a career path, they never had leadership programs that they could use to develop themselves in the workplace. They never had those career prospects and still you find...ok, and many other of their peers who part of that did not have the same value system and not everyone was a saint, people joined the underground movement and politics because of other interests other than the national interest or so we must accept that. That is why individuals such as this are so remarkable. They had a strong moral compass that guided them in very difficult conditions without formal networks or support. Then 94 came and they came into power and they continued to establish those principles in whatever tasks they were doing in order to build this democratic journey and institution. So for him integrity is probably the one that will be on top of the list if I think of him, and honesty in his leadership. And he will make it very clear in both his actions and his words

Rvw: And you have actually touched on it and the basis or foundation of ethical leadership when you spoke about the moral compass and moral courage and there is another aspect about his authenticity as a leader that he does not change, he is not like the weather his answer today to something will be his answer tomorrow and that answer is not an answer for his own self-interest and that makes him authentic

AL: Yes and principled, he has a very principled stance and I mean those principles he tried to engender here in the institution. Simple things or starting off with simple things, you do not accept any gifts from anybody. Now he will tell you his history when he came to SARS that on a Friday at the customs office at Durban it was not uncommon for the trader or clearing agent to come with bags of goods and leave it with the customs official as a gift, your favourite whiskey, shirts and ties and that was for a long time the accepted norm in the institution. Accepting tickets to whatever suite at the sport-event on Saturday. So establishing those small things, No gift policy, everything is declared you are not allowed to do certain things, because we have to build institutional integrity. Not meeting people alone. If the taxpayer comes to you with a problem, tell the taxpayer to come to SARS don't go sit in some hotel bar and fancy restaurant and take a colleague with so that you do not compromise yourself. Very basic things.

Rvw: And the way in which he did that he always explained why you need to do it. He did not force it down and I think that is also part of his authenticity. So, would you describe him as an ethical leader.

AL: yes, because the ethics would be manifested in the desire to build an institution with a reputation of integrity so whenever an issue arises of whatever nature there has to be a process that is transparent, fair and reasonable and a process where not one individual dictates the outcome. So you know the business of our work if there is a dispute if there is an investigation

if a member of his EXCO is alleged to be corrupt it is not Pravin Gordhan who wants to determine the outcome in fact he would say I am calling my EXCO now. This is the issue, how do you deal with it, what is the system, what is the process and let the matter be dealt with in this fashion until it reaches an outcome. And for me that is his type of leadership style where you do not personalise things the leader does not assume the role of wanting to direct things towards an outcome that he has in mind.

Rvw: what was the stance on ethics or ethical behaviour in his home during the early period in his life?

AL: Don't know personally about that, in the years before SARS e spoken about it periodically, but my view of him is he is very protective of his family. So they are never in the limelight with him in the media work we have done they were always out of the spotlight and focus and that is where the extent to which I know. I know he grew up in Durban, he spoken about this, in the Indian community of Sastry college he went to school, born in Gray street where his father owned a shop, his brother owned or is still running the shop and then his history in his involvement in the struggle and operation Vula. We once visited the prison in Bethlehem Free State where he was detained in the early 80's the strategy then was, they were arrested in KZN< the group were all going for a meeting at a flat, they were arrested, group was split, he was taken for a week, kept without any news to his family that he was.. kept at the Durban police station, CR Swart, then he was moved to the Free State because Indians could not live there, and he was kept in this little prison in Bethlehem in 2009 we were, he was invited the Free State, now the old Free State Technikon, gave him an honorary doctorate again his leadership style was, if he had to go somewhere for a function like that to another part of the province he would always take a few people of his management team with him and they would start of by going to offices there. So on the day of the award ceremony they went to Bloemfontein, they met staff there, he always believed in walking the floor, talking to taxpayers and talking to staff he had a feel of the dynamics on the ground. The afternoon we had this ceremony at technikon where he did the speech and he received the doctorate. Next day we drove in 2-3 vehicles, approximately 7-8 individuals and we visited all the border posts along the Lesotho border-line. So he does the tax side, branch office and customs side, we went to places like Ficksburg, Maseru Bridge.

Rw: we would not expect the Commissioner to go to these outlying areas.

AL: Yes, but that was always his manner of doing things, and I think a lot of it has to do with when he became Commissioner, he had limited knowledge about tax and the institution, he had to learn how this animal works and he did so by having a hands-on approach, having his feet on the ground and identifying people in various places in the organisation with whom he could work with on any issue. So he continued that leadership style and part of that visit we then fitted in a visit from Ficksburg we went to Bethlehem in a kombi to visit the prison cell. Obviously things have changed, but he would find the cell where he was detained. Then I heard some TRC evidence on one of the policemen who tortured him, but that is the extent of his political involvement, that is known to me.

Rvw: And Adrian how do you think he developed this ethical framework that he uses? Because, we and that is the amazing part, most people think that it is religious people that have this moral compass and that you need this religious base, with respect PG is not a religious person. So what do you think ,if it is not religion, do you think it is the way he was brought up, is a deep-seated rock-solid foundation.

AL: One of his explanation about his own religious background was based on when he was.. he saw that the poor people always had to borrow money from the rich people and they lived in debt and in his own development and conscious there was a strong leaning towards a more socialist ideology. But he has a very strong sense of social justice which one can observe

in him as with social justice it means that we expect that there is inequality in society that there is more power involved in the choice, but the state has an obligation that the most vulnerable and most exposed can be protected by the state and can be given a reasonable chance to progress as human beings in society. So in other words, it is not a laizes faire approach where the fittest survive and the richest one prospers, it is an interventionist stance where the state has a particular role to play. And that sense of social justice was informed by his politics, but also his admiration for people like Walter Sisulu, OR Tambo and of course Madiba. And between those three those where the quotes we had to research and that he used in his speeches, where from those three individuals. So they left a very strong impression on him.

Rvw: And that is something that people remark on, talking about speeches, when Pravin gets up it seems as if he knows everything. He is a pharmacist, he comes and he manages a tax authority and he does it, he takes a corrupt, ineffective system and he turns it around into and effective, and if there is one organisation that should actually not work well, it is SARS. If you look at the context in which he inherited this, but yet he manages to turn it around.

AL: I think he would be the first to tell you that it with the right people around you then your management team you can confront almost any challenge. But with this institution I just want to check, yes, Walter Sisulu, budget 2012, "a towering leader ... what Sisulu wrote from his prison cell", in a certain a story of our struggle, is a story of.... Problem being overcome, it is understandable that many of the problems should generate much problems and emotions however cool we may want to seem in our analysis, we are deeply involved in the solution we ourselves have to implement". Then he continues to say we will not run away from our challenges we must confront them boldly and with hope harnessing all the resources at our disposal, we have to do more with less, we have to work smarter and harder. We must focus on our strengths and opportunities to identify and activate the levers of economic and social change at our disposal.

Rvw: and he believes that, those are not just words.

AL: Yes, budget 2013, speech, quotes used, sorry your last question was?

Rvw: the fact that he is a pharmacist, he manages to speak about anything and he is knowledgeable.

AL: I think with him a lot of work goes into an event or occasion before the time. He wants to familiarise himself. When he was Commissioner and he had to address the American Chamber of Commerce in Johannesburg he would want a full briefing note on customs scenario. He want one of the technical experts to come with him. There would be a presentation and a speech which is a formal matter that he will say, but he would want his hand on and fully understand the issue, whether it is a supply chain issue or trade issue between the US and SA whether it is a legislative issue such as AGOA he wants to understand the whole context. And when he is on the stage and he does not know the answer he would say that he does not have the technical information and will get back to the audience. I think a lot of the focus in the early years was to understand the institution and the people before formulating a strategy and moving forward. But his big thing was he was asked to transform the place, he had to break the bureaucratic mould and find people to walk that journey with him.

Rvw: And the core beliefs that are non-negotiable to him, what does he not negotiate on

AL: the integrity stuff, honesty, no lies, integrity. Look a lot of the, you know he is a very tough man to work for and people find him very intimidating, but one of the things I learned was, we will all make mistakes, when I f-uped, as scared as I was in the beginning I would ask to see him and say to him that I did this wrong it was my fault. You would apologise, you were expected to get clapped, but then the matter ended there. If you wanted to prolong it by shifting blame, trying to run circles he would probably know, he can see through the façade.

Rvw: He wanted you to take the accountability.

AL: Yes, and I think then respect builds, so honesty part is very crucial, and the trust.

Rvw: you can rather give him bad news, but don't lie.

AL: yes don't sugar coat anything.

Rvw: and would you describe him as a humble person?

AL: yes humility is a very strong character trait, even in position of power and authority, being exposed to power and authority, it has never gone to his head. He is not someone who likes a big fan-fair, and that is why his family life is private and he keeps it out of the public. He is not drawn to..

Rvw: Do you think I am right if I say that the position he holds, it is not about the position, it is the purpose behind the position. It is about how he can affect change and influence and make it better, he is a true servant of the state and of the country. But he is not a servant leader. He is a charismatic leader,

AL: he always challenge the status quo, wants to change and do things differently and always out for a new challenge.

Rvw: But the purpose is to serve and improve

AL: Yes, the purpose is not one of self-interest or self-promotion.

Rvw: Would you describe him as self-less, is he an individual that acts in ways that other-enhancing rather than self-enhancing

AL: Yes,

Rvw: it is not about him

AL: Yes

Rvw: example with Al's mother, it was about his care and concern for you, was not about him and the power or the influence that he would build by doing that or the impression he would create. That is not why he did it. Would you describe him as an individual that displays consistent honourable behaviour and why?

AL: Yes, because over the years, many sticky situations we had to deal with, but the pursuit is always to do the right thing. So in 2012 budget I was called (discussion off the record).

AL: The one thing that I admire most about him is in a situation where, in a problem scenario he would always try and consult as broadly as possible, people he trust and he allows you the space if you disagree to put that, in fact he wants opposing views and he solicits it all the time. He would then take everybody's view and come to a decision at the end. And that is maybe the democratic the inclusive way of leadership but he would always take advice. In fact if he calls a meeting on an issue, and no one says anything he would ask you "why you are here, I want to know what you think". And you are never going to agree with him on everything completely but he wants views and that is how we plan for the budget. It is now known in the public domain we get to his house the weekend before the budget, Saturday/Sunday will work on the budget review, and all the other documents that are prepared and then we sit around the table, 15-20 of us and my role there would be to, let me show you an example, \

Rvw; somebody described this, somebody that I interviewed, that he has a "bazaar" and that he breaks this bazaar up in stalls and he gives each party this stall, something to do, and some of it overlaps, so he insures that even the quiet voice is heard in some way.

AL: so it seems very chaotic, but there is order in his mind, there is a strategy, there is a vision, a direction. So to an outsider it may appear very chaotic because 10 people would do 20 different things, 5 of them would work on the same issue. But he is deliberate in this approach. I mean he would be having an EXCO meeting in the one boardroom, in the GM meeting there would be external people and he would have me wait outside. He would juggle, the Master Juggler. So I would prepare for that meeting this is now 2010 budget, I would prepare this, lets call it a discussion document, on various issues, you see budget follows the state of the nation with 2 weeks, and the state of the nation follows the anc January 8 statement so there is a synergy and chronology of events. And issues arise from both, which feed into budget, so this discussion document for the budget I call it perceptions, perspectives and public mood, how people view government. And then it is how people look at our democracy, the budget speech should direct the challenges... then that year it was 20 years since the release of Madiba so we quoted him. There are some general comments about our history since 1994. Some political stuff, then I go into what prominent people right in opinion columns, Sir Alistair Sparks is a well-known columnist, and he has his own views and vision of South Africa, where we are, where we fail, were we succeed, some public opinion research surveys that we draw from where people answer questions like this: The national mood, the enveloping indicators and then some questions for the minister of finance specifically.

Rvw: And this is then used as the basis of this discussion with the 15-20 people

AL: Yes, some real critical stuff is drawn from this and raised as a point of discussion,

Rvw: SO although it may seem chaotic, there is a structured strategy and a very purposeful strategy.

AL: Yes. SO the most sort of predictable media stuff we will raise in this meeting business day should expect you to say this in the budget Minister, Bloomberg is raising this issue, how are you going to respond to this. This document I will just leave with him and the Commissioner, sometimes they read it I do not know if they always read it. But that is the, O yes here is the...this is the photo with the president directly after the speech, we march over to Tuinhuus. SO coming back to the question that is his leadership style, he wants all these opinions and views, encourages debate and opposing view but in the end he uses every ones views to form his own opinion and the decision he will ultimately takes.

Rvw: And then your view has PG consistently during period displayed a respect for the values of others?

AL: Yes, the journey in SARS there was great sensitivity to the racial divides but also cultural, customary and religious, because they wanted to transform the place, build diversity, and people came from all these background, different believes and customs and religions and I think the idea was to within that broad mix to still say, no matter if you are from Venda or Upington or George, honesty is something we all believe in, doing the right things is something we all aspire to, wanting a better future for our children in this country is what we all want. So there are those common things that we, that drive us all, despite, whether I go to mosque, despite the differences. But cultures, culturally very sensitive and also always what surprised me was the gender representivity in whatever meetings or forums we attend that was very big area of emphasis for the promotion and empowerment of women.

Rvw: And Adrian would you describe him as a person that instils a positive atmosphere of consist ethical behaviour in an organisation?

AL: A positive atmosphere yes, despite being a very difficult leader and boss, and his demanding ways never alienate people and the positive aspects come out in the fact that they realise themselves that they can perform better. They can do more they can surpass the limitations in their own minds. So he, in that way inspires people to push their own boundaries

and to exceed their own performance. I think the ethical part we have established it as a strong base from which he operates.

Rvw: And we have said that he is an effective leader, or I say so, I state it for the record that I see him as one of the most effective leaders and in saying that people talk about "PG", and when you talk about "PG, what is the first thing that comes to mind? What makes him "PG"?

AL: In our own relationship he is very strong fatherly figure, besides being an institutional leader of an organisation. I think many people respect him for his values but I think like all of us he has weaknesses also

Rvw: Does he know those?

AL: DO not know, I think he does and he sometimes he tries to put a mental veil on them.

Rvw: So in your view what makes a good leader?

AL: Well, essentially some one who leads not for his own or self interest. Who has a vision and a strategy to build an institution and who sees the development of that institution in making it more effective to improve the lives of others in the context in which that institution exists. So if this was a corporate company, successful leadership would be not only to have a company with huge profit margins where there is huge annual bonuses to the leaders, the CEO, his EXCO and management team and huge dividends to shareholders. This corporate institution must have the social conscious to understand they exist and operate in an economy and a country with particular challenges that they can make a difference to the lives in that economy and the country in which they operate, that they can use their influence, their power, their resources to improve their staff in terms of capability, material wealth and that ultimately they contribute to the economic welfare of the context in which they exist by creating jobs by empowering people and by having a broader social and economic impact than merely been driven by profit margins.

Rvw: So if I understand you correctly good leaders are selfless they have purpose, they do not only work for the bottom line, they have a specific vision, a specific strategy and they use that for the better of others.

AL: Yes.. this MBA has taught you well.

Rvw: And why do you think PG is an effective leader, what makes him effective?

AL: He can take institution and modernisation and functions, I do not want to say dysfunctional, because they all functioning, ineffective institution, he can transform it.

Rvw: So what makes him effective? So what makes it possible for him to take this ineffective institution and make it effective?

AL: I would put it very conscicely: He is a strategist, his strategy has a vision and a purpose, so on the purpose side, it is the higher purpose thing, so SARS does not only exist to collect revenue, it exists to play a role in the development of our country and our democracy. He has a strategy that says, there are 14,000 people now that we are doing XYZ with, but we need to do XYZ multiply by 3 in 2 years' time so how are we going to use those 14,000 people to achieve that. So he sets the bar there and he develops a strategic path, on how we must get from where we are now to here, because that was his brief, go and transform the institution, the country needs money. That is were you start from but your vision and strategy says this is where we need you to go.

Rvw: But he is able to not only have the strategy but to make it work. DO you think PG was the main driver behind the transformation of SARS. If we took PG out of the equation and we put somebody else there, is it him, was he the main catalyst in the transformation?

AL: He was an important catalyst, a crucial catalyst, not the main one or the only one. A lot of the success of SARS' s journey can also be ascribed to if you compared SARS, he joined in 1998, as Deputy and 1999 became Commissioner, if you look at the period 98 backwards to 94, compare it with Home Affairs. They probably had 2/3 DG's in that period, what an important component to the success of SARS was and he speaks of it in this article "We had unwavering and unequivocal support from the principle which was Trevor Manual, so one could derive he gave us independence on the one hand and political backing on the other. There would be no double speak, there would be no contradiction and his trust and confidence in our abilities to guide this organisation in a new way played a big role. So you ask about his humility, again he would never stand on the hill and say: "I, I, I". he would be the first to acknowledge that he had a good management team, he would be the first to acknowledge that he had the political support from his principle, but to come back to the question, to transform and institution as complex as this one, you cannot do it in 4-5 years. We had the longest serving finance minister in the world. Pravin served here for 10 years then you can make a real difference to an institution. No check our colleagues in Home Affairs they had DG's and Ministers being replaced over that period, you can go and look at the history. But then there is no consistency, there is no institutional memory that is allowed to establish over time amongst your senior people. There is no leadership continuity and those are things we had. I think government realised that they needed money that they needed a functional revenue system and allowed SARS to go on to this journey not interfere, give it the administrative autonomy outside of the Public Service. So yes he was an important catalyst but there were other important factors. And of course this was happening in 2006, by this year we collected R41 billion over target. The economy was really, really doing well. The period 2002-2008 before the crisis, we probably grew more than 4% and that is a big driver of revenue. So we had the money, we could do things. The economy was good

Rvw: So the system and the context actually also assisted, but he was able to put the right team together, have the right strategy, to mobilise the people to follow the strategy, but the context was also conducive to that.

AL: Yes,

Rvw: And then just on the effective part, the last question, can you be an effective leader without having ethical values, so can an effective leader behave unethically

AL: I think in the short term there are gains but those gains will be short-lived. I cannot foresee a scenario like that, I mean the Enron guy, there was one Harvard case study where he rewarded some one who did something against his own instruction and I think in big institution like this, corporate or public sector if you are unethical things catch up with you and then the fall-out and the damage it do is so much bigger. I certainly would not work in an institution where things are done in an unhandled manner. And one thing he established here is governance and processes.

Rvw: So now we come to the core and it relates to whether his values system and his ethical leadership style or his principled nature if that has any effect on whether he is an effective leader. SO I am looking at understanding whether you have experienced any incidents during which PG held any of his subordinates accountable for a set of criteria or standards while holding himself to another?

AL: No, he was very consistent, very consistent.

Rvw: So it talks again to his authenticity. And similarly he has never displayed any different behaviours' from the values or high standards that he expects from others. I think you have answered that. This is who he is. And you have already says that he is a person that listens to others and puts values into the opinion of the team, which was confirmed by the other people

that I interviewed and that he considers the view of others and that he is prepared to listen and to give you the acknowledgement for making that statement, it is important for him to acknowledge it. Do you think he played any role in this organisation through his ethical behaviour?

AL: Very much.

Rvw: I think when you spoke about the first thing he did with the gifts.

AL: It has a huge influence on the institutional culture.

Rvw: We spoke about the fact that he consistently behaves honourably and that this honourable behaviour shapes the way the organisation works, the way that he thinks, no if you do not have this honourable behaviour in an organisation, do you think there will be disastrous consequences. That is when you do not adhere to policies and procedures and rules will there be disastrous consequences?

AL: For this intuition I think you have seen the consequences this year.

Rvw: And it can be one person

AL: This is an institution where people are very mindful of what is said and written about SARS publicly, they also look to their EXCO, the Commissioner to them is their Commissioner. If they cannot affiliate to him as our Commissioner there is a disjuncture and...

Rvw; And an uncomfot

AL: Yes, and then the attitude is well "we don't give a fuck" because he does not care about us and when that sets in it affects the organisational culture in a huge way. So this was someone they could look up to.

Rvw: That they could aspire too

AL: So when he asks you can you please get me a cup of tea, it is the biggest honour for that colleague to fetch the minister the commissioner a cup of tea because it is him and that respect does not only grow in people by what you say they look at how you behave, your action

Rvw: Now this is the question: Does ethical leadership have a positive influence on effective leadership, and effective leadership as you have said is not just the bottom line, and I think you have just explained it, it is about being willing to do whatever this person asks you to do whether it is making a cup of tea, raising the assessment, does not matter because you believe in the authenticity of this individual.

AL: That is an unqualified yes

Rvw: And does ethical leadership, causes ethical culture? You just said that, does that cause or is it influential in causing the organisation to be successful?

AL: Yes very much

Rvw: Because people cannot trust this organisation if we do not have that ethical culture, it is the basis

AL: So if you work at the airport, and some-one tries to bribe you, why would you report it, you can take the money and walk away. But you report it because you believe that this is wrong, my institution believe it is wrong and I am part of the institution and I do not want to do the wrong thing because the ethics and the moral compass in the institution says to me we do not want to do things in this way. Getting caught or not caught, you can get away 9 out of 10

times, but the first point something says to you this is wrong and if there is no integrity in the institution you would take the money.

Rvw: So at the core of my research I say that the non-delivery and the non-effectiveness of government currently, a big part of that relates to the unethical behaviour that is rampant and that is causing a concern for the mere existence or the survival of democracy in this country because it leads to non-delivery.

AL: Yes, it significantly hampers our own development and our progress as a country and I think you have more than enough evidence in the public domain to substantiate that.

Rvw: Do you agree that that lack of ethical behaviour is hampering governments' ability to devlieer

AL: Yes and it weakens state institutions, I mean the NPA you work with these people and that is an example where an important state institution that must function independently in applying the laws of this country and prosecuting non-compliance with those laws is compromised Was allowed to become almost dysfunctional for various reasons and the institution itself is "fucked" now.

Rvw: Look at the police the Jackie Selebi, Richard Mdluli, and how our minister handled our commissioner's unethical behaviour.

AL: Yes, now Selebi is gone, he is out of the picture. Cele is gone, gone to face his day and the charge in court, but SAPS as an institution remains ... and what did their actions do to the institutions

Rvw: So that is the basis and foundation of my research. If you do not have an ethical leader in that organisation you will damage institutionally like you have said.

AL: Now we were able to get to the point where we are but it is so easy to break down. You can do it in one 5 year term, all the values, the higher purpose stuff that we have entrenched now can be disseminated very quickly and to build it up takes a very, very long time and that is the sad part of those institutions in the criminal justice systems. Besides the loss of public confidence institutionally they are now weak.

Rvw: And the end result of that is non-delivery

AL: Yes

Rvw: Thank you very much.

INTERVIEW: Aiden Keanly 14 October 2013

AK: shift towards focus, people are looking at their career part... MBA arrogance of the Americans (off the record discussion about an article pertaining to return on investment in respect of MBA).

Rvw: explain the background to the research and the purpose.

AK: What are the three questions that I always like to ask: What is new, what is the truth and what is the right thing to do. The new is happening all the time but what is the truth when you dig down and you talk to people and you throw something out there and you get 15 different answers, now we are talking the truth.

Rvw: Start of the process, doing a case study on PG trying to prove ethical leaders are more effective

AK: fore-sure, no doubt about it.

Rvw: Your understanding of ethical leadership and whether PG is an ethical leader and why you say this, what his platform is... Aiden first tell me how long have you known the Minister? When you received your long-service award... the fact is that if you look at Gene Ravele and Ivan Pillay and if I listen to you and what you have said and what Minee said you all speak in the same way...

AK: I call it "the moulding", the respect that we have for PG that was one of his capabilities to collect and assimilate a diverse group of people who had completely different outlooks but to get them to function in a way that one brought out the best in the people themselves that addressed an issue and that had a focus on I keep on repeating it the bigger picture and you know I often speak to youngsters in the organisation when I conduct the induction process to give them an idea where we come from and how we evolved and the myths that they would hear and try to get across that ultimately it is the whole time at the back of the mind there is a bigger picture and it is what you fit at a particular time. And as he said to us right at the beginning when he assembled the people: "you are not the chosen few you are not going to hide away in your offices and stick up a straw every now and again to taste what is outside the air-conditioned office you are going to graft, you are going to tackle issues that maybe you have not tackled and that you are uncomfortable with whether it is race whether it is gender whether it is culture you are going to tackle those issues and you are going to have to learn how to manage them.

Rvw: I think the fact that the old commissioner is still here, I mean that man is not an easy..let me put it this way he would not be here if he did not believe in what Pravin told him.

AK: absolutely he is one of Pravin's biggest supporters in that regard because he saw this opportunity and he often said it: "here is an opportunity presented to us by a new window opening after 1994 elections of a new government making which would help us realise the ultimate dream of obtaining some form of autonomy which we have been fighting for, for 30 years" and that is what it is all about and he still says today, he has been privileged to be part of a certain little bit that was a catalyst.

Rvw: This is not widely known

AK: yes the effort and the undertaking and the willingness to submit himself to the process, fore-sure, this research is a historical document. Judge Yacoob still said PG at his...

Rvw: 10 year document of PG?

AK: no, do not have a copy, could possibly get it from Giorgio. Busy writing up a history of SARS assisted by Wits, Wits busy doing it and a whole bunch of us got together and provided

information and look Kosi was part of it, Trevor was part of it, I was part of it... I am looking for stuff like this because what I am saying you may not believe. One you have lived it, two whatever you believed or thought has been supported by additional information and your gut instinct and what you thought about it has been supported.

Rvw: In your view and your understanding of the characteristics of ethical leadership? What is your view about the characteristics of ethical leadership and the platform of it.

AK: well the platform in my mind is humanity, a person who can show that they are vulnerable but can also make a tough decision at times. Sometimes that could be seen as arrogance or seen as egotistical but to me it is revolved around humanity and the intent of the person in other words what do they have in mind and how are they then able to articulate this, how can they paint the picture which becomes takes place very different things it becomes a motivator it creates a major sense of trust and it gets people to feel that they are part of something which is much bigger you know during the process of reviewing and un-doing the evils of the past that takes a lot of humanity to be able to sit down and say "Hang on I did not really know about that, now I understand the way in which it fits" once you developed they understanding and they got this character trade of humanity they can say I am quite willing to compromise. And not play the hard and fast line I do not move past here, like the Americans are playing in their politics at the moment where you can say: :OK tell me exactly what your problem is and in many ways it is about the way you go about it. Somebody is completely against something for very good reasons and he would say tell me how this has revolved and explain to me why you are against any form of change and let us see whether we can agree to disagree but ultimately I will hear everybody and this is what PG is absolutely famous for he listened to everybody allowed everybody to make a contribution stupid or brilliant everybody is entitled to an opinion he would then sum it up into a couple of areas send people of and say to them look at this and this and this for me and the majority unfortunately did not deliver... he did not expect just a nice comfortable conversation he wanted it done and many of us devised a way in which to manage his expectations because sometimes they get out of control and we found a way in which to as soon as possible after discussion you would have a one pager for him and this was what I called the "inhouds opgawe" and we would say listen we discussed this the other day and you wanted us to look at this, this is the content page and the 3 or 4 of us would look at it and then he would indicate what his thoughts was. He would say "this is great that is great, no, no are you people smoking your socks" and then every now and again you would give him a 2 page update and he would say lets not worry about this anymore lets add this. He had a whole bunch of views and he applied his mind but he had the humility to in actual fact listen to people he had the once that smoked their socks at regular intervals the ones that polished their marbles as I called them, the once that tried to impress him. That to me, his struggle experience and he came into the organisation with his reputation as a campaigner an activist but what many people did not pick up is that yes he was a very good campaigner he could set things in motion and go down in the minutes details and meddle but he knew what the value of this was and he was humane enough and unassuming enough to say that the people also have a say in this.

Rvw: Giorgio explanation of the walk the floor, activist, walking from door to door, PG saw that this worked and he applied this is how you get people on board this is also how you look for your champions of change

AK: that is exactly what he did in the beginning when he pulled in a bunch of us and he said to us I want you to find a slogan and start sensitising people to start thinking differently and change and review exactly what they do and we called it the "walk-about". And he still asks us why the walk-about we said the walk-about is something that the Aborigines do and the organisation was still very much them and us, male and female, black and white so we decided to do the walk about and what it related to and allow them to vent.

Rvw: there was legitimacy in it all

AK: for sure

Rvw: it was not just to show his face he came there with good intentions and people knew yet.

AK: yes of course

Rvw: so obviously you see him as an ethical leader because of everything that you have explained to me that is the very basis

AK: Yes, that is the very basis he is an ethical person first which he then transcribes into ethical leadership both within a group of people as well as with his peers whether it was the Minister of Finance or representatives from industry or taxpayers, it is personal as well as a leadership quality and I did not see where he would push away somebody and push them into moth balls and say...he could be absolutely ruthless, in many cases but he always gave a person a chance and said well if you come to the party there will always be a space for you. I remember we pulled him down to Pietermaritzburg we were having problems there and he flew down and he was a bit huffing and puffing and then came out his famous words "I guarantee you there will be no job losses as a result of Siyaka, I guarantee you bring me a piece of paper and I will sign it, but it will not be the same job you will re-invent your job you will find a new way of doing what you are doing if it is necessary" and that to me was providing a comfort to people and based on things or people would worry about.

Rvw: they had total respect

AK: being able to take an ethical stand and say and this was another big thing that I picked up after we had the diagnostic and the consultants had looked at the real problems and how sick the organisation was we went into a planning exercise looking at all the various options and I remember the options that came out if we had one major assessing centre in South Africa economies of scale dictated that we would be much more efficient and then ethically he stood up and said that is the ideal state sorry I want you to plan for four centres. It is going to cost us more but at the end of the day it was thinking about people's lives, people's careers, people's families, the community in which they worked etc... so yes ideally and from a pure, pure bean-counter perspective and an economics perspective that was the answer and he said this is not an option, how can you put somebody out of a job, and I will have to go back on my word and we will sit with a whole bunch of people who do not have jobs or a meaningful job. So how do we balance this, how do we balance this with an ethical message to our people which they can trust and they can hang their hats on in the future and he created that. He created an environment where we ourselves could use that in saying here are the guarantees that I personally give in the name of the Commissioner.

Rvw: so he changed the culture?

AK: yes completely. And then we conducted a survey before we got ... 86? No 96? It was a climate and culture survey, Deloitte did for us and we got an 79% response from our staff at that time 10,800 people responded, but it was quite an in-depth one. And it established the cultures in the various provinces and each province and you could see there were massive differences in for instances what I call the Durban-KZN cultures the Cape Town, Bloemfontein, Johannesburg etc, Eastern Cape, totally different cultures and it was not putting everybody into the same pot, the same questions the same recognising, hang-on and that was one of the things that enticed him to decide who is going to be the victim for the pilot for the first big change management exercise of Siyaka and using the surveys these people are more open, KZN was chosen that is where we are going. If we are going to do it in Johannesburg it would hurt our business, what if it did not work, Cape Townians, tomorrow is another day, Eastern Cape

to much politics, Bloemfontein relative to others were too small it would not have the necessary impact. That is the way we go and they set the pace.

Rvw: do you perhaps know what the stance was about ethical leadership when he was growing up?

AK: well one, KZN university, 1st job as a pharmacist service orientation, then into the struggle and I believe that created the foundation for... the two areas in the country that I always seen the racial divide the least in South Africa one was KZN and the other was the Cape. I had grown up in the Cape had a major problem to adapt when I came to Pretoria and to deal with this absolute hatred of colour. KZN people also had ... but finally enough our Head Office at that particular time was fundamentally staffed by people from the coast and it was interesting I mean I was in law interpretation and everybody there was from the coast from Kosi to Ron van der Merwe all of them was from the coast which I think PG grabbed on and said Hang on we have a core of people who come from areas that think differently they are not the typical public servant so the base on which he came in to start was to a certain extent supportive and of course I think one the ethical stance taking by Gill Marcus together with Trevor Manuel, and paired up with PG when he became the commissioner provided that continuity and to my mind also the women role that was played. I was a person that insisted... they chased me out of the Receiver's office at that particular time and Trevor was looking for a buffer, a deputy minister and he said you are the perfect person to stand in the way and I was with them for about 9 months and PG came towards the end. And we set-up campaigns to manage and sensitise people across the organisation and using various change management techniques and getting her out to speak to the people to those, the influential groups and that motherly instinct that she had was absolutely invaluable, especially during a time of change, that is when you need the mother.

Rvw: I am one of the view government officials at the MBA and often speak about SARS as a case study and how transformation should happen and I get angry because people so flippantly talk about what is wrong but what they forget how much right has happened

AK: and that foundation which was built that will stand us in good stead, sustainable, that will hold for the next 20-30 years.

Rvw: conversation with these complainers and the sustainability of the concept we will always have them

AK: sure, and I believe that they are a blessing in disguise because maybe sometime they do point to something that we need to look at and we should consider their view-point. We sometimes tend to think that we know everything.

Rvw: I agree. And the core beliefs that are non-negotiable to PG?

AK: Well, zero tolerance for corruption absolutely any maleficence he is just not on. You make a promise you keep a promise you promise somebody... not necessary as a result of knowing you.

Rvw: he does not invest in people and he does not like people investing in him you invest in the cause.

AK: Yes. Humility to me is also part of it and one with which I think people miss amazing ability to assimilate a lot of information allowing many people the opportunity but fundamentally exercising responsibility willingly not passing the buck but willingly exercising responsibility to make a call. "Right I hear of you, you may not all agree however this is what I have decided this is where I think we should go..." discuss it, discuss it and said right now we collectively are going this route.

Rvw: Sufficient consensus...

AK: That is it we collectively are going in this direction

Rvw: would you describe him as a humble person?

AK: very, very humble person

Rvw: He is not a "bling person"

AK: no not at all. I think to a certain extent that puts him off, he despise it to a certain extent

Rvw: and would you describe him as a self-less individual that acts in ways that are other-enhancing rather than self-enhancing?

AK: In the main yes, I have yet to see the circumstance where he gave the impression that he was looking after himself that was not the issue I remember he still asked me the one day: "what is your role and purpose?" and I said to him that I am here to serve, I have had my time playing a leader and I have had my time organising and dealing with law and accounting and being the expert on the subject and now I am here to serve and he said right we can work together.

Rvw: where you immediately drawn to him?

AK: well it was a funny experience I was the first one to meet him in the organisation because there was talk about a new Deputy Commissioner coming in and I connected with him we had what I called a change management team at the time so anything new like that I would pick up the individual and I picked up a number of people, one of them being Logan Wart... and I asked him what was cooking... Michelle Murray from the FIC... and then he said I am confirmed, appointed deputy commissioner and we made arrangements who is going to pick him up, and I mean nobody made any arrangements for him to have an office and I went in my beat-up kombi to fetch him at the airport with a big board with the wrong name on it...laughs

Rvw: the wrong name on it?

AK: The telephone was bad and he was known as Mr Gordain... and on tip of that the kombi broke down on the way back, I wrote an article about it...

Rvw: was he angry about that?

AK: No, no, not at all, he was very relaxed completely relaxed... he was watching and listening and we had long conversations.

Rvw: so here is this new deputy commissioner, a struggle veteran I would call him a bit of a "terrorist"... in that way here he sits in your beat-up old kombi, you spelt his name wrong and here the kombi breaks down...

AK: Yes, laughs uncontrollably

Rvw: and he is just cool

AK: yes, no hassles whatsoever I even said to him he was going to stay in that hotel in the middle of Pretoria I cannot recall the name but it is across a park... I said to him, are you going to freshen up and he said yes and I asked whether I could pick him up in an hour and he indicated "No, I will find it"... and it was difficult in the beginning as we had this little group called the management of change and we were very despised by the power-players in the offices because we were making waves, big time and they were feeling the pressure of the offices that we visited because we used to go in and it used to be people like Thinus Marx and myself and other chaps, Andrew Fisher, Billy Hazel a whole bunch of us and we used to go into the

organisation and have sessions with people and explain to them what the change was all about. We used to target women and anybody of colour and the ones who disliked change was the target and over a period of days we used to get them and turn their minds and say this whole thing of change is frightening and difficult but you have got to take control.

Rvw: whose idea was this?

AK: we got a it was an idea of the commissioner of Customs, I forget his name, he died recently... plus Trevor van Heerden plus Gill Marcus had organised a consultant or consultants because we had to manage the consultants from the Swedish Investment Agencies, from the UK, US, Australia and Gill Marcus tried to manage and she had to some work to do and she told us to manage the change and through this we got hold of this chap from Eskom who was a management consultant, organisation development consultant and he, Trevor as well as the customs commissioner said ok this is what we want to do, but the Eskom chap was ok, the two business commissioners did not like the way that we took control and said to senior staff in their offices, you are k@k sleg...some of you are dirty you are taking something under the table you are going to rugby matches into the boxes etc... Christmas time presents etc... and they did not like this so they went back... Trevor was very uncomfortable so this little group adopted PG... He was the perfect change agent, the deputy commissioner a powerful man, so a lot of people said it was underhand, but it was contextually intelligent, we provided him with an office and a home and a secretary we provided support on the third a day a biggest desk with the trappings so he could operate.

Rvw: gems that are lost that we do not capture... book to be written. He is an individual that displays consistent honourable behaviour and he has integrity you have said that before, now you have spoken about this, in your view has PG consistently and throughout the period during which you have known him displayed a respect for the values of others including individuals and organisations through his actions "the bazaar concept"

AK: yes that is the way he operates and one of the successes of this organisation is not that we got autonomy because in the beginning when we got autonomy we were like a bunch of kids with the keys to the sweet shop I mean Gill Marcus turned around and said to us "Ladies and gentlemen you do not even have a strategy" she says go to the Defence Force they have got one you better go learn because without a plan you are not going to get money so it is all hunky-dory and party time and handing out bottles of wine, key holders and signing new codes of conduct but where is your plan government is going to ask you what is your plan? Because you are going to ask them for money and getting back to the questions one of the fundamental and key success factors in this organisation relates to the continuity of leadership principles between Gill Marcus, Trevor Manual, PG and the people they used for support. The continuity was fundamental.

Rvw: this was also supported by the other respondents... it is not just PG that was a good leader it was the whole context...

AK: the whole context

Rvw: the universe conspired and everything went into it and it was a perfect situation.

AK: look even if there was disagreement his famous quote was "we are all on the same page we may not like it we might not feel that our little portion is given a 2nd or 3rd place but he says forget about that the individual is as good as the whole and unless we can display that we are united in what we believe is the way forward we are wasting our time because if somebody leaves this meeting and spreads a different message and indicated that, that is what they understand in respect of the existing policy and procedures, each one having a conflicting views, were is your one page... Pg would pull out his hair

Rvw: term used sufficient consensus and PG coined that specific term and that he introduced that at the WCO and that is exactly what you explain now that ability and my view is that he has that because he has the legitimacy to own it so he comes into this, I know that I can trust him even though I think he is a communist it does not matter...but I know

AK: I can take his word...

Rvw: It is an honest discussion

AK: exactly

Rvw: so we can have first of all we are on the same page we can have it. He creates legitimacy by respecting my values and listening to me and I know it is not just patronising, this is full circle, spiral the whole time

AK: it starts off in the beginning with an uncomfortable probe and the second most difficult thing in the world is to listen and then when you have listened you develop an interaction where you make sure that you are both in agreement with what you both mean and understand and then the final summing up.

Rvw: brilliant summation

AK: well that is the way he thought and we found out one of his weak-spots... diagrams... he loves diagrams and we use to exploit it to its complete ends... he would ask for the one pagers and we would say no we do not have a one pager and we would ask Herman the big giant and made electronic mind-maps and scoreboards and I could draw and I would start drawing and he would take it and disagree and we would say that we have solved his problem, he would disagree and then he would say that he solved the problem and finally we would agree that we all solved the problem collectively.

Rvw: off the record discussion...

AK: He made things happen and again back to another noisy meeting in Pietermaritzburg and I had been in there for two days and the place was really bubbling over... and then I am told that the politicians from the government counsel came in and also started to make noise so I gave him a brief and he said ok we are flying down that is it and unfortunately for Clem Suttner he was also on the plan and we said Clem and he called Clem and Clem was standing there in a 50 seater aircraft and Clem is "lebenslank plus 14 days" but he stood up and he takes out a piece of coal from his pocket and he asks how we should brand this piece of coal to anybody and everybody and PG and I were sitting there talking about and he said no, no, listen because here we are going to find an answer and this is were the 2 of them clicked and that evening we had supper with Clem, explained to him the situation and they came together and he asked him how much are you willing to make promises and he said I do not have to make promises I have the authority to do something and he said well then we need to go down to the basics and they sent me out and said off you go you go and find out what is really making the people unhappy and it came down to toilet paper, lights in the bathroom fridges and the way bosses treated them. That is it. So he said ok he gathered the whole organisation and he said ladies and gentlemen I want all managers, leaders and otherwise out I want to talk to you but without them. He said ladies and gentlemen I am going to check up if he is lying he says the problem here is toilet paper etc... and is there anything else so he said ok a few people brought in a few things here and there and he said right anything else, thank you for being honest and I am going to be honest with you and I am going to tell you now what I am going to tell the managers when they come back in. On Monday you will have fridges that is it. Managers will personally inspect all toilets twice a day to see to it that there are toilet paper the lights will be fixed by an outside contractor and the fourth one is going to be something we have to do where we work on it we cannot give you and instant answer and we do not want to make live uncomfortable to you as

you will be seen as to be splitting on managers but I am going to talk to them about this and this is where he says off you go, unfortunately I cannot take any questions at this stage here is the idiot that will deal with it. And he called the managers back and he said I have listened and these are the basic areas that the people are moaning about and somebody laughed and he asked him why he laughed, he said it is toilet paper and he said no it relates to dignity and human person does not want to use newspaper, would you use newspaper or would you get into your car and use your toilet because your house is just around the road. It relates to humanness and humility and dignity of the person and he said look it is going to sound difficult to you and you will most probably spent your weekend attending to this do not give me excuses about money because I have money but on Monday morning there will be a fridge on every section finish and klaar.

Rvw: the principle

AK: and that is all there is to it he says because your people are as good as those serving you.

Rvw: Not position or purported power of the position is the influence to change

AK: And the way he operates because he makes sure he has the power

Rvw: he has got legitimacy

AK: once he knows he has the political backing and the legitimacy behind him and it is the right thing to do then he says right know this is what we are going to do and to me that is the, it is not someone that thinks they have the solution often he said I do not know let's call in everybody and ask them and in the end then he said this is what we are going to do and that is the way he went about team work

Rvw: do you think he can ever work in an organisation or structure with values that are different from his own?

AK: I think he will influence it that is his way, the way he operates. If it is not in line he will change it and adapt and call it something else but...he will make a difference

Rvw: The way that he influences culture and what in your view makes a good leader?

AK: It starts of by understanding themselves number one their abilities their strengths and their weaknesses then the ability over and above confidence then the ability to explain something extremely complicated in a very simple manner whether it is through diagrams or dialogue whatever but also to use that in a third point as a motivation and with that is motivation in the form of clear communication different types of communication to me is the big thing and then finally to be the listening post the ear on the ground. Listening to regular people and showing that in actual fact you do care about people

Rvw: you care deeply about people.

AK: you know somebody goes through, I went through a divorce then I contracted leukemia and he would say but you are not coping and I would ask him to leave me alone but that is the way he cared about people very personally.

Rvw: He may sound "bruusk" not sophisticated and rough but that is his way to show that he cares

AK: that is his way we had big arguments because they insisted and I picked up leukemia and that I had to go to chemo and I said no I have a choice, no but you know.... I said no I am not doing this I will not go for chemo what will I look like without hair I mean seriously I have a reputation to upkeep, my ego is going to be dented big time...and then he said to me how is it

going, he was truly interested and after I had the blood transfusions and all he asked me how it was going and he told me to stop smoking...

Rvw: His leadership style is this what you have explained to me know putting the right teams together listening skills clear communication ..

AK: different types of communication getting a complicated message across to people, and that is his forte and that was the motivation.

Rvw: and even something that we forget how he brings diversity and culture together for example the Muslim message over Ramadan... that communication goes out

AK: he has a target market as he used to say and this never happened before PG, that was the new communication style that came out, we are slipping these days in as far as how we have our communication to the majority of staff, Ivan's letter, it is personal and it has settled the people. It is a personal message coming out with this weekly thing about coblity goop about enews.... The impact that I can get out of this is unbelievable. The personal satisfaction that we get from this and people argue and fight and Frans phones me this morning and says no this is wrong and I said no Frans that is what they said at the World Bank that is what PG said on the podium go and argue with him, we have not done enough about saving.

Rvw: and do you think this is what makes him effective as well?

AK: yes

Rvw: and do you think he created this style through being the activist that he was is that were it was born basically?

AK: what I call the well informed activist because activism can be activism because you do not like somebody and because you just have an inherent dislike or you are sommer just hardegat and you say to me I cannot do that and I do it just to be different and moeilik but he was one he was the well informed activist because he knew the market that he was addressing he knew the culture and he knew what the problems were, he had a cause and in many case she researched it tried it bumped his head got the scars now it is ok, but every situation being unique let us adapt and find out the truth in that regards

Rvw: he gets up and speaks being a pharmacist and he always sounds as if he knows everything

AKL and it is simple language it is effective communication but he has done his work the amount of effort into that so-called 5 minute off-the-cuff speech is immense

Rvw: PG is a person that listens to others and puts values in the opinion of the team he displays a willingness to include others in his decision-making processes and therefore he does not have a need to appear to be the smartest person in the room

AK: he has no ego of wanting to come across he is the first one to say I am not the expert but what is also important in that regard he makes it a point that the institutional thinking which often happens in a head office environment who are a little bit far removed from the front must be tempered with reality and he would revel in bringing people from the front-line and getting them to make waves he would say oh these lovely plans I remember I had a beautiful change management plan that I presented to him after we included consultants and he said ok this looks good I do not know change management but I know campaigning we are going to get people from the front-line and I am not going to tell you who they are and they shot it down in pieces they told me that I was out of my mind you are going to muck-up my business it is going to cost too much you are going to deflect my people's attention away from the job of the day and I still said to them you people are not ready for change... Laughs uncontrollably, this is

what PG likes there are two sides to the story and then he would say ok gentlemen you are full of noise and wind one weeks time you will be back here and you will present your plan and look at the pro- and cons- don't think you got away with it go away and think

Rvw: do you think you can be an effective leader without having ethical values?

AK: to me that spells... conflicting you are torn between an ethical choice. Not necessary the right choice but an ethical choice that you know you can believe in and will not at a later stage feel obliged to change. That is also not sustainable and that is the point and unless you have the critical mass of people behind you and you invested in thinking about it and doing the necessary research and having a look at the potential knock-on and impacts unless you have done that then you will not be very convincing and you can pick on with people who are a little bit stunted from an ethical perspective, you pick up from them very quickly that they do not believe in what I am saying and it is one of the expressions he used: "You do not fight change in Africa with paper if you are going to the front-line you go in person and you talk, we want to sit around the fire and look one-another in the eyes and have a look if I believe what you were saying don't send me out a one pager picture saying this is how we are going to change come and tell me we can discuss it and I want to see if I can believe you and that I think he espoused. You looked at him and you knew straight away this is what he really believes in

Rvw: just had to listen to his speech that day in the car park when Oupa resigned, analyse it to understand where the legitimacy comes from. Have you ever experienced any instance during which PG held any of his subordinates accountable for a set of criteria and standards while holding himself to another?

AK: I would say yes a lower set of standards to me look he was tough on people if he had high expectations of you, you had to deliver on that he would allow the necessary lee-way but he did not expect more of you opposed to what he expected from himself. Self critical, he would turn around and say I cannot do this, I cannot manage the tears and the tissues please make it go away do whatever you need to, I will support you, money I will give you money, but the tears and the emotional stuff is draining you and the team go away and deal with it.

Rvw: do you think his ethical platform plays a part in his effectiveness as a leader? And why do you say this?

AK: yes, one foundation. Two trust, implications, buy-in

Rvw: Is it your view that ethical leaders are more effective leaders?

AK: If you look at the question the other way around one of the big issues we have in our country at the moment is about the lack of leadership that boils down to the lack of ethical leadership people do not stand up and say not in my name, you are not yes men, marble polishers purely to enjoy the benefits of the higher office, the Matthew Posa's that said hang on ladies and gentlemen, the Trevor Manuel's yes they do at their age now become quite outspoken and maybe not go about it the right way of getting the new breed of leadership into understanding this but the answer to my mind is that South Africa at the moment that the values of the leadership are questionable and it is a perfect mirror of what we do not need

Rvw: next two questions you answered, the lack of ethical leadership is affecting government's ability to deliver on its promise and increase in ethical leadership will improve their ability.

AK: bring them closer to the people]

Rvw: GR explained it: if you think about you as a leader if Rvw does something wrong in CI&P but I tell my people to do XYZ how do I get the moral legitimacy to tell my people to do

that, you do not, so your people become who you are basically and I do not know of anybody in SARS no matter what you believe that wants to disappoint PG

AK: no, look you get the “moer” in and get tired sometimes you got angry at him and you sometimes lose you become frustrated in saying but we have talked about this over-and-over again and he would say I am sorry I do not understand and were you are going with it but you have got scope and you do that but you have to come and convince me in this regard or convince somebody else and maybe you should try something differently he was pushing back in that regard. But without that I don't think he would have been the mentor to many there is a horrible phrase: “the mentor to many for such a long time with such a major impact which has left a legacy in the organisation which is really carrying us through serious difficulties”. People are talking about the wrong values and the wrong ethos and the wrong culture where there is nothing about that it is all about people who fear the loss of something they had in PG which was carried on to a certain extent by Oupa and now the big whole, the chasm, this is what we experience when Trevor van Heerden was replaced by Piet “Bybel”... Liebenberg as the commissioner who had a “moer” of an argument with Trevor Manual because he wanted to take us into the Financial Services and he just one day walked out of his office and resigned after speaking to Trevor Manual and that is when Trevor van Heerden was then appointed and PG came in as Deputy Commissioner. It is exactly what the organisation, called him Piet Byble took him around targeted offices via change management and he adopted the concept of letting people to speak their minds and they started to trust him and they started to trust Head Office people as the change management team and when he suddenly left it left a big gaping hole and now we are in another hole. And this, the question for the transition, I do not think to many people are worried, there is a care taker and there is trust they are too worried to focus on their job because they are embarrassed not to bring in the target, want to see us far outreaching the target, not from a pride perspective this is a value that is built into the organisation it talks to the higher purpose that is what they want to do, however the crunch and a good move so-far is the ombudsman appointment, good move so-far so they quite comfortable what is happening the transition, but the crunch time comes and there I think we will need substantial communication, walk-about, introductions who is this person and a sharing of this is the way we are going with massive Ministerial support.

Individual Interview conducted with: Bavesh Khumar Desai

Date: 31 October 2013

Reason for the interview: Research project conducted by Ronel van Wyk: Case study on PJ Gordhan, the effect of ethical leadership on effective leadership

Topics for discussion: "The following topics will be discussed during the interview, and the questions posed will relate to your knowledge and views in respect of Minister PJ Gordhan in relation to his:

1. Ethical leadership
2. Effective leadership
3. The effect of ethical leadership on effective leadership"

Please provide a brief background in relation to how long you have known Min Gordhan, what the extent and the nature of the relationship is:

Gordhan was secretary of Operation Vula and the relationship- we were all part of one strand of Operation Vula, known as "Operation Bible", underground military-political network, active mainly in KwaZulu-Natal in the last years of the apartheid regime. Post-apartheid participated in many party and Public Service projects.

1. Ethical Leadership

1.1 What is ethical leadership?

Research shows that most people do not think about ethics explicitly after their late teens or early twenties, implicitly choosing instead to follow cultural norms and the values they were taught at home, if any. The closest they come to choosing an "obvious" moral code is to follow cultural norms—which mean subscribing to the moral code dominant around the world: altruism. Altruism is not a moral code prescribing just benevolence and kindness towards others. Instead, it guides us to put others' interests always ahead of our own—which is no way to achieve our values, flourishing in life. Altruism—not decency and benevolence—is hazardous to human life and business. If we are always to give up every value instead of achieving any, we will not be able to survive, let alone thrive. What is the appeal of altruism, you may wonder, given how anti-human life it is? The popularity of altruism as a moral prescription is a testimony to the power of philosophy. For the last two thousand years philosophers, both religious and secular, have been prescribing altruism. The presumed rationale has been that if we all put others' interests ahead of our own, we would avoid conflicts, achieve social harmony, and live happily ever after. This is a myth, of course. Happiness is the state of consciousness that ensues from achievement of our values—which altruism rejects. But the majority of people have bought into the altruist prescription even with its impossibility as a guide to living their lives. (And political and religious leaders have cleverly exploited the guilt that people's inability to practice altruism has caused, getting them to consent to ever-increasing sacrifices without protest).

1.1.1 What are the five most important characteristics of ethical leadership?

- Must act from duty
- Develop trust and credibility
- Make the decisions and be held accountable
- Share the vision with absolute clarity
- Keep it all under control and headed in a direction

1.1.2 What is the basis/foundation of ethical leadership?

There are numerous formulations of deontological ethics. Immanuel Kant's three significant formulations of the categorical imperative are:

- Act only according to that maxim by which you can also will that it would become a universal law.
- Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end.
- Every rational being must so act as if he were through his maxim always a legislating member in a universal kingdom of ends.

In summary people should 'act out of respect for the moral law' when they act in some way because they have a duty to do so. So, the only thing that is truly good in itself is a good will, and a good will is only good when the person exercising good will chooses to do something because it is that person's duty.

1.2 What is the basis of PG's ethical foundation?

The decision theory school of management concentrates on the rational approach to decisions where alternative ideas or courses of action are analysed. The decision is the central focus. This approach looks at the basic problem of management around decision making – selection of suitable course of action out of the given alternatives. Major contribution to this approach has come from Simon, March, Cyert, Forrester, etc. The major emphasis of this approach is that decision making is the job of every manager. The manager is a decision maker and the organization is a decision making unit. Therefore the basic problem in managing is to make rational decision.

1.2.1 Would you describe PG as an ethical leader? Why?

Gordhan recognised that codes, such as King III and CRISA, have an important role to play in identifying aspirational value sets, but that translating such values into behaviour is quite another story. "There are many more complex drivers which determine consumerism and patterns of saving and the short-termism that we are talking about which can't be sometimes resolved within a country but at a global level. On the other hand there are societies like Scandinavian societies that give a different kind of balance where social obligation is an important part of what they do, where there are better balancing acts in those societies in the space of the self and the individual on the one hand and the common good of the society on the other hand. So the voice is arguing for the balance to be tilted for common good and more ethical behaviour that needs to become stronger and further institutionalised. You need a system of incentives and disincentives, rewards and penalties, which reinforce the right kind of behaviour but if you look at our media for example there is a serious illiteracy around these issues. There is probably one writer who raises these issues".

The Minister further emphasised the critical role that society has to play in asking "what values and behaviours do you recognise and applaud and what is it that you condemn?". He went on to state that rewarding more values based conduct will encourage people to move in such direction whilst only celebrating narrow bottom lines, through the media and other mechanisms, exclusive of the values elements provides incentives for the wrong types of behaviour. Similar concerns on state of executive remuneration in South Africa today were raised by other thought leaders in the interview series.

1.2.2 Do you know what the stance was pertaining to ethics/ethical behaviour within his home during his childhood?

Orthodox Indian upbringing in which you are thought the "Indian Ethos" which consists of:

- Man is permitted to enjoy both internal as well as external quality of life.

- All human beings and nature are interconnected and interdependent.
- Co-operation, mutual trust and respect, joint efforts and team spirit can lead an all-round prosperity and success to everyone.
- Every man must manage himself before controlling others. He must know what are his strengths, weakness, dreams, goals and ambitions.
- Mediation results in calm mind which helps one to focus on problems in a clearer frame of mind.
- Duty which stands for all those ideals, philosophies, purposes, influences, teachings and experiences that shapes a man's character.
- The spirit of sacrifice: Renunciation results in mental peace and inner growth. It results in a higher level of consciousness.

1.2.3 What do you think is the bases of PG's ethical behaviour and how was this developed?

Human values and holism- Human values refer to spiritual, ethical and moral values. These values act as foundation for thoughts, action, skills and behaviour. It helps to shape good character. These values help to create a good man, an excellent manager and a high quality organization. Inculcation of values in the mind of people will help to eradicate pollution from their minds. Holism means oneness or unity. The development of an individual's personality depends upon the harmonious growth and development of every part such as soul, mind and mental power. All these parts are interconnected, interrelated and interdependent. If there is unity or holism there is no conflict and disharmony.

1.2.4 What are the core beliefs that are non-negotiable to PG?

- Service to society is considered both as a science and an art.
- Service to society continuously tests the rules and moral standards and is dynamic in nature
- Man should not be treated as a factor of production and human dignity should be maintained.

1.2.5 Would you describe PG as a humble person? Why?

He inspires followership, and I use the word "inspire" deliberately, it refers to a need to demonstrate not simply accomplish. He takes pride in what he has done, but uses it as a platform to bring people together to do greater things, in other words he uses his leadership for something other than self-aggrandizement. A humble leader is willing to take a risk on others, trusting them with the sacredness of the vision; even at the chance they may be disappointed with the outcome. He initiates other's suggestions and feedback, not waiting until complaints come, but personally asking for the input. A sense of humility is essential to leadership because it authenticates a person's humanity. We humans are frail creatures; we have our faults. Truly effective leaders listen deeply, look for shared goals, work towards a mission that is bigger than them, and have deep integrity in their work.

1.2.6 Would you describe PG as a self-less individual that acts in ways that are other-enhancing rather than self-enhancing?

Chinese literature from the 6th century B.C., Lao-tzu described the qualities of effective leaders (Hieder, 1985). The wise leader, according to Lao-tzu, was to be selfless, hardworking, honest, able to time the appropriateness of actions, fair in handling conflict, and able to "empower" others (to use a more current vernacular). If this serves as the criteria then the proof is PG's tenure at SARS, its reputation and its continuity in his absence with the same credibility is indicative of empowerment.

1.2.7 Would you describe PG as an individual that displays consistent honourable behaviour? Why do you say this?

The positions he held over time are displays of his integrity/honour. Herewith are some:

- He was a leader of the Natal Indian Congress, the United Democratic Front and a key leader of the African National Congress (ANC).
- Between 1991 and 1994, he chaired the Convention for a Democratic South Africa.
- He was also co-chairman of the Transitional Executive Council, which oversaw the transition to the first democratically elected government.
- He chaired the parliamentary committee that focused on the implementation of the new Constitution and the transformation of local government.
- He was re-elected for the fourth time as Chairman of the Council of World Customs Organisation in 2004.
- He was highly respected and praised for efficient way tax collection over target when he was commissioner of the South African Revenue Service (SARS)

1.2.8 Would you describe PG as a person with integrity? Why do you say this?

Such is finance minister Pravin Gordhan's personal reputation that he could be forgiven for asking a similar question after the compliments for his impeccable handling of the inquiry into the behaviour of SA Revenue Service (Sars) commissioner Oupa Magashula. The trouble is that Gordhan's tough, transparent and decisive approach is very much the exception that proves the general rule. Gordhan was clearly sending two very direct messages, one relating to his own portfolio and one to government generally: that the integrity of Sars must not be compromised; and that this is how all allegations of corruption and improper behaviour should be handled by government. The trouble, to extend the Bobby Jones analogy, is that Gordhan seems to be the only golfer prepared to play the game as it should be played. Elsewhere in government, allegations of corruption, nepotism and impropriety are routinely ignored, or subjected to elaborate and usually inconclusive disciplinary processes. There are other ministers of integrity in government, or at least several that should be given the benefit of the doubt, but it is not at all clear that the highest standards of behaviour have been imposed on their departments.

1.2.9 In your view has PG consistently and throughout the period during which you have known him displayed a respect for the values of others, including individuals and organisations through his actions? Please provide details of specific incidents that you can recall that will substantiate your answer

In 1980 the students staged the most popular boycott UDW had ever seen. But, as most progressives knew, it was part of a continuum of demanding educational rights that became ingrained in the story of the campus ever since its establishment. But still 1980 was special. The determination of the students and the support from the community was unprecedented. The students learnt from the history of activism on campus over the last decade and were indebted to the 1972 pioneers like Pravin Gordhan, Yunus Mohamed and others. Their guidance and perspectives mixed with a 1980s brand of passion, made the boycott unique in the annals of student resistance. So many students became involved in community activism under Pravin's guidance that the process came to be loosely termed "Pravin's College of Organisation". That's where students did their apprenticeship to become activists. Here they learnt the art and science of the struggle at a grassroots level. Pravin didn't doubt that there had to be military action and global pressure against the regime. But there also had to be participation of ordinary citizens in the charge against the Nats. He developed a whole theory about the mobilisation of the masses in the task of national liberation. Community organisation formed a central part of that mobilisation

1.2.10 Would you describe PG as a person that instills a positive atmosphere of consistent ethical behaviour opposed to placing unwanted constraints through laws or societal norms?

Highly moral leaders whom we think of them as somewhat crazy and unreasonable, have created personal identities, personal brands of sorts, for always standing up for the right thing. We call them “ethical mavericks.” They are moral absolutists. To them, wrong is not defined by context, bribery not by the amount of money involved, and corruption not by how seemingly innocuous an act may be. These ethical mavericks all use language to achieve clarity. In these difficult times, we can all benefit from more clarity in our language, a hearty dose of accountability in our actions and a handful of unwavering, stable guideposts. The world needs more credible, confident, nonconformist leaders who are worth following.

1.2.11. In your view, would PG be able to work within an organisation/structure with different values from his own?

Yes as he follows a more forward thinking decision making strategy called —holistic — approach can be followed by management. Holistic decision making encourages us to be aware of our actions and their impact on the whole; it ensures that we take responsibility and accept accountability for the decisions we make and empowers us to be part of the on-going process of change. In order to provide managers with the necessary tools to manage modern organizations with a view to building long-term sustainable competitive advantage, it is imperative that organizations embrace a more holistic approach to problem solving. A holistic approach takes into account any number of different factors. These managers believe firm value is derived from — socially complex resources and relationships and they better understand the impact of their decisions on the overall culture of their company. Holistic approach to decision making is a comprehensive planning and management process that helps people to improve their quality of life and their finances while simultaneously restoring the environment on which we all depend.

1.2.12. How does PG influence the ethical behaviour of individuals and organisations?

Integrity management is intertwined with managing the larger corporate culture and with the informal reward/motivation processes that impact employee decisions and behaviours in ways that transcend policies printed in a written code of conduct. Common ethical and professional standards include assumptions that decisions and behaviours are conducted honestly and that employees and managers never knowingly harm or do damage to fellow employees, stakeholders, customers, clients, or vendors by deception, misrepresentation, fraudulent report, coercion, conflict of interest, or other acrimonious acts. Managing integrity requires strategic planning and enactment beyond hiring “good, basically moral people.”

I believe he would

- Establish Explicit Ethical Goals and Criteria
- Demonstrate Commitment to Ethical Goals and Criteria
- Communicate Ethical Expectations and Train Workforce to Enact Ethical Goals and Criteria
- Assess and Monitor Employee Behavior and Decisions
- Maintain On-going Proactive Integrity Continuity Management which is:
 - Set and maintain integrity goals at the strategic level.
 - Demonstrate top management commitment to integrity.
 - Monitor and audit conduct (formal and informal).
 - Tie performance rewards system to integrity conduct.
 - Distribute written rules, policies, and procedures.
 - Reinforce written rules, policies, and procedures.
 - Train employees to recognize and make ethical decisions.

- Establish Corporate Ethics Officer/Team.
- Designate Ethical Compliance Manager.
- Install surveillance and evaluative processes and foster collaborative participation.
- Maintain “whistle-blower” channels and policies.
- Ensure supportive climate for ethical conduct.
- Reward acts of integrity and ethical decisions.
- Abide by and enforce disciplinary policy consistently and fairly.
- Offer Organizational Transformation (OT) training and development programs.
- Immediately respond to misconduct; follow procedures consistently and fairly.

1.2.13.. How does PG influence the culture of organisations/structures that he serves in?

He adheres to the general six principles that provide overarching guidelines for framing the conduct of culture realignment efforts.

- Understand the Required Scope of Change
- Model, Teach, and Embed
- Use Multiple Levers to effect change
- Create Broad Involvement of Key Organization Constituencies
- Manage With Rigor and Discipline
- Integrate Into Daily Work Life

2. Effective Leadership

2.1 What is effective leadership?

What is effective leadership? That sounds like a question for a philosopher doesn't it? The truth is that anyone can be an effective leader. They just need to find the right balance between social, moral and business aspects of leadership. An effective leader is generally someone that leads by example and other people just tend to follow because they believe what they do is the right thing. Being honest gives a person credibility and result in other people trusting and believing in that person. Effective leaders admit when they are wrong and admit when they make mistakes. Effective leadership is about asking or requesting a person to do something, not commanding them. Effect leaders make recommendations to follow. Effective leaders are willing to get their hands dirty.

2.1.1 What makes a good leader?

An effective organisational culture should encourage ethical behaviour and discourage unethical behaviour. The corporate culture of an organisation evolves by its people imbibing values, good or bad. Its good leadership is having an ethical and social conscience, that will through their thoughts and deeds, inspire their subordinates to exhibit these values, both inside and outside their workplace.

2.1.2 What are the 5 most important attributes that constitute effective leadership?

1. Serve as a role model and lead as you want your leader to be: As a leader, your role is to lead a team of people to achieve results that will ultimately enhance and better the company/organisation.
2. Working the hardest to set the example: Being a leader doesn't exonerate you from hard work. In fact, it's the opposite. A team will only recognize a good leader who's willing to work the hardest and set the example by raising the bar as high as possible.
3. Putting your employees first in all circumstances: Leaders do have to make decisions all the time. Good leaders will try and consider the well-being of the company, as well as that of the employees. While this is clearly not an easy task to do—indeed, so many

different factors can affect the running of a company—a responsible leader will look for decisions that will benefit both the company and the employees.

4. Expressing yourself the right way: It's sometimes difficult for leaders to accept that they are filling a role that requires certain skills they may not yet possess. The second most important thing to learn is to always get straight to the point. There is no need to engage in a long-winded conversation, which in the end may lead you to say things you had no intention of saying, initially.
5. Do exactly as you say and mean what you say: It's sometimes difficult to keep promises made to employees, and we all know that disappointed staff members do not make good employees. While there is nothing wrong with promises, and if you want to be a really good leader, you must always think thoroughly before committing yourself to something that may be impossible to keep later on.

2.2 PG's leadership style & effectiveness

Dedicated - He takes his duties very seriously and does not abandon tasks just because they have become difficult or boring. He can also spend a lot of time and effort on causes that they care deeply about. Enjoys creating order. He strongly dislikes chaos and does his best to define rules, structures and roles in the environment that they see as too chaotic. Excellent organizer – He knows how to manage people and distribute tasks and responsibilities. He is an excellent team leader, especially from the administrative perspective. Loyal, patient and reliable – He values stability and security, and does his best to be responsible and reliable members of his organisation, company, community or family. Strong-willed - He has strong beliefs and rarely gives them up regardless of the opposition – more likely than not, he will defend his ideas and principles relentlessly. Direct and honest - He dislikes reading between the lines and prefers simple and straightforward answers. He is more interested in facts than ideas or opinions.

2.2.1 What makes PG, PG?

He is essentially life's administrator. He has a driving need to impose his judgments on the world around him with structure, schedule, and order. This combination of preferences gives him the ability to see a situation as it is and work with others to develop procedures, rituals, or regulations that will take care of it, while providing a framework for similar situations.

2.2.2 How would you describe PG's leadership style

- Freely express their opinions.
- Can be surprised when others see things differently than they do.
- View the other side of the argument as an open-and-shut case, dismissing the views of others as irrelevant.
- Always ready with a quick joke, a ready exchange, or an unsolicited opinion about almost anything.
- Two slogans that describe his philosophy in the workplace are, "Don't fix what isn't broken" and "Anything worth doing is worth doing well."

2.2.3 Would you describe PG as an effective leader? Why - what made PG effective?

It is as natural and inborn for him to manage (although not necessarily lead) as it is for fish to swim. Grounded, organized, exacting, socially deft, gregarious, academically capable, and always appropriate, he is seen by others as dependable, practical, and able to get the job done. They will naturally talk to others and gather just enough factual information to make a decision. These inherent social and administrative skills make the family, the workforce, the neighbourhood, the political party, or any other group appropriate arenas for him to administer and manage. His need for control prompts him to always say "yes" when asked to assume positions of responsibility.

2.2.4 How did he become effective?

He has a hard-core activist reputation. A tireless worker, he expected the same from all activists. He was a brave, principled person but stubborn and quarrelsome. He fought the enemy. He fought anyone within the movement who did not practice the principles of the struggle down to the final letter. Compromise a principle and it meant war. Come five minutes late to a meeting and it was again war. His close comrades found him a handful especially if he was set on one issue or the other.

2.2.5 Would you describe PG as a person that listens to others and puts value in the opinion of the team - does he display a willingness to include others in his decision-making processes and therefore not have a need to appear to be the smartest person in the room? He may consult with others before the meeting in order to prepare his case and generate alternative decisions that are acceptable to them. Solves the problem, using the information he possesses. This style assumes that he has sufficient information to examine all the relevant options and make an effective decision,

2.2.6 Does PG consider the view of others and is he prepared to offer praise and support to others who contribute to organisational success?

He is generally very opinionated, and likes to appear authoritative and in charge. He may temper this tendency when around other whom he values. Around other types, this tendency may cause him to be abrupt and direct, to the point where he inadvertently step on people's toes.

3. Effect of ethical leadership on effective leadership

3.1 Influence of ethics on effectiveness

3.1.1 Do you think that you can be an effective leader without having ethical values - can an effective leader behave unethically? Why do you say this?

Leaders will keep alive values that are not so easy to embed in laws—our caring for others, about honour and integrity, about tolerance and mutual respect, and about human fulfilment within a framework of value, this is an aspiration of followers. One of the reasons why ethics is so much spoken about nowadays is that the moral certainties of the past have become blurred. Recent events in South Africa have called into question many of the values and principles formerly adhered to. Post liberation, we had confidence in the moral consensus that was shared by our families, religious organisations, educational institutions, professional associations, political affiliations and judicial system. Nowadays we have pluralism, and we live in a society with many competing moralities. Whereas in traditional societies, there is considerable agreement on values, in pluralistic societies, such as South Africa, individuals are subject to a clash of values and have the difficult task of deciding which should prevail. So yes leadership in these unknowns can be an effective leader without having ethical values, because effectiveness is a subjective measure. It is or may not be same definition for two or more people.

3.1.2 Have you experienced any incidents during which PG held any of his subordinates accountable for a set of criteria and standards while holding himself to another?

No -he practices the principles of the struggle down to the final letter

3.1.3 Have PG ever displayed any different behaviour from the values/high standards that he expects from others?

No -he practices the principles of the struggle down to the final letter

3.2 Influence of PG's ethical platform on his effectiveness as a leader

PG's welfarist type activity to help people in need shaped him as a strong, likeable person, a do-gooder just acting out of his conscience during his community work in Natal. Many thought a pharmacist, what's he doing with all this community work? If he was such a big revolutionary why didn't he take up arms instead of preaching that community work, they thought? The community work created a platform to learn about how poor people coped with their problems. He learnt what the community felt when he encountered it first hand at their homes; this I believe built his framework of values on which he makes decisions

3.2.1 Do you think PG's ethical platform plays a part in his effectiveness as a leader? Why do you say this?

In Public Office absolutely, in the corporate world that is bottom line driven not so much. Public sector ethics is usually considered a branch of political ethics. In the public sector, ethics addresses the fundamental premise of a public administrator's duty as a "steward" to the public. In other words, it is the moral justification and consideration for decisions and actions made during the completion of daily duties when working to provide the general services of government and nonprofit organizations. Ethics are an accountability standard by which the public will scrutinize the work being conducted by the members of these organizations.

3.2.2 Is it your view that ethical leaders are more effective leaders? Why do you say this?

Leaders' ethical behaviors such as clarifying roles, sharing power, and acting fairly signal that these leaders can be seen as ideal representatives of the group, and that in turn implies they can be trusted. Furthermore, such trusted leaders are perceived as more effective.

3.2.3 How does a lack of ethical leadership affect government's ability to deliver on its promises?

Regular scandals in both the public and private sectors tend to fuel the perception that the current status of ethics is getting worse. This view is confirmed by, for example, the results of Transparency International's annual global survey, the Corruption Perceptions Index, which found that perceptions of public sector corruption in South Africa have declined over the last two years. Quantifying the cost of fraud in African, KPMG's Africa Fraud Barometer revealed that the 875 reports of fraud for 2011 amounted to a staggering US\$10.9 billion.

3.2.4 How would an increase in ethical leadership improve government's performance?

In order to build public service accountability, both capacity and capability will need to be built systematically and incrementally. An accreditation system for public service managers is recommended to ensure that appointees have the skills and experience required for their work. It can be concluded that an ethical code of conduct, the adherence to accountable principles as well as appropriate training can make a difference in the ethical dilemmas of the public officials particularly with regard to effective and efficient service delivery. An ethical code of conduct is necessary to guide the public official in his/her public service rendering to the community as well as to safeguard him/her against unfair demands by the community. This can lead to the promotion of a positive image of the public service

INTERVIEW: Gene Ravele: 2 October 2013 @ 09:00 – Pretoria

Rvw: The first part relates to ethical leadership and I would like to know your understanding of the characteristics of ethical leadership

GR: You see, my understanding of ethics and ethical leadership is about leading by example, you can do things bearing in mind that whether imagined or real there are people who are your followers and look up to you. You look at yourself as someone who is a person of influence in society and whatever you do, society is looking at you, and as a person of influence you do not want to be sending a wrong message. And also the other part of ethical leadership is that everything that you do you must assume that you are being watched. You don't say no, nobody is seeing me let me do this, it is also about living certain values, which values get passed on to our children, and their children. Unfortunately people associate values and ethics with religion and it has nothing to do with religion. There are certain principles, ethical principles which keep society going, which is a set of core beliefs and one core belief could be that vandalising public property is wrong not because it is a crime, destroying property that belongs to government or destroying somebody else's property, stealing is wrong

Rvw: So Gene, just on that. I purposefully did not ask... religion.. I do not want it to be part of this, similar to what you are saying now, I think we put too much emphasis on the impact or causes of religion on ethics. It has got nothing to do with that.

GR: it has got nothing to do with that. There are certain core values across society, that society knows, it is either right or wrong. So that is ethical leadership. Ethical leadership also means that you want to be accessible you want people to give you feedback on how you are doing. You don't see feedback as destructive criticism and you control you keep composed at all times. You humble yourself at all times. You know from time to time some of them like our minister he reaches a point where he loses it like many of us, but he tries to keep focus humility at all times and not get distracted. I think to me those are the core components.

Rvw: And would you describe minister Gordhan as an ethical leader?

GR: Of course, and he learned that type of leadership over a period that is what people don't know about him. He has been a leader, a community leader, a student leader, a community leader at grass roots. This is not the leadership that you learn at school. It is passed on by your seniors to you and it was a leadership that was based on the will of the people. And people know that if you display signs of arrogance you lose that leadership role, so I think over the period, within that period of conflict in South Africa he developed his leadership skills. That is why there is a huge difference between him and his predecessor it was basically because of that. It is a leadership that people read in MBL books, it is not the same leadership as his leadership.

Rvw: So part of the research pertains to what we call crucibles of life. And that you need that crucible to form the leadership, but if you don't have the base that you talked about that cements it then that is a loose foundation, so it fits very nicely in what I am trying to prove. And you have actually started explaining the stance pertaining to the ethical behaviour within his childhood and his home that that is where it comes from.

GR: Yes, it came from there, look he came from, he grew up in very humble, he comes from humble beginnings. I think his grandfather, or his father came directly from India, I think his grandfather. He grew up in down-town Durban on the street that was called Gray street, now it is called Yusuf Dadu or something like that. Then they urbanised Indians, it was before there was Chatsworth and other areas, then after the Group Areas Act Indians were moved to those townships, but it comes from there and he did not have access to many things that many people had and I think that shape and mould who you are and you start saying to yourself, "I want to

get out of this situation, I want to get my family out of this situation, and I will work three times as hard to do that”.

Rvw: and that is hugely inspiring. And the core beliefs that are non-negotiable to the minister?

GR: To him integrity is not negotiable. The other one is accountability he believes that we should be held accountable for our actions.

Rvw: And it is not about not giving you the opportunity to make a mistake, it has got nothing to do with that.

GR: No no no, you see, how he says it, he says: “In the same way that you want to be empowered, you must take responsibility and accountability for whatever goes wrong”. You can’t only take the glory and say “hey we have arrested so many taxpayers if the big cases gets messed up in court, we have to take our part in taking the blame, I think that is what he says. It is integrity, accountability and taking responsibility and also empowerment.

Rvw: And there is a fairness, in what he does

GR: Yes there is

Rvw: that I get from the people

GR: and transparency

Rvw: And it is not about him, never

GR: Yes, there is selflessness.

Rvw: And you have already said, you describe his as a humble person

GR: Very humble

Rvw: and also the next question, he is a selfless individual that acts in ways that are other enhancing rather than self-enhancing. There is a powerfulness but it is not arrogance and that power is used for the good of the cause.

GR: and he has a lot of patience, he goes into something for the long-haul, no matter how long it takes. Unlike many of us, I will drop it and walk he stays in there.

Rvw: Resilience. It is a privilege to get to know him, I thought I knew him but the more I listen to what people say, it is unbelievable. And would you describe him as an individual that displays consistent honourable behaviour?

GR: Yes, consistent, I have known him for years now

Rvw: It does not matter how favourable his decisions are, he does not care whether people like it or not, he does the right thing. And you have already said that you describe him as an individual with integrity.

GR: Absolutely, Integrity is his middle name.

Rvw: He displays a respect for the values of others, specifically if I look at Codesa, I never even knew about his involvement in the Constitution and Codesa, including individuals and organisations that is on the opposite side of what his beliefs and are. But he displays that and he is not condescending.

GR: Let me give you an example. Before Pravin became Commissioner In SARS there were no news flashes that will say we wish all our Jewish brothers and sisters the following, or for our Moslems, Ramadan, or for our Hindu and all that. He believes in inclusion actually the he

beliefs in unity in diversity not unity in conformity. And what he used to say to us all the time is that we need to leverage on our diversity. And get the positives out of it. That is how you manage a diversified organisation. Everybody has got a little something small to contribute into the big picture. So do not say that your contribution is too small, no matter how small, we require their contribution. Not only by going and collecting R20,000 from a taxpayer even contribution of thought. You know we don't think that after he left, we did not think that it was important to go and get a view from these ladies who make tea on the second floor. To get a view from them of "do you think this painting is sitting properly"? We would say, but what does she know? You get what I mean? PG would do something like that, No, no, call sis Martha, here, sis Martha will be called and he will say to her "sis Martha do you think this portrait is sitting well here?"

Rvw: And he values her input..

GR: And sis Martha will walk back and look at it and say, No, no, no it is not sitting right, you need to shift it a little bit and he will take that. Do you get what I mean?

Rvw: It means something to him. Every person means exactly the same as the next person.

GR: And he would call me and seek advice on something that I have got no idea what he is talking about and say to me, "what do you think about this?". And I would say, Minister I don't know but give me some time, I have not quite thought about this. So I will go and research it quickly and go and ask people that I think will know and then develop a half-pager and send it to him, and he would appreciate it and he will say "No, that is what I thought, I just wanted, now that you are the second person saying this, I am still waiting for Ivan's opinion", and then he decides on something. So he does not have that know-it-all thing.

Rvw: Do you think we can make more Pravin's Gene?

GR: Yes we can, we can make people that are better than Pravin, as society and for us to do that we need to get that ... and say what type of a role-model does South Africa want. South Africa is losing role-models. People that get hero worshipped today are being worshipped for all the wrong reasons.

Rvw: But look at Pravin, Nobody knows so much, we should write books about him.

GR: Yes, we should actually.

Rvw: That is why, this is a lot of work and I could have chosen something very easy and I am not choosing this research because it can do something for my future or anything, it is because I believe we need to know these things, we need to put it down in writing and on paper.

GR: We care, that we need to fix the broken families in society, because everything starts at home. Unfortunately we live in an era where families are no longer the nucleus that puts society together. We deal with broken families in society for a number of reasons. You have got children that grow up without parents or any form of parenting. You have the primary school system that has broken down. Because some of these values you learn, as the school on its own becomes a community for the six hours that you are there. What you learn at school becomes very important, so you have to fix a lot of things to continue to create many Pravins. I don't think currently we are doing enough to do that.

Rvw: Mma Pebble...got to know her through the MBA, Project, not just money, time and development, 20 children in orphanage. 47 home run children homes, cultural values to be taught. That is how she was raised.

GR: I don't think that PG does this, he goes the extra mile in making a difference in his personal capacity. He does a lot of voluntary work over the weekends and going to an

orphanage in Mamelodi, he goes there with his wife. Nobody knows about it. He does not do it because he wants the media there. And even when the ministry of Finance does its bit of the 66 minutes, the Nelson Mandela thing, the Ministry of Finance does not invite the media. Because he thinks it is something you do from the heart, so he does not do something so that he earns some mileage or limelight and he has been saying to us that things are not about him. You cannot do things on the basis that they are about you.

Rvw: And you have already touched on this: He does not create that consistent ethical cultural behaviour in an organisation by enforcing laws it is about doing the right thing for the right reason it is as simple as that with him.

GR: and continuously repeating the core message, wherever he goes, whether he is addressing parliamentarians or the portfolio committee on finance, whether he is addressing unions in SARS, whether he is addressing tax practitioners and customs agents and all that. The core message is about: We need a new cadre in South Africa, we need what he used to call, responsible fiscal citizenship. He spoke about a new tax morality, do he spoke about the spirit of the law other than the letter of the law. These are the things that he brought to us, that were never spoken about. The morality of paying tax, that people should feel that they have a moral duty to pay tax, it is not a legal obligation, it cannot be about the law. It has to be about the fact that South Africa need the money to survive, public servants have to be paid, social services has to be delivered, community services have to be rendered.

Rvw: It is about the higher purpose and making people part of it.

GR: One thing that he taught us about the higher purpose is especially when it comes to his stay at SARS, he was saying at some point as an employee of SARS you will reach a point where you will say...

Rvw: when I started working at SARS I did not know about things like the higher purpose

GR: He explains it he said it is about selfless-ness, it is about understanding the purpose the role that SARS plays in society. And say when once you understand the role and say I want to be part of that noble role of rebuilding a country that was destroyed over a number of years of low intensity war-fair of contributing to bettering the lives of ordinary South Africans without demanding millions in return.

Rvw: It is magic how he does it

GR: And he would say it along those lines and he is not saying sacrifice a lot. He says as you demand your 10-20% salary increase also know that we are not a private enterprise we don't take a cut of the revenue that we collect and we share it amongst ourselves and all that, I think also one thing that he did not like is the culture of entitlement. He was totally opposed to the culture of entitlement where people feel that they were entitled, to certain things.

Rvw: Do you think he would ever be able to work in an organisation with different values from his own?

GR: He will, but he will go in there with the intention to change it. He will go there with an intention... when he joined SARS the organisation had a different set of rules and a different set of values.

Rvw: And his ethical behaviour influences organisations and individuals, and cultures, I think we have touched on it, and I think he creates that by being authentic, by being consistent. There is no other, he does not enforce it through law it is about walking the talk basically.

GR: And also he would say: "This is what we are supposed to do, if you are not interested, if you have huge reservations or objections the door is open you can leave.

Rvw: So, what makes a good leader?

GR: I think leading by example and have some form of...he used to call it flexibility while adhering to your principles. You have a certain set of principles that you believe in and adhere to but you must be flexible at the same time. You need to make compromises that is, what he as the chair of Codesa that is what he did. He understood that there has to be compromises made even though you believe in something very religiously. That in a process of give and take you have to, you know.

Rvw: because that is something that somebody explained to me..... would be able to ...

GR: The other thing also is listening. He is an active listener. He empathise with what the other person is saying, so he puts himself in your shoes. Say you have gone to him and have spoken about a problem, what many people do not know is that there are certain things that you will go and explain to him and he will shed a tear. He appears very strong and rough on the edges but if you go to him and explain a situation to him, what he does, is that he puts himself in your position and he imagines himself in that situation. That is why he will get so emotional about it at times.

Rvw: and nobody really knows that about the minister.

GR: He does not do it publically. He has got his own moments and some people only realised it when he lost his best friend. He withdrew and when he got the news he locked himself into his office and cried. The second time around was when his mentor, billionaire friend died, he was not the same for the next 2 weeks.

Rvw: There is a deep care and concern for humanity.

GR: He is a very deep emotional person.

Rvw: Energram...What makes him PG is this. This humbleness, the fact that he has this huge care and concern and it is about the purpose at the end of the..the selflessness.

GR: And he stays away from destructive and disruptive copings. He stays clear form all these controversies and he is a very passionate person. When he flips he will do it because he has had a lot of patience for you. If they talk about people that were ultimately fired from SARS for the one reason or the other, talk about LR, talk about MG, he brought those people here, he felt so deeply hurt and he always gives people a second chance. Some three, four, five chances.

Rvw: And would you describe him as an effective leader?

GR: yes he is, definitely.

Rvw: And what makes him so effective?

GR: He sets goals for himself and he stops at nothing, "he is a driver" and many people used to accuse him of interference even now as minister ... people as saying that he needs to decide whether he wants to run this organisation, or to be the minster and all of that. I don't give a damn.

Rvw: I think we should just say thank you

GR: He is doing the right thing. He must drive, he sets himself goals and he will push you very hard to achieve those goals.

Rvw: but he knows how to push you ass well... he will unsettle you, but understands how to get the most out of you. Do you think he was always this effective, or do you think the crucibles and what he went through in the struggle made him much more effective.

GR: I know, I met him for the first time in 1987 and I can tell you that when I met him he has always been the way he is today.

Rvw: How he got the people to mobilise in the township, and the more they put in rules and regulations, the better he became. You have already said, he listens to others, he puts value in the opinion of others and the team, he displays a willingness to include others in his decision-making processes and he does not appear to be the smartest person in the room.

GR: That is true

Rvw: He considers the view of others he is prepared to offer praise and support to others who contribute to organisational success. It is not about the person it is about the organisational success.

GR: The one thing I forgot to say, he does not demand loyalty, to him you need to be loyal to the organisation or the cause such as SARS, and by extension loyal to the government of the Republic of South Africa and the people of South Africa that he kept on saying to us, "they are the ones who is paying your salaries, I am not you employer, the people of the Republic of South Africa are your employers". To me that was a very key message. "that I don't demand that anybody shows loyalty to me" and he did not like it when people say "no, no, no congratulations boss on your appointment as Commissioner, you have got my 200% support. He used to get very annoyed. Example of individual bringing PG a gift, he was very angry. You just needed to go to him and thank him for the opportunity there is no need for lavish gifts or cards. Simple and professional, PG did not want to accept the gift. The same individual again purchased him a gift he became very angry and annoyed. In his own mind he says I did not do you a favour, I did it because you deserved it. He does not allow people to invest in him, as this does not allow sustainability in the long run. He invests in others through empowerment, requires you to do your work, with little interference from his office, on condition that you take responsibility and accountability for your actions and for anything that gets messed-up, and you do all of that with integrity. You cannot be effective leader without having ethical values.

Rvw: have you ever experienced any incidents where PG held others to a different set of standards than those he hold himself too?

GR: No, never

Rvw: He never displays different behaviour from the standards and values that he expects from others

GR: No

Rvw: What he expects from you is first and foremost what he expects from himself. Do you think that PG's ethical platform plays a part in his effectiveness as a leader?

GR: Yes it does.

Rvw: It gives him credibility and authenticity. And ethical leaders are more effective leaders do you agree?

GR: yes.

Rvw: How does a lack of ethical leadership affect governments' ability to deliver on it promises?

GR: when you do not have ethical leadership there are some of your junior staff and subordinates that will know, so you will not have any moral authority to say to them what they are doing is wrong, when you yourself do that. So you end up not managing anybody and the group will have a free rein in doing whatever they want to. It is like when you drink, and you

have children above the age of 18 and I drink like a fish and tell them that alcohol is bad for you. It leads to non-delivery of services and that is the outcome at the end. You have to leading by example, if you have an ethical commitment in delivery of services, this will transcend to your subordinates to do the same. (answer last question on how this will influence governments' ability to deliver – through transcending of the values which will lead to better behaviour, more performance and in the end service delivery).

INTERVIEW: Giorgio Radish - 9 October 2013

GR: Ethical and Effective leadership: So there is a dimension pulled from both of these which is charismatic leadership. There is a whole study area of charismatic leadership which I think you need to touch on because I think that is where he falls in quite strongly. And the charismatic leader is not just pretty, soppy, good, noble, beautiful, it can be quite a bastard but he gets things done and he changes the world. So on the whole it is good, but not every tick-box that makes up that leadership is necessarily good. From a particular perspective of what is good.

Rvw: Each interview is as you are comfortable with the questions you can answer some questions together, powerful. Areas covered in literature study.

GR: Start of: what I call the "charismatic PG" and to me the things that stand out, if you want to call the features or characteristics that aligned to a charismatic leader, the first things is that he is an awesome communicator. He just knows how to communicate a message and he has a feel for communication for media for selling himself and his organisation. He does it really, really well. He also does it well in a crowd, but he also does it beautifully in a one-on-one. He has got that ability, one-on-one and one to many. You know this whole philosophy of his of "walk-the-floor", you have probably heard that a number of times. "Walk the floor" and that walk the floor came when he did an article once but he often used to speak about it and what he did is he took a lot of the things that he learned as an activist in Durban and applied them to the SARS when he arrived. Walking the floor is nothing more than what he used to do as an activist knocking on each and every door in each and every street of each and every suburb where he thought there were potential supporters. When the Tri Cameral Parliament was introduced in the 80's he and the party were extremely worried about ordinary working class or even non-working Indians falling for this Tri Cameral Parliament because the politicians like Rashbansi were handing out goodies, you know people would get... He had to swing into action and he had to literally get to know each and every family. So the first methodology that came into play was walking the floor, if you take the anargalis it is walking the floor. What is the next thing you take: Segmentation: So many male, female, old, young, susceptible to vote for the ANC, so many not. Understanding diversity and using it. SO you take that skill and that passion and you apply it to SARS you start segmenting. So you pull through to a lot of the theories and philosophies and strategies at SARS come from what he was doing on a day to day basis. It is his instinctive and intuitive reaction. Walk the floors, know your people segment your clients. It is not rocket-science and yet he was so passionate about doing those things because they had worked for him in a different context. He had see it work, and through that comes trust. He communicates, and by communication I mean, saying stuff and acting you know reaching out, engaging people. Then I think the second thing made him really special and charismatic, I would put all I have said until know under communciaiton and reaching out. The second thing I think made him different is the clear vision and he has a clear vision his vision, you know he has got a vision which he can communicate properly so there is a vision he has a voice so he can give effect to that vision and he aligns it to values which come from a certain ideology. So he has a very good theoretical background in Marxist philosophy and he achieves, he is not a die-hard communist that ... he is a pragmatist. But deep down inside he is left-leaning, his genetic pre-disposition is towards the left, always towards the Marxism. If all these other practical considerations did not temper if he did not have to correct, correct for the greater good but his natural tendency is to be left-leaning. But he is sufficiently skilful and knowledgeable to be pragmatic. If you have to be pragmatic you do the thing the that is not necessarily left-leaning for example again if you pull it back to SARS you do not arrive here and fire all the whites on the contrary you integrate them into the new organisation and you start carefully with respect and courtesy re-orientating their minds towards new values and a new way of doing things. So you integrate why? Because the ANC charter says so, that they know no difference between colour so you cannot come and then get rid of whites because they are

white. But there are some that you have to change, the top, must change it has to be him otherwise he cannot do what he wants to so that he has got this ideology that feeds his values that informs his values. He has got a very clear vision which responds to his values he has got a voice to give effect to the values and in the final instance is what I call: He has "virtue" because he lives by everything that I have just said. So it is values, it is vision, it is voice and then it is virtue. Now if you start looking at putting these things in a row and the virtue says it actually what the virtue is: Do you practice what you preach. In other words you have values you have a vision and you have a voice. Now do you do what you do every day what you practice the way you give effect to it and the way you align it to the previous three is then your virtue. You are a virtuous ethical person. And they will tell you that the voice when you give voice, the more and more vecivouris and assertive you are, if you have a public message like PG or .. which is one of... it is called politics. Using your voice to align your vision and values is politics so that is what he has always been he is actually a politician he has always been a political animal. And then living the way and practicing what you preach is something that you test 400 times a day because everything we do you know if you have a meeting you walk in and you ask is this meeting, Yes I have to take a decision, is it in line with what I believe is it in line with my values do I have to make an exception because there are certain reasons to make an exception? In other words aligning everything you do with practicing everything you preach. You are tested every minute of every day because it is a constant it does not come, in some cases it comes naturally because you repeat the same thing in others you have to apply your mind and you can see that he always, he re-applies his mind every time some of it is instinctive because of years of practice but he is always re-applying his mind. He never says, "ag I did it for X so I will do it for W. When X was here, he is very circumstantial X is a women who grew up poor, W grew up slightly... so he puts everything puts all the circumstance, contextual intelligence, he puts everything to practice on that.

Rvw: Am I right if I understand it that he stays out of trouble he does not put himself into a position where he is compromised because of you call it "crucibles of life", because of the knowledge and moral compass he has. He does not put himself in that position that he is compromised?

GR: Not he doe not put himself in compromising positions.

Rvw: what you have just explained to me is part of this system that he uses not to compromise himself.

GR: that is exactly what he does. He thinks ahead, he does thin ahead. He is a great manager of risk, he is a great risk manager. Which sometimes undermines you know they say he these effective leaders are those that take decisions they are decisive. Sometimes he is not that decisive as people think. He can be very decisive but sometimes he actually avoids decision at a particular point until he can make one that suits him. He does sometimes do that. He wants to be in control not only of what decision but also when to make it. So if circumstances force him into a decision sometimes he will not make it immediately sometimes he will let it go. I think if it comes to disciplining he was less assertive although he acted very swiftly in the case of Mandisa, he acted very swiftly in the case of Leonard Radebe and he acted rather swiftly in the case of Oupa. So when it was, look the moment it affected the reputation of the organisation potentially in a big way he acted very swiftly but he would not easily for example reprimand somebody for bad work done unless he really lost it and I have seen him lose it once or twice very badly but you know the other technique that he had was and that he still uses sometimes is he is angry with that chair (points at chair next to me) but he speaks to you. I do not know if it is in the hope that "that chair" will understand without him having to confront him head-on and I have noticed that some people like Minee for example often being ticked off, and then you realise Oh no... that does sometimes happen as well.

Rvw: But when he takes these decisions Giorgio, like with Oupa, he takes those decision in a way not to force his own view. He has a transparent process that he uses to get to the outcome. It is not personal.

GR: No, no, no, no, no. The one thing that I can say about PG he has never been personally discourteous in my presence to me or anybody else and I have seen him at work. He never harms your dignity. He never takes away your dignity. Never ever.

Rvw: He addresses the issue

GR: He addresses the issue. He has never taken away, he never humiliates a person in their dignity That is absolutely true.

Rvw: And when we talk about ethical leadership we talk about things like integrity and humbleness which are things that truly we can say about him

GR: Yes, yes...

Rvw: But also has a bit of an ego.

GR: No he does

Rvw: And power

GR: And power, he does...

Rvw: But he never use that for evil purposes or for manipulation

GR: No, no, you see it goes back to the ideology. He really does believe in the common good and social justice and service. You see the thing that you often get is ... if you look at that theory of the values and the vision, the four "v's", they call it the four V-model, the values, vision, voice and virtue. The values and the vision are drawn together by service. Service to others connects those two. The value and the vision because your vision and that his vision is about doing good and service to others is in that so his vision is altruistic but were it becomes egoistic is I am the one with the vision therefor I must make it happen. So there is a good deal of "I" in this. Even though everything he does is for others and but it is true there is a big "I" in that. He has got a very big ego, but what drives him is not money it is power and it is also just seeing the people's lives improve.

Rvw: The achievement of making the difference.

GR: he can also be "mock-modest" sometimes. I think he does like, he does get a bit embarrassed if you praise him. He feels a bit uncomfortable he does not he is not very graceful with praise. But I do not think he does not appreciate, I think he appreciates the praise and he actually likes it because it is feedback but he does not how to accept it graciously he is not very gracious in that but when I was saying going back to the "Charismatic PG" we had the communication and the vision and then the trust. He is actually trusted and that you see in how people trust him, people at SARS when he spoke, now with Oupa...that calmed down the organisation. People still trust him. A: because it links up to the other things, he walks the floor he knows them, he almost knows them by name so he speaks to them he listens to them there is a perception that he is listening he actually lets them speak. He does not, this whole hype about EXCO is very important and EXCO gets better treatment. That is where the Marxist things come in. An egalitarianism. People are people. You do not get a better chair because you are an EXCO member.

RVw: And he values everybody's inputs no matter what level you are at.

GR: Well he gets 25 people to do the same thing and then throws it all in a pot. He is a superb consolidator. You know his approach of thesis, anti-thesis and synthesis. You have a thesis this is the problem we have. Then you have the an-thesis, so you have this, then you have the opposite of this, which is not the problem. So you have the problem then you have the non-problem what do is the situation to not have the problem and then you throw it all together in a bucket and then you get the synthesis. "Sintese, nou die tese, en die anti-tese en die sintese". Now very often when he talks to you, if you listen to him his story-line has a thesis, an anti-thesis and a synthesis. He, "ok give me all the problems and you say it is this, that one says it is that...all the thesis. The he will say: "ok what are we going to do to change this?" in other words what are the conditions to not have the problem. Then you start looking at solutions then he takes everything and throws it together and you get a synthesis which is a whole thrown together conglomeration of all the opinions. And he is an excellent compromise...look he crafts compromises. And you know one of the things he is known for nationally and internationally is this whole notion of SUFFICIENT CONSENSUS. Has somebody raised this? About sufficient consensus, there are two things that PG has invented or that drive his vision, maybe three. The one is higher purpose the second one is sufficient consensus and the third one is multi-lateralism. Now sufficient consensus came from the Codesa initiative when he was chairing Codesa. When people say there is consensus do you work on a principle of if 9 out of 10 people say that X is right, do you have consensus. But politically you need absolute consensus. You can work on a vote but remember that one person that did not vote can go out and put bombs. So having 9 people in the room that agrees with you and having a low-level civil war in the country has not brought you any solution. You have to get them all on board on the lowest common denominator which is the best for everybody. Which means that everybody needs not to throw bombs but Ronel gets a lot, Giorgio gets little bit but we all agree at least not to throw bombs so we have sufficient consensus on the most important aspect and then it may vary, bearing in mind that you are a small party even if I don't give you everything you want I can at least make sure you don't revert to civil war. That is engaging a one-on-one it is this finding out what who wants, finding out how much it means so sufficient consensus is not absolute consensus but it is consensus which is sufficient to make the situation go forwards and not backwards in other words you are taking a risk because not everybody has said I absolutely agree. It starts with I agree in principle but, so all the "buts" are put in a column and then we start working, are these butts working to go ahead so take a few butts out and put them back in. So he crafts this consensus. He then took that whole notion of sufficient consensus and introduced it at the WCO Policy Counsel were people had never heard of sufficient consensus. That sufficient consensus when he appointed me to do governance reviews of the WCO has become part of their decision-making process. Decisions are now taken by sufficient consensus. You will also find that EXCO in SARS does not have a vote. The EXCO has never voted, not in my period as secretariat. It is all about consensus, or sufficient consensus. You carry on talking until find enough space for yourself to move forward. You may not all have agreed on everything but you have enough agreement to go in some or other direction then you let the politics play out

Rvw: so for me this is at two levels first of all it is giving the voice but not be patronising toward that voice. You are really and truly invested and you respect that opinion and I think that is why he gets it right, because he has got legitimacy. And I am speculating now.

GR: no, you are right he does.

Rvw: He has legitimacy so I believe him and even if he is my enemy I believe that he comes there in good faith and trying to sort out the best position for me.

GR: yes, exactly. That is the big thing. And then the multi-lateralism is about countries not going it alone. PG does not believe in going it alone. He takes the region with him he takes SACO, SADEC, Africa, BRICS, G21 this thing of the American dominance grates him and he

correctly so believes not in a world that is bullied by one or two superpowers. He does not believe in these superpowers. And he sees the arrogance of power in Europe this whole thing of look for example how he dealt with the economy. You were either pro-austerity, you know America said they had “qualitative easing” their philosophy of pushing money back, pushing public money back into business helping out the banks saving General Electric, they call that “qualitative easing”. In Europe they spoke about austerity they bailed out the banks then they let others close-down you remember, but austerity, in other words what you do is you clamp-down, Engela Merkel, you clamp-down and you save, you save, you save, you close down Greece, you close them down. Cut, cut, cut, get rid of the civil servants, cut the pensions, cut the social welfare, cut, cut, cut. That became known as austerity. PG’s view in the past two years was that he did not want to hear about austerity, the word austerity was like a red flag to a bull for him. You will note from his public utterances that he has steered clear, he is not part of the austerity ideology because he believes in again here comes PG: “thesis, anti-thesis and synthesis”. You must cut were you can but you must also grow. So you must cut and spend, in other words SARS’ bonuses must be cut and there must be a saving but we must spend more on infra-structure development through Public Works. So it is cut and spend and he never goes for one or the other. His stuff is always complex I do not know how to explain that. His logic is not simplistic his logic is complex because life is complex. So he never looks for the facile easy solution he really tries, when you spoke about contextual intelligence, he really applies contextual intelligence, he takes everything, everything gets its you know he has either considered, weighted, discarded, or considered or retained. But he puts it all in the pot he doesn’t just take the easy way out, yes or no.

Rvw: But you see I think it is that way. He does not just do things to tick the box, he truly believes when he does something it is done because he wants to make a difference. That is why he puts so much effort into everything because he wants to make sure that that is the right decision.

GR: and coupled with that is this ideal to change the world and you see that in the way he relates to Kosie, not Kosie as a person, but Kosie as “the Law”. Law is an enabler it is there to be changed if you come and say you are not allowed to do this... he gets pissed off and says well lets change the law we have got a parliament we have to understand the reason and rationale for the law is wrong then we change

Rvw: he also believes that the law is not there to enforce ethical behaviour.

GR: No but it should be respected. I fit is not good law it must be changed, his relationship to law is change it we can change the world we have power. Use your power wisely, use it constructively and positively and to make good stuff happen don’t whimper so when he becomes Minister of Finance he doesn’t see, he sees his views being fed into all the platforms worldwide. He wants the world to change in other words his will say that this economic crisis shifted the economic balance of power between the traditional powers to the developing powers. Africa is growing, African economies are growing not South Africa, Africa economies are growing quite well compared to the rest of the world. So what he is saying is let us use this for the first time the old world is suffering, use this opportunity for us to stand up and be counted, put your foot in the door we must have a bigger voice. So the kind of stuff he was saying as an individual in the ANC he is now saying at the international level to the others, I don’t see, he does not necessarily see them as oppressors but he sees them as unfairly, unfair, power brokers in the world. The third world should have a bigger voice and should have a part of it. Everything he did nationally he is taking everything internationally.

Rvw: He is globalising

GR: He is globalising.

Rvw: When you look at him and the way he affects ethical behaviour he pulls it along he does not do it by putting in place policy, procedures enforcing the law. He does it by “walking-the-floor”

GR: Charisma, he pulls it off through charisma and that is why you know the, you could see his reign at SARS was characterised, you see it goes, there is another point here which relates to situational context. They always say that charismatic leaders are created because of situational context. If you take Ronald Reagan is always cited as an example of a charismatic leader. You had Jimmy Carter who had “fucked-up” the international...people kidnapped, embassy burned down, Cuba arms problem, he was paralyzed, did not know what to do. Here comes Reagan why are we paralyzed we are the strongest country in the world we can bomb the shit out of them we give them 24 hours they better deliver or otherwise... there came hope. PG was very similar the situational context in the late 90's a revenue agency which was, a revenue not agency or service, a department in Treasury that was very run-down, very little legitimacy, collections were way below par and a very low compliance culture, climate and environment. Here comes PG now he gets a choice he can either go the bureaucratic way, let's do a policy study then after the policy study we get the policy sorted out then I get the, he did not have time and he did all those things at once. He ran around and threatened people to better pay their taxes or go to jail. I want high compliance. You better pay I do not like what you are doing, communication, communication. I am far ahead, my policies are way behind me I am right up there but you know what I am pulling it off. People did not realise what hit them had they started the constitutional route they would have found that PG had nothing to back him up. Kobie was running to try and catch-up to PG to retroactively legitimise what PG was saying... with that, so firstly you had the situational context then you had this, he manipulated that situational context to his, not to his benefit but to the benefit of the country to improve compliance, he brought a cultural shock. He shock-treated the country into compliance and then he remembered governance and he did some catch-up. Which is why his reign was always regarded as the charismatic reign, guy was out there leading from the front, brave intrepid, scared of nothing big strong voice achieving the goal the vision and then the whole idea was now you are sitting with this young adolescent organisation that is full of energy and full of vibe but it needs a little bit of discipline. It needs to wear some clean clothes again it needs to just take a deep breath and go back to school for a while so you get a technocratic commissioner so you get a charismatic commissioner followed up by a technocratic commissioner followed up by Oupa. That is where we are now, now we need a little bit of charisma again. What has he done at Treasury and is this working?? What we had At SARS was almost a guarantee of 10-15 years of the same similar minister and the same and similar leadership being very stable so we were guaranteed not many other departments had 10,12,15 years of the same DG's the DG's came and went every 2-3 years and the ministers changed that constant change is not conducive to setting a strong base. We were given a reprieve that not many national bodies have, 10-12 years with the same boss look if it is bad you are in shit but if it good it is 12 years of gains that nobody else got.

Rvw: Treasury had the same, with Manual ...

GR: they did with Letsetsha and Manual but now with PG remember why they got rid of Manual was because there was a view that he was a neo-classic, neo-liberal. PG is left-leaning so if he is going to redesign the fabric of the economy there are two ways to do it. Either do it disciplined or like Bob Mugabe over-night and you have a revolution and you bite the bullet, changed economy in Zim you can say what you want ownership patterns have changed in 20 years mine owners and big business it is changing that is why only revolution can bring along a change. We have said no revolution we will do it by evolution. But now PG is the first minister of finance who is trying to address that the stuff that Malema is speaking about in a radical way, PG is trying to do in a non-radical way. The point is he is half-way he has undone quite a lot of things that Trevor did but he does not have the team or the time to rebuild something else and I

am scared he is going to leave a vacuum. At the moment I am struggling with the vision of the economy I think we, it seems as if we are dealing with it transactionally, make the motor manufacturers happen etc. If you sit back and think if he can pull off the youth subsidy, that is from the left a big thing the social grants do you see I am not fair to say he hasn't put something in place but he is swinging this from a traditionally neo-liberalistic economy towards a more socialist economy with social grants, youth subsidies but without ever saying that we don't have space for the capitalist.

Rvw: without losing the trust and faith from big business.

GR: but at the same time introducing socialist and I am giving labels to stuff which is not fair but you know what I mean, the more socialist type mechanisms in the economy. To a certain extent that is were one has to if one day when history gets written maybe Trevor was a more larger than life figure but it will be interesting to compare who made the biggest changes.

Rvw: In the specific context in which they operated within

GR: within the specific context of world-wide perception. I think maybe PG is up there but people do not realise, and he is not doing what is popular to the capitalist press so they are not going to praise him for it. Secondly people who see changes ... what Trevor did the impact of that is only felt now, what PG has done the impact will only be felt in a few years' time so you don't feel it yet so people do not understand it they do not see it but I think it will be seen and you will see that he has changed he shifted from a right-middle leaning economy to a slightly left-leaning economy but you can't just move you can't just make a law that says we are now left. You have to be responsible that is him the chess player the eternal chess player. Remember how he crafted the EXCO here, putting teams together with diverse skills, opposing views, peace maker, gender, race etc. He used to work out that whole profile and he would sit back and watch how we were doing, he is a great chess player.

Rvw: Don't you also think that people at SARS was different from the culture within Finance that he inherited?

GR: Yes remember culture he inherited was Manual's culture, you cannot be just bureaucratic and technocratic and slightly arrogant

Rvw: off the record discussion not to be used for the record, was provided to give context.

View: bombastic, likes to hear his own voice, dominating, does not listen to others, comes from space where he knows what he wants before he gets into the room and he will manipulate you to go with him other-wise he will get rid of you. Understanding of higher purpose, financial situation cutting of bonuses, holier-than-thou attitude private life has nothing to do with professional profile. Interferes in everything, micro-manager

Rvw: Things that are non-negotiable to PG, you do not lie to him you can make a mistake but do not lie to him.

GR: Oh no, he cannot handle it he gets irrational. He is not a perfectionist and he allows you to make a mistake. The other thing about him at a smaller level it does not matter when you sms him he always responds. As minister as commissioner if I were to sms him now he will say to me "ok" or "thanks" but he will respond he will acknowledge that he received that sms

Rvw: He does not do it to impress you he has respect for you.

GR: It is a small thing, but it is indicative of a certain discipline and attitude. Sorry I spoke about the communication the trust the vision the situational context I still wanted to talk about two. The other one is important is the expertise. Look he knows his stuff he understand stuff especially at SARS level.

Rvw: but he came here as a pharmacist

GR: He did but that shows that he is an extremely intelligent man. On expertise he knows his stuff, I told you about his H-profile that is a 100 across the line he has great his expertise and his understanding he can interrogate and he will cross-examine on issues and when he has already done his home-work and it is true what she says he often knows the answers before hand he is cross checking how much he can depend on you so that he knows whether he can use you further or not or keep his hand on you.

Rvw: These things were installed because people could not keep up with him in taking notes (white boards) says something about the man

GR: no they could not keep up with him. You know for example when you do a simple basic piece of research you start off with what you have a status quo/analysis. And that is very important because most of us make mistakes with that we tend to think that is not important but that is the most important and recording it properly is very difficult to record the status quo properly because you really have to understand it. Then once you have done that you do a comparison you look at what other countries are doing and you start coming up with recommendations and then you conclude about what you have to do change the position. If you were to summarise it this is what we have this is what we should have and here is the gap. Now the few big pieces of research that I did with PG he overturned you know I did a PHD...PG comes and says you do it differently. He turns it around you start with what is the dream what do I have what is the gap how do I fill it. Now it is not a big things, some people says it is chapter 2 instead of ... no philosophically it is completely different you either start were you are this is what I am, me then you go and you look out and then you say me, minus that gives me a minus gap. He says no this is what I could be, this is how big I could be and how good I could be, and this is what I have, minus the two and this is how I am going to fill the gap. You start by thinking big so you first think big then you take a realistic assessment of your small and you decide how to fill the gap as opposed to the traditional where you this is how small I am this is how big I should be... this is negative. I want to be big, tydelik kan nie wees nie... It is a whole optimistic view, the philosophy is optimistic and opportunistic. And it manifests for example in the way he reads stuff, when you do a briefing he says first lets' see where we want to go then we give a good account of what we have and then we look at the gap and we analyse our gap and we make recommendations on how to fill the gap short medium and longterm.

Rvw: And when he gets up and speaks he knows what he talks about,

GR: yes he always has a story-line

Rvw: talk about preparation and having respect for the fact I am not going bull shit story what I say is the truth stands true to his principles and he stands true to that in everything that he does.

GR: and that is on the expertise. And then the other one is as I said which hangs a bit together with communication is managing impressions. He is very good with that look he manages impressions about himself and his organisations very well. And he had no problem he likes to clobber and says for example in his speeches were he says to people if you are non-compliant in your tax you should be ostracised from your golf club and your tennis club...wow...you know it is almost wow. It is controversial stuff but it shows that he was he wants to appear slightly he manage the impression about himself to such an extent that article "hero or villain" that time he wanted to be both but he wanted to appear a bit gruff. He is now more smiley but when he was SARS commissioner he was very stern and he is never frivolous he is, on the personal side he is quite health conscious and he has a sense of humour but it is a very measured sense of humour. He never goes beyond this...and he had a very strong sense of the correct of the constitutionally correct, womens day, hindu day, remember the notices we

get, he started all that cultural tolerance, cultural respect not a great love for money, not a bling person not interest in money. Not a driver in his life.

Rvw: but he displays consistent honourable behaviour in whatever he does he acts with integrity and whatever values he holds for other people are the values that he holds for himself.

GR: trips abroad where he did not want to stay in specific hotel because it was too grand

Rvw: end of interview, thank you

INTERVIEW: Godfrey Baloyi: 8 October 2013

GB: I don't know how you want to do it, we can start with the first one, and these are the most to me. So someone might have a different view but this is what I just thought.

Rvw: Purposefully did not indicate the influence of religion. Secondly these are the of ethical characteristics that are important to you.

GB: gave 6 characteristics,

Rvw: and then are they in the order as you see them as the most important or do not think it is necessarily...

GB: No, it is not necessary because for me authentic it is as important as accountable and someone that is impartial to me is I expect that person to be inspiring as well.

Rvw: so they actually compliment one more than anything else. And the basis of that, you said that it is moral altruism rather than mutual altruism.

GB: yes,

Rvw: and is that the selflessness

GB: yes selflessness it is more mutual, I think it is in the business context...I will behave in a particular way because I am expecting a favour from you that becomes mutual. When it is moral it is irrespective of what is expected. Now look I will make an example of Madiba. Look at the Rivonia speech that is what we believed in. Whether he was under threat of life-time imprisonment or ...he stood by what he thought was right, so what he was fighting for was the moral high ground.

Rvw: So you don't do something because you expect something back you do it because it is the right thing.

GB: Yes it is the right thing to do, yes, and also over and above that it is more of a social responsibility norm which he internalised from an early age (PG). So when one talks about PG and....so from an early age from high school, he saw the value of fighting the injustices and drove him to his profession that of helping people and then came the political leadership and mobilisation. Fighting the injustice...and the injustice that he fought, let me do a cross-reference...you know the young leader currently might be trying to fight an injustice but he is also fighting the people who is not fighting the system so for him he sees colour behind this thing, the injustice being perpetrated by anybody across the lines. With PG it was more of a system, he did not personalise it that was why it was easier to have the likes of your Roelf Meyer immediately after negotiations because it was never about people it was the system and when he was fighting...like a freedom movement he was not saying we want indigenous Africans to come to the.. he was saying ...it was a genuine fight.

Rvw: it was not to get everybody richer the fight was for a purpose and the purpose was freedom.

GB: Yes, it was freedom and freedom for everyone. Whereas when you talk about the current term economic freedom fighters it is more about the ... it is not sustainable it might not obtain the piece that we wanted too.

Rvw: would you describe Minister Gordhan as an ethical leader?

GB: very ethical...the characteristics that I mentioned about an ethical leader is why I see him as an ethical leader. Also covered in first question...relates to being authentic, impartial, humble, courageous, inspiring and accountable.

Rvw: and the basis for his ethical leadership, you indicated in your answers that it relates to the empowerment of other people as the basis?

GB: Yes, that is the basis so he is putting the people first so it will people will not believe that. When he became a Minister the first time, after they were sworn in and they received their packs he is one of the few people that did not attempt to say because I have R3 million to utilise...the car that he bought I have seen it in the parking lot... he knows that he has R3 million to spend, but it is not about the smart things...I am scared to use the words...the shiny things, the bling that is the context...

Rvw: The core beliefs that are non-negotiable to him, you say in your answers, power of building a community (the community come first for him), create an environment for people to excel in what they and want to do what they are good at (believing in you and pushing you to achieve what you are able to), remain faithful to his values and beliefs and seeking divergent views and ideas?

GB: I think what is important to him is that he knows his people, he appreciates the opportunity, the people believe in his message and he is able to identify potential and to develop that, he remains faithful and he seeks divergence. You would be surprised how he knows about the person with specific skills in the Western Cape, he knows his people and they are important to him and the better you do the more recognition he gives. He sacrificed his life and his profession for the benefit of many without expecting to be compensated, even after his incarceration he continued to play the leadership role in an ethical way.

Rvw: he does not do this so that you owe him anything, never bring him a gift, thank him for the opportunity try not to disappoint him, be honest when you make a mistake but never lie.

GB: PG once asked me whether mr Pillay was the best boss I ever had, I started by apologising and he indicated to me that he was disappointed with me when I indicated that Mr Pillay was the best boss I had. It was on a Sunday he was on his way to Parliament, to report on... it was the best that we could have done and he put it in such an eloquent way...

Rvw: gave an authentic and honest message

GB: he knew we were telling him the truth, processes were followed, at the time he reported on a sensitive matter...he knew we took all the steps possible to remedy to situation. He is knowledgeable, anticipates, knows all the opinions, knows all the view-points... this has not changed since early ages even if it was not the favourite thing to do...and he knows that is not the favourite thing to do, he does the right thing.

Rvw: seeking divergent ideas and opinions, I did not know about his involvement in Codesa – sufficient consensus phenomenon...he seeks that and he wants it

GB: he will even tell you that he does not need everybody to agree with him, he values your own opinion and he wants to hear that.

Rvw: opinion from the tea-lady about the portrait

GB: he does that

Rvw: does he ever do anything wrong, it seems as if he never does anything wrong?

GB: you will see from my answers and I will remind you about those things that he did wrong, it might not be visible but you will see from my answers

Rvw: and he is a humble person

GB: yes he definitely is a humble person

Rvw: and even though he seems hard and assertive at first and the way that he becomes a fatherly figure and emotional about people's problems

GB: and he cares deeply for his people...you know when I am saying this he is able to serve us...no DG has ever negotiated salaries that the people of SARS employees earn. Sometimes when you look at ... look at the terms ... it is something... people in all the offices of SARS not only the bigger regional offices, all most each and every office people would have seen him, visible over a period of time, that why it is difficult for any commissioner now to follow in his footsteps.

Rvw: even the out-lying border posts, Adrian told me how he planned to visit them and how important it was for him to visit them. GB also added in his written response that PG is always open to new ideas and innovative thoughts, he is able to serve his employees and he has demonstrated an ability to serve in whatever role.

GB: I also wanted to add that he has this ability to serve in whatever role he is in, from his profession to the political organisation when he negotiated, he did not... follow his own interest and he is one of the best.

Rvw: Difficult person to research...he is low-key...stuff that he did on the local government white paper, limited information available on the internet.

GB: also remember if you think he is not humble. He was offered the position in Transnet, which was 100% more than what he earned and there was no inconvenience just go into the office and that is it, but he was asked to serve the government and he chose to do that. He is a true servant, not many people that will make that decision, more stress, less salary, more money and benefits, it is not based on those terms...there is not benefits, active citizenry, the problem is if that is adopted there would be no grievance, government would have adopted these things what else would be your mandate...unemployment under the youth, so people want to continue to say the youth is unemployed and PG gives a plan...is not serving their purpose. He is a lonely voice and you would think that he would change but he will not change because it is the right thing to do unless you provide him with an alternative so that is the thing.

Rvw: and I think you have talked about the self-less individual and these actions are not self-enriching they are other-enhancing everything that he does...was he part of the graduate trainee program in SARS?

GB: yes it was his brain-child

Rvw: GB adds in his written response to this question that most of the achievements of PG during his stay at SARS were through his enablement platforms that he created and him leading the way by being more of the servant than a boss to his people. Confirms with GB, PG is not a servant leader, he is one of the toughest individuals to work for and people should actually not want to work for him, but by being authentic the intention is to do good and he pulls you along.

GB: yes he pulls you along. And talking about the consistent honourable thing, he encountered resistance in SARS but you may think that...the resistance was the biggest

thing...and as they say “change is pain” and you had people that were in a stable work environment and were now given a leader that has never lead a listed company or a government institution. The only thing he knew was to mobilise society with the background of a pharmacist. Secondly he had resistance from his own people because tax morality was not a high priority for them part of fighting the system was not paying taxes, as the taxes did not benefit the bigger part of society. So you were sitting with a double-edged sword, within and externally that was the biggest problem. But what people did not know, because SARS had moved out of the Department of Finance it had a different reporting framework now all the past rules, government policies were not applicable to SARS and we had to start from scratch to develop policies and procedures, systems but he had a vision and he was consistent in his actions and because of his thoughts and his vision they did not change every year and this is how we got to where we are today. That legacy has sustained SARS it was as if he knew where he wanted SARS to be.

Rvw: he had the courage to do this, in the period that he did without losing a single individual.

GB: and how he communicated this in the various stages all the critical stages within to create excitement and the buy-in for people to talk about this thing so at any given time we had a “theme” in SARS that was very visible to everybody, at some stage it was about the strategy, the people but in the end it was always about the higher purpose.

Rvw: and how he made the institution understand about the higher purpose. GB also indicates in his written response that PG had a consistent vision that he sold to all the employees, he communicated this vision throughout his stay at SARS and he engaged with employees by asking for feedback through employee engagement surveys, management surveys etc.

GB: yes.

Rvw: And Gb would you describe PG as a person with integrity? You respond in your written answers that during his tenure at SARS his integrity was tested and he overcame the challenges by providing clarity to all stakeholders without any attempts to spin.

GB: It is like this, when people are pressured from the outside they come with fallacies and theories concocting allegations and everything so many of them, Kebble, Dave King all of them there was never an attempt to spin it so that he could ... it was always about facts and if you can remember he served outside the TAACT and it was even more difficult for him to communicate with the general public but he communicated in a way that he was respected and the rights of taxpayers was respected..” unless mr Kind is willing to allow SARS to clarify, otherwise we are binded by”. He was never a bully, even if he was pushed.

Rvw: never encountered an incident during which he abused his power to prove a point, because he had the legitimacy and they knew he would not entertain any nonsense, there was a specific process and that is the process that he will keep too.

Off the record discussion

GB: PG’s influence still resonates ... he has legitimacy, if you want to draw a parallel between PG and Oupa... (off the record discussion)

Rvw: PG never got involved in nonsense it was as if he knew that he could not afford to be involved or find himself in any compromising positions.

GB: because this thing is second nature to him it is his default it is something that is part of his behaviour and his response it does not become difficult to him. If somebody calls him and indicates that he has a problem with tax PG already knows what his response is, he does not get into trouble and he invites the individual to come to SARS for help, indicating “hey Chief I do

not deal with these things, ask to put into writing so that the organisation can respond in writing and once I received it I will relay it to the correct individual". Immediately the person that wants to leverage can see that this is not going to work. And I do not know whether you have been into some of those meetings where he will introduce the person and he will even say I worked with this person... very transparent, however I know nothing about this matter and then he leaves the meeting.

Rvw: off the record discussion

GB: PG knows it is all about the leverage and he carefully selects whoever he puts into the meeting to represent the organisation.

Rvw: He chooses contextually intelligent people and he is extremely contextually intelligent.

GB: it is unfortunate that we have to compare the two to make a point.

Rvw: In your view, has PG consistently and throughout the period during which you have known him displayed a respect for the values of others, including individuals and organisations through his actions? GB in his written response indicates: creating diversity and cultural forums at the beginning of his tenure in order to understand and accommodate such values, cultures and embracing diversity.

GB: Yes

Rvw: I think you have said this...the fact that before he came to SARS there was not news-flash indicating celebration to our Muslim brother and sister or Jews or Hindu faith etc...success through diversity understanding the differences.

GB: When I joined...the importance of diversity was emphasised, uses the example of the UK... PG understands the importance of this cultural diversity, understanding other people's cultures. That is why he is respected, if you remembered because it was them that negotiated the constitution, you will know during the negotiations, SA is not a Christian country and as a catholic I had a bit of a problem with him but currently we are not that much different from...that recognises all religions, cultures etc, that was important if we tried to align our constitution to the Christian religion we would have had problems.

Rvw: PG does not do that to patronise people he does it because he truly understands and he truly respects and he is not judgemental and he does not want to enforce his views. Now then next question is actually a loaded question and it relates to whether you would describe PG as a person that instils a positive atmosphere of consistent ethical behaviour opposed to placing unwanted constraints through laws or societal norms? GB responds in writing: Leading by example and entrenching the principles of higher purpose ensures that the message of ethical behaviour became second nature amongst many in SARS

Rvw: Please allow me to clarify the question: He does not try to enforce ethical behaviour through laws or very strict controls but what I have seen of him he does it by leading by example and by making you understand why you need to behave in a specific manner.

GB: And how many times have you heard him say please educate me on this...

Rvw: it is not through... he does not have to have the legal enforcement behind him to get things going.

GB: exactly that is why we did not attempt to have a standard operating procedure (SOP) for everything we wanted it to be ingrained something that even if you are not in SARS t9iy can behave in a way that is ethical... the way we talk we respect one another... Your personal life and your business persona is linked and you cannot afford to be caught in a compromising

position as this endangers the organisation and the individual, example of Avashoni applying for the Auditor General position...

Rvw: Would PG be able to work within an organisation or structure with different values from his own?

GB: Yes, as long as they are good values.

Rvw: Most people indicated that PG would see this as a challenge to change them.

GB: yes that is true.

Rvw: most people would say no, I cannot work within a structure or organisation that has different values from mine.

GB: you know once I worked for Deloitte when we worked with him he was always fascinated...coming back...

Rvw: and the way that he for example influences that behaviour? You say in your written response that he does it through demonstrating the right behaviour, communicating with staff and showing zero tolerance to unethical behaviour as well as engagement, communication and through his immediate direct reports. It is not as if he enforces it he walks in-front and we believe in him and what he does.

GB: and you need to especially on the zero tolerance ... you know it is easy to fire people as a leader until the day the closest people to you have behaved unethically and to me he demonstrated that he could take the most difficult of decisions and that he was disappointed by ABC as well as TRE which he was grooming for bigger things and he took personal responsibility to develop this individual, and he wanted to ensure this difficult decision was... and ultimately he took that decision and there was a process in between that he followed. The first thing he did was... how would you feel if you had to take this difficult decision, if the behaviour is not what you expected... (off the record discussion)... he goes through effort to explain his decisions. Similarly what happened with Oupa he was provided with the option to go through the evidence, he decided to resign he was not forced by anybody.

Rvw: why do you think this happened? Is it the ethical platform that is different?

GB: for me it is since PG left and I do not know if you in your course have gone through the causes of dysfunctional organisational leadership, I think the laissez faire type of approach created the environment... They see that the top leadership is not inculcating the values and they take the opportunity to move outside the boundaries and the leadership does not have any moral legitimacy

Rvw: what makes a good leader, and what you have written down here (in your response to what makes a good leader) are the things that relate to PG... the fact that he is honest, self-aware, he has self-direction, he has the ability to motivate and the ability to delegate?

GB: Yes.

Rvw: he walks-the-talk, he has a sense of humour.

GB: yes you find yourself laughing and twisting the things that you are saying, the self-control, the emotional intelligence is very solid and those of us who would know how hectic it was, but he would never go on an outburst. He would scream at people, but he would never personalise it and it would be for that moment and then it would be done. You would think you would not be getting your bonus but when you check your bonus would be there.

Rvw: And GB, he never went to a leadership school, do you think it is natural?

GB: no, it is not natural, your child is now in the modelling space is learning so much... the early learning and influences played a role and there will be a time when you as the parent will have to re-direct... you will struggle but you will overcome this with life-time learning and she will volunteer information. Like myself, lots of things I learned from school, I did not recognise it was learned from school. I always say I respect my elders and I mean it, even in the townships people would be surprised, and elder would have a problem, they would want to talk to me... specific manner in which I was raised and thought how to behave and also by looking at role-models... behaviour-wise the teachings was available but the ANC conducted workshops on values to the extent that if you did something wrong on values your recognition would be relegated to what we called interest groups... it is ingrained somebody displayed racist tendencies we used to see them as victims of the system, there is no bad and you see an opportunity to educate this person. You do not see the stewardship being given to Home Affairs and the National Development Plan etc because the leadership has no legitimacy.

Rvw: What are the 5 most important attributes that constitute effective leadership? GB provides written response relating to leading by example, through role models and being visionary, putting those that you lead first at all times being very caring, walk the talk, be considerate when you talk to people, having a sense of humour and having self-control, high emotional intelligence.

Rvw: What makes PG, "PG"? GB: stays true and honest to who he is at all times

Rvw: and his leadership style, you say in your response it can be coercive in cases of emergency where there is no luxury of time, visionary when a new direction is set, affiliative when the organisation and its employees are going through stressful period and democratic when engaging staff and members of the public.

GB: you know when it is time, after his parliamentary speech in February saying there is a deficit when he comes back from there, in writing it will be nice words, but immediately there is no time to sugar coat, you will report three times a day... you better know where ever he is going he wants to see what you are doing, it is almost demanding that performance from you. They also call it a command style.

Rvw: white boards in SARS is a direct result from PG's command style.

GB: and remember he would call everybody that matters and you would think that you are a criminal investigator and during that period he is asking what are you doing to help and telling you to go back and take ownership of the problem. Which is good for a leader that can adapt to styles as is required by the situation. He is flexible and he is able to get the buy-in, he sets the vision and is transformational in the situations that demand it. He can be dominant in extreme circumstances. The way in which he modernised the organisation and re-deployed the capacity and the resources to be more efficient was visionary and setting the direction and having the courage to do it. If we are going to the same processes were we are attacked about our inability to show things you cannot show ability, he does not have one style he is adaptable and flexible and truly transformational which is the dominant style. The fact that we had staff engagements etc shows that SARS is democratic which is unique to the organisation and it is not known whether this happens in any other department. He wants the honest feedback and he does not see it as failure he lifts the bar and he knows that there is no 100% he is realistic.

Rvw: And because of everything that you have explained now this makes him effective person that he is but mostly it is because what you see is what you get, he is consistent in his behaviour.

GB: And he does not compromise the believes and the values, he never compromises

Rvw: and the way that he became effective... crucibles of life, the trial and error that you experience...

GB: yes, because leaders are not born... the advantage with him is that you have a foundation they try they fail until they get things right and they master this thing over a period of time and he is resilient he does not blame and does not point fingers he takes accountability

Rvw: And you have answered the question pertaining to whether you would you describe PG as a person that listens to others and values the opinions of others, and whether he displays a willingness to include others in his decision-making processes and therefore does not have the need to appear to be the smartest person in the room. He is also prepared to consider the views of others and offer praise and support to others who contribute to the organisational success. GB provides written feedback: management forums, visibility, regional visits and road shows, amakhwezi awards and the bonus system.

GB: Yes. Because he also recognised that people are doing well at times it is one thing that he does, you need to recognise what they have done well now and do not wait for the end of the year, recognition on the spot.

Rvw: the manner in which he thanks us in Parliament and he is sincere.

GB: in fact he was proud, very proud of us. I think we spoke about this one...

Rvw: and that it is not mutually exclusive, Gb written feedback: no ethical behaviour is an inherit necessity or value for effective leaders effective and ethical leadership are not mutually exclusive.

GB: yes, and it is bound to catch up with anybody that tries to separate them and it is not sustainable. We use to say the ANC is the moral leader of society because of its leaders and we cannot say that anymore with conviction.

Rvw: Have you experienced any incidents during which PG held any of his subordinates accountable for a set of criteria and standards while holding himself to another?

GB: what he expects from himself is what he expects from you. He does things with purpose for the best result to the biggest amount of people.

Rvw: Have PG ever displayed any different behaviour from the values/high standards that he expects from others?

GB: no, he never does that

Rvw: Do you think PG's ethical platform plays a part in his effectiveness as a leader?

GB: Yes, as per my previous explanation

Rvw: is it your view that ethical leaders are more effective leaders?

GB: Yes, definitely they earn the respect and coherent powers over their followers and it becomes easier to influence the behaviour if you lead by example. That is why I spoke about followers, e.g. Chris Hani's murder the country could have been plunged into chaos, we waited for communication from USA... he said number of things but importantly he was pleading to all to exercise constraint and trust the law enforcement agencies to do their work... coherent power is not something you get by being appointed in any position you earn it because you earn it through the respect of followers and by being a moral leader and the people trust you. PG had thing over us and the way he had it, if you hear on TV while you are near a discussion with him you want to pause and hear what he says and at the end of whatever he says you are a proud follower and a proud listener and in many instances he asked us to do ... former number one

asking us to “leave no stone unturned”... did not feel it in the DNA... it was not authentic and the people know that you will be struggling to engage people and what they are saying. With PG it was genuine. He took the time to know, no matter what he asked we would deliver and he also believed in our opinion... (off the record discussion). You want to cover his back and never disappoint him, because we believe in him and because of the type of leader that he is.

Rvw: how does a lack of ethical leadership affect government's ability to deliver on its promises?

GB: affects all institutions including government (Enron, Andersen etc), it should not be limited to only government. The reason why they collapsed was because of the lack of ethical leadership and behaviour. There are plenty of these companies that behaved this way and it is a given in government.

Rvw: How would an increase in ethical leadership improve government's performance?

GB: cost saving, improvement in the standard of living, better schooling system, social system is improved, better policing, systemic and sustainable. Once you have a police commissioner that is so effective in terms of fighting crime, eg Bheki Cele, visible policing, at the coal-face as a leader but the moral fibre was not there and he collapsed. We knew he had the trust of the police and he showed passion and I think it talks to some of the question whether you can split these things and I have to concur that you cannot split it, his down-fall was that he was not a moral leader.

Rvw: example of Bill Clinton, one mistake

GB: yes with him it was ... he let so many people down....

INTERVIEW: Ivan Pillay – 9 October 2013

Rvw: three topics to be discussed. Research pertains to case study on Minister Gordhan and I state that an ethical leader is a more effective leader, because it is a sustainable system that you put in place, credible and authentic. First question: most important characteristics of ethical leadership according to you, and what the basis is of that ethical leadership Sir. And I purposefully do not bring in religion in the research. Start with the characteristics of ethical leadership according to you and the basis of ethical leadership.

IP: I saw the questions you posed to Mister Gordhan but I must confess I have not spent much time really thinking about it. But it is fine. I am going to start somewhere slightly differently. I think it is possible to be ethical and not be effective. They should not be conflated. There are very, very ethical people who in my view are not, they are very nice people, they do not harm anybody they do not do the wrong thing but they may be not effective. You might have very effective people, of course one would have to define what is effective, but people would not be ethical. I would start from that. Ethical leadership in my view would be persons that set a standard which on the basis of which they act. That standard is normally higher than the standard set by the law. So, ethical leadership should not be confused with not breaking the law. In my own view is that the law is the lowest common denominator and that reliance on the letter of the law to explain your, once behaviour I think is the ??? of a rascal. So, ethical leadership is about setting the bar higher than that of the law. Now in my thinking generally you want to as an ethical leader do the right things and you want to be fair. But that also includes then speaking truth to people and the truth to persons. One would want to do the right thing and not wanting to hurt people does not mean camouflaging the truth. It is sometimes the right thing to do to actually have the difficult conversations.

Rvw: The necessary evils?

IP: The necessary evils. And I know you said at the beginning that you are not talking about religion but in my view for both religions and non-religions people, fundamentally if you go to the basic teachings they almost all teach the same. They almost all set the basis for the right and ethical approach to ... whether it is Islam or whether it is Hinduism or any of the other, Budism and so on, they almost all in their writings the same. I think it is in practice that the discrepancies and distortions come, in practice. I would find very little wrong with the 10 commandments, it is not a problem. I think the difference would be that some people require that these standards be linked to a superior being and some people don't. For me it does not matter which way it is as long as their actions demonstrate that they are on the basis of norms and standards that we require as ethical behaviour. Now unfortunately we are human not automated not machines so is not necessarily true that a rounded person is always ethical or always unethical. So I think when we use the term of ethical leadership it must be used with balance. We say predominantly. So it might sound contradictory that we will be able to say that a leader or a person is usually exercise the right ethical motivations. It does not mean to say such a person does not make mistakes. On balance directionally this is the way that decisions are made. I think what we have to accept is when we talk about ethics it is usually the big issues are easier. They are yes or no questions. Should you murder somebody, those are sort of big questions that are easy to answer. It is in the grey zone that the problems lie because there the issues are not clear. And that is where one may be predominantly acting ethically but from time to time make mistakes. If we move on to effective leadership and what I would say is obviously effected by the juncture we find ourselves in South Africa and SARS, so it is time-bound it is not a generalised thing. I think effective leadership at this time in South Africa means doing the right thing, but the emphasis is on getting it done. It is not about talking. So effective leadership is about not just talk, it is about doing the talk. Doing what we talk about. And I am of that school that says even if what you are trying to do is not 100% technically or strategically correct but if you actually did it takes you forward. Because in doing something you

learn. The worst thing we have and I think we have many examples of that are that we do not get beyond the talking. And my view of life is that if you do not get beyond the talking you don't learn. The most important thing for me about effective leadership would be the leader that does and obviously get other people to do he is not doing it instead of other people but practices what he or she teaches. Again you know one cannot make generalised statements but if you are talking about South Africa at this juncture and effective leadership would be aware of where we come from where we are heading to and where we are presently. And an effective leadership would be saying how can we get to where we want to go. And in the process carry everybody with? The actual style of leadership will defer depending on the circumstance and depending on who one is dealing with because sometime to be effective you need soft power and sometime to be effective you need to be more directive with people. But you now one could have one particular style. Now I am from that school and there are many people like that where I think that out of the universe there is a small % of people that will always do the right thing and equally a small amount of people that will always do the wrong thing. I believe that a big part of what influences that is the way one has been nurtured. So you can actually grow up in a household and surrounding that emphasises doing the right thing and then you in such a situation you would want to do the right thing. But always everything is not mechanical. You could have people in the same household behaving differently. There are things we cannot properly understand and explain but all things being equal in general the nurturing plays a big role. For me an effective leader is one who understands this that not everybody who act ethically in power positions and in fact the bulk of our people act in accordance with the precedence set. And they act in accordance to what is their expectation and they act in accordance to what is the prevailing situation. If you have a situation in which the norms are not clear and if you have a situation in which there is inconsistency and confusion that would create enormous difficulties for the bulk of the organisation. Because they will look around and say: "OK", and not necessarily that they will do it in a deliberate way, is that they merely follow what is before them. And for me the example is that you will be on the freeway and the freeways starts coming to a halt everybody slow down and then you will see the taxi driver make the first move to take the extreme lane which nobody should travel on and then you will see other people start following the taxi driver. These are the very same people that will complain about taxi drivers breaking the law but in that situation they will start following him so that is how people behave. So for me an effective leader understands that and so the effective leader should be somebody who has a systems understanding of the way the world works and the way people behave. An effective leader would try and put in a system that helps the 85-90% of the people do the right thing. In other words the system is not aimed at beating up the 5-10% who do the wrong thing it is actually aimed at the 85-90% of the people who need a system to guide them. And then the effective leader would use a number of tools but in our situation the tool that I found helps enormously to make the system work is the compliance model. And whether you are talking about behaviour in traffic or behaviour with regard to tax compliance or behaviour with regard to TV licences or anything like that for me the compliance model still provides the basis the basic tool of how to apply one-self to ?? It basically explain, educate, make clear what is required then try to make it as easy for people to do the right thing and then there are people who are deliberately not doing the right thing, then have a credible capability to deal with that. **But is not meant again as punishment it is a demonstration that the system works and it is for the 85-90%.** So in my understanding of this is that your 5-10% of people who act ethically should be trying to create and construct this system that can help the bulk of us do the right thing. Just in case that what you think I am setting out is very mechanistic, I am also of the school that if you can get people to behave in the right way it has a retroactive impact on their behaviour. That they start to absorb the values that drive the good behaviour so if you can get people long enough to do the right thing you will begin to get a change deep-down. So small things, the example that I use: If you are in UK, once you put your foot on the zebra crossing even if there is no traffic light the car will stop. That is a learned behaviour, in South

Africa you put your foot down, the cars will accelerate, not because they want to knock you, but they want to get somewhere. So the behaviour is learned. The effective ethical leader in our situation I think would have a systems approach he would use something like the compliance model which has I think a very broad application, and try to get people to behave in the right way.

Rvw: You have actually answered 70% of the questions, thank you. To bring it back to Min Gordhan. In class spent time on platform used when looking at ethical dilemmas, example approached with offer, ticket to rugby match, not working on the case, position you are in. System needed to ask assistance without being judged. Never scared to ask you... know you will not judge. Google Min Gordhan, cannot get anything about him, I have experienced about him, to learn from him, person I was, and person I am know, change in my life, was because of people like Min Gordhan and IP teaching me to do things differently. If you take everything you have said: Min Gordhan is a humble person, he is a person with integrity he has power but he never abuses that. He is self-less he values the opinion of others and he truly values that. He does not just ask you so that you think that your voice has been heard. He wants to know all the views and he wants to know the opposing views as well and he respects it he does not judge. Now, what, if you know, what was the basis of his ethical foundation, was it his home and his upbringing? Was it as simple as that?

IP: Look I will have some difficulty in answering that question. Although I know him from about 1973-1972, we are not friends. I started to know him then and we were political activists. My guess would be that it comes from his family and it comes from the immediate environment and that the subsequent experiences then shaped that ??? The crucibles. Now in the cause of the political activities he would as we would have encouraged people to speak their mind and remember at that time people did not have the answers. We had a lot of questions and he would be asking himself would be asking a lot of questions in order to find the answers searching. And those times where times, it was not, what is the word, the pass time of a ??? it was dangerous times.

Rvw: But he put his life in danger for the right thing.

IP: That is right. So these should be serious issues, serious questions he would have wanted answers too. And then although he played a big part in the underground struggle he also played a big part in the mass struggle. So if you are then dealing with lots of people everyday house meetings organisation meetings, mass meetings it would have taught him of how to interact with people of all different backgrounds. For example a house meeting is probably a foreign concept to you but people go house to house. Now they would not go mechanically from house to house. They would go to somebody who is slightly sympathetic and ask them to host a meeting then you would go there and talk to them. You would talk to people older than you and talk to people with different ideas from you and you are going to their house. There is no way that you will impose on them so you are going to learn the way in which you engage with people. And you have got to learn how to influence and persuade rather than dictate and my view would be that as he became deeper and deeper involved he learned these attributes.

Rvw: Can I ask you something: If you ask me to put my life on the line I need to truly belief in what you tell me. I need to be very convinced that your intentions are true. And that is what he has always done. No matter what he says the integrity is there it is an honest message.

IP: Yes, the integrity, absolutely, absolutely. Look and when you are dealing with people at that level and in that way if there is a doubt, if somebody doubts your integrity you are going to know it very quickly and there is a feedback mechanism and same with an institution like SARS so obviously there are things like fairness, being consistent, being open to the feedback, being

prepared to correct one-self if one made an error because we all make errors. And if people see you acting out of the right motives and displaying the right motives they will identify and he has a proven record in the struggle, he has a proven record during the negotiation he has a proven record in Parliament. For example when it came to the Constitutional Assembly, he was one of the co-chairs of the Constitutional Assembly.

Rvw: And nobody knows this. M was...

IP: Store of information....

Rvw: another gem that we have to research, she told me and my admiration for the minister grew, the white paper on local government

IP: And there was something, and interim government for 6-12 months before the 1994 election which sort of ran... you had the government of the day and then you had this interim and again he was one of the co-chairs and then he left Parliament and then he joined SARS and now he has been Minister and now you can see him standing as a Minister, head and shoulders... he is one of the few ministers with a credible reputation internationally.

Rvw: And he has done this, Adrian indicated to me that he has this big focus on diversity that use the positive in diversity, use it to the best benefit and that talk back to the respect that he has for your view even if it is not his view. You have to be very clear, do not waste his time.

IP: His actual great strength, he is able to deal with issues from the highest to the most detailed. So he has got an incredible repertoire of capabilities to interrogate at any level that is the depth part, similarly it comes to the breath, he has an incredible ability to engage with anybody, age, colour, gender what ever... You see one of the basic tenants that he takes very seriously which by the way it is such a pity that the ruling party is not taking seriously today, is that you should always work for the greatest good of the community and you do not focus on the problem children you actually focus on the people who are getting it right and you keep moving everybody in the right direction.

Rvw: Some of the research I have done looks at aspects pertaining to moral compass and how it is developed and how you make a moral judgement and that builds a reputation as authentic leader. Authentic leader, explained perfectly gives you legitimacy to ask people to do certain things and they believe and then they follow. Is it your view that ethical leaders in general are more effective leader in general?

IP: I expect they would be, in general.

Rvw: But the one does not cause the other one

IP: you get an intersection between the two, the greater the intersection between the two, in other words if you ... draws two circles with intersecting area, intersecting between ethical and effective. The bigger the intersection the better, the less intersection there is, because you can be effective and highly unethical but it will be short-term.

Rvw: It is not sustainable.

IP: Yes it is not sustainable. So if you want a sustainable performance, sustainable progress you need ethical leadership.

Rvw: Has minister Gordhan ever displayed any behaviour different from the values or high standards that he holds?

IP: Do not know of any.

Rvw: Do you think a lack of ethical leadership affect governments' ability to deliver on its promises. Does it leads to non-service delivery?

IP: I would the answer the question from a systemic point of view. Because I have a premise which I explained in the beginning so the premise says you need to have a systemic approach to deliver. If you have not created a system, and I mean a system in the broad sense you will have a problem. So what an effective leader has to do, to try and create an effective system that will bring about delivery. Now a system has leakages and some of the leakages would be would be leakages of inefficiency and some would be leakages of unethical nature, corruption and so on. If leaders have not created a system overall that helps people to do the right thing then people are going to do the wrong thing. Now they would rather keep emphasising, our emphasis must be, I am speaking to people who have the right ideas to say: Listen you have to develop a whole system that help people do the right thing. Id rather not focus on the people who are unethical because that does not take us forward and does not create an ethical system. Now I think we fall into the trap, it is very, very easy to blame things on individuals, it is the easiest thing, whether big or small, if the post is not delivered, the problem is with leadership at the Post Office and the problem is with the postman. That is the easiest thing to blame somebody else. I think what we must always be asking is: "What are we putting in place to make sure that there is delivery". And I think the beautiful thing about SARS is that all these things we are saying is the living proof that you can get 80-90% of the people, most of the time to do the right thing. If you construct the system as such that it helps people do the right thing. So to come back to your question, is that is not that we do not have ethical people, we do have ethical people. We probably have enough ethical people I think we do not have enough ethical people that have a systemic understanding of what it takes to build with an effective institution. I come back to the example, I am sure you have heard the story of this young African woman who worked at a hospital and we had this conversation, and she was complaining about corruption. In fact she is the one that said that government is not doing enough about corruption. It is like trying to empty a lake with a teaspoon. And later in the conversation I asked her: Listen lets' suppose tomorrow you are the CEO of this hospital, would you be able to do the right thing, and she said I would find it very difficult, and she gave an honest answer and what she said was that as an individual I would not know what to do, I would be at the mercy of a dysfunctional system, that is basically what she was saying. So even somebody like her instinctively who knows that one should act ethically, she is saying that in a dysfunctional situation it would be very difficult to do the right thing. You know there is a comrade of ours that the minister know and I know, about one and a half years ago I was speaking to him at the Mall, he had just come from Harvard. He spent something like 3 months at Harvard and he told me how wonderful it was at Harvard. So I listened to him and then I asked him: "Do they have a module at Harvard about how to manage dysfunctional institutions?" and he said "NO". And I could see the shock in his face. It is one thing to manage a functioning institution it is another thing to try and manage a dysfunctional institution and I actually don't believe there is a module like that and there is a module that is waiting to be written.

Rvw: Maybe that is the task at hand Sir. This morning on ENews SARS problem relates to lack of leadership is causing non-delivery, currently at Parliament Committee. Look at when SARS was in front of Parliament we had a problem we were transparent about it and we addressed it in specific way. We hold our credibility. By not addressing it in a systematic way, not forced outcome, Minister used systemic approach.

INTERVIEW: MINEE HENDRIKCS – 2October 2013

Rvw: reason for the interview...

MH: Indicates that she has never done any interviews in relation to the Minister

Rvw: It would not be completed without your input. Must have purpose: it is truly not for the position of purported power that the position holds, owe it to all citizens of this country to create a free and safe society. The power of Pravin, to change you to think this way... don't know a lot about Pravin, humble and private person not a lot written about him...we have to start talking about the awesomeness, ethical & effective leadership is contextual in the world we live in today.. Five critical aspects pertaining to ethical leadership?

MH: That is very true and I am certainly, I always said to Minister, because he does not like to ... because he deflects during interviews and he will always give credit to other people but I have said to him he needs to write up his book I tried to save some of his things for him but maybe one day he will write a book.

Rvw: it is also about the hope he gives to even children, 14 year old in Afrikaans conservative environments. What is your understanding of ethical leadership?

MH: Well for me ethical leadership is about you must have the higher purpose and a common purpose you must have the knowledge and you must have the authority and most importantly the trust and knowledge, you do not have to start with knowledge but you need to be willing to learn and to open yourself up to a learning experience and for me Minister Gordhan opens himself up incredibly everytime for the learning experience. You can go in as an ethical leader and you can have all of your...you know when you tick all the boxes you want to see in an ethical leader but if you cannot transform that ethical leadership into efficiency and effectiveness then you wont even in my mind be a leader you would just be a person with integrity and you would not be a leader, you will not be making a difference as a leader.

Rvw: does not matter when he speaks he sounds as if he knows everything all the time, he makes sure that he knows before he speaks, full or nothing. The basis of this foundation of an ethical leader.

MH: the most important is respect and respect for yourself, respect for the people around you respect for your family just respect, broader sense of respect, he does not believe that you should only respect those in positions above you, he truly respects those from the cleaner, serving in a restaurant to the President, the staff that works for Ministers he never looks at them as just a secretary, dignity, values their input.

Rvw: Minister asks the cleaner whether she likes the painting, not simply small talk, he values her input, he wants it.

MH: Minister actually believes that to get a true opinion you really need to ask everybody everything. And do you know how the Siyaka name came up? He called..."Remogo", Siyaka's name was given to us by consultants and then we needed to move from beyond Siyaka and he wanted this whole re-generation in the organisation and that is what Remogo was about, it was more about people and how we treat each other almost where SARS is know we have to look at how we as people are, you can have all the systems and the trust of the public but it is of importance what is with us inside the organisation. He called everybody together, the cleaners he called everyone on the second floor, call people together I want a name you know what some people call exhaustive, for us that is when the exciting things happened that energy that comes from now-where and you are not aware of it. It knocked some people but if you go with the energy you would be guaranteed to come out a richer people at the other end of the process. He called whole lot of people together and he insisted on getting a name for the NMF, that is how Remogo "we are one" came.

Rvw: did you enjoy working for him?

MH: I did, for me it was never the job that you have to go to it was more a there is a.. Minister instills a deep deep deep loyalty in people that goes beyond what you can explain...

Rvw: Deep loyalty created...see the potential and develop you

MH: and that is why when I , I always say to people ...when they say about Minister like always, it was never enough, for me it was never about that, because Minister just saw potential in people beyond whatever potential you would see in yourself and if you go with him then you actually really get to know yourself better you get to reach your potential, I mean I did things with Minister that I could never imagine I would have ever done in my life he stretches your boundaries for you and sometimes it overwhelms you because he believes in you so fully, I mean we went to the Finance Ministry and I was like.. "Minister I worked in a Ministry before, I worked at local government level (Vali Moosa) I can tell you how to run the ministry but I know nothing about the subject matter" and he said to me "But you can read van you, it is ok, we will read, you can do this you know, we will find out". There were many times that I was so overwhelmed he would ask me to write a letter, do this, find this out and I would think why would you trust my opinion. But because he had this unwavering trust in me you would actually rise to the occasion because you would find out whereas normally you would say it is beyond me.

Rvw: He forces you to achieve and you don't want to let him down so you give him the best you can. With that authenticity that he has you know he asks from that space that is why you will do it and try your level best and get better performance in that type of environment.

MH: But he did the same to himself and that why for me the journey was so enriching because every time I could see how he re-invented himself and how he rose to the challenge personally and there is never any detail too small for him and I will come back to that now. I worked with him firstly in the constitutional process when we were drafting the constitution. I did not work with him but I was with the Transitional Consecutive Counsel, and so I got to know him then and then when we were with constitutional development and finalising the Constitution, I was a constitution planner and analyst and then I got to know him and then I worked with him on the Local Government process and I will never forget we were at this big meeting they were like old time civil servants I only joined after 1994, the elections like, you know how we relate to staff in the civil service and then he said to these old civil servants I want a trajectory for local government and he lost them completely. "EK weet nie wat soek hierdie man nie, jy beter met hom praat". And that is actually how our relationship started with the term "trajectory". And he loves that terms and he uses it all over. Trajectory means there is always a path you cannot just go from here to there must be a wider look, bigger picture. Then I worked with him on the Local Government White Paper, he did phenomenal things for the local government he was the chairperson and he really drove the system and I think people have forgotten about his contribution to local government. He never owned it he never refers to the system that I put in place, but he drove the white paper and the legislation that came after that so he was a very strong contender for the Minister of Local Government... off the record... so he went from local government, well first constitution, what was his knowledge about the constitution but always his yardstick is doing the right thing and he says if you do the right thing you can never be wrong. So from the constitution he went into local government and with local government it was the whole district and metro-system that was developed and piloted by him ...financial systems that we have in place, there was a team but he drove it. Then he then decided to leave parliament and he joined Gill Marcus which then asked him to join SARS and at the time so many people said to him what do you know about tax? But then I also ask myself what did he know about local government and the constitution but he constantly re-invents himself by using I think his efforts and his value system so if you tried to do this for every environment and you try to include everyone then you can't do this.

Rvw: even if you make a mistake we will forgive you because the intention was not to deceive the intention was to build and it was an honest mistake

MH: his purpose is always pure and always to the betterment of the people and it is never for the better-meant of a specific segment and I think that is why that is his recipe for success in

getting to terms it is using his value system and then he adds the academic knowledge or the sector knowledge that he needs to add.

Rvw: Perception about SARS...admiration towards him...Pravin does not invest in people he invests in...it is the collective but what he creates is a loyalty to his behaviour not to him as a person I may disagree with him about things but he has my loyalty towards him...

MH: The areas of disagreement were always "How do we get there", so nobody disagreed with him that you needed to get there so minister Gordhan is the best chairperson that you will ever find honestly I have never seen anyone who can listen to everyone but yet form and then summarise for everybody in a way that they believe o yes this is what I said but it is not really, it is synthesising all of these different opinions in a way that everybody feels they made an input but at the end it is almost a collective decision made, everyone arrives and supports, like what he did at Codesa, and maybe he did throughout the local government transformational process throughout the finalisation of the constitution. Because remember he was the chairperson of the Portfolio Committee so although Cyril Ramaposa and Roelf Meyer were the chairpersons of the Constitutional Assembly Minister was the chairperson of the Portfolio Committee and that is where all the debate really happened and after that he was still the chairperson but there was a lot of debate and a lot of animosity and adversity and opinions that were far from each other and he always managed to let everybody speak but at the end there was a decision that everybody feels they had a part in arriving in but actually he knew exactly what he wanted when he went into that meeting.

Rvw: But it is not manipulative in any way, or in a devious way he just knows how to steer a discussion that he makes everybody part of that final decision he gets buy-in.

MH: well I have seen him change his mind so he does not ask you for your opinion just to get your opinion he really asks for it because he believes it can add value to the process and just on a personal level I would often get upset with him and ask him about his stance with the white officials have they not done enough now, they are....he would say but they have knowledge and I can , there is something there that we can get from them, I use to get irritated because there were those groups and he was sometimes overly inclusive one would feel to just cut them out, they had their chance they are not on the ship so get off and he never ... everybody has their right to their opinion and even if they cant see the picture they have knowledge honestly he has never pushed. Sometimes people only want to hear what they think they want to hear. Pravin purposely goes and finds that other opinion so that he can be sure that his opinion is correct

Rvw; also confirmed by others interviewed. Listening, consultative, patient

MH: he really does learn and I mean the one thing I have never come across anybody that can synthesis so much knowledge and he will read something before, I remember we went to all these World Bank meetings, was three months after he became minister now suddenly you are here to talk about things and whatever you say has a direct impact on the economy then we would get files like this (shows) and he would always ask for more information and people would get angry, he wanted more...he actually reads it he can go through everything goes through information and would arrive at view which would not be what they told him to say he would arrive at an opinion after going through everything. Fast amount of knowledge and it is the same with...he can take...he is a strategic leader he is also technically very involved and then the other things that people often forget about him is that he is always interested in the administrative details. Which would drive people insane. When we organised an NMF they would brief him on everything and he would ask where is this NMF and they would say why do you even care fr him it was always part of the bigger picture he did not want to go to fancy hotels did not want to spend money. For him it was about the total picture and even when he became minister a lot of minister got into trouble they would move into house or stay in hotel and people would not really care about the detail he would always ask how much does it cost?? World bank meeting, arrived at hotele, M knew how much hotel was did not say anything in the car there he asked how much the hotel was and he said he would not stay at the hotel when he

heard how much it was...arrive at the check-in counter he met the ambassador met high level officials and he says to them how much is this hotel costing they indicating to him not to worry about the details...he asked how much the hotel was, they gave price...he was entitled to this type of hotel room he says I am not staying in this room, I want another one South Africa is not paying for this room. Forcing them into situation ...not preoccupied with the details it is principled, not going to set himself up by anything. Minister insistent that if both his team is not on board he will not leave, people running around aeroplane waiting for him, protector flying back in the jump-seat...so he is not...he knew if we did not get on this plane we would not get to our families. He took us there he needs to bring us back to our families. If you cannot find them a seat you cannot find me a seat we had bookings on the plane you solve all our problems not just mine because I am the minister.

Rvw: it is not because he wants to impress you, that is the inherit DNA of him the care and concern the deep love that he has for people.

MH: His respect he has for other people and for other people's time. What would he get to gain

Rvw: It is authentic

MH: we already work for him we are already dedicated to him but he is not going to leave you behind because he knows we are also going home to our families like him they do not care about us, once he is gone there is no way we would be finding our way home after that flight and it is not because, it was regardless of your position.

Rvw: something he did for each individual I interviewed in his own way to show his deep care and concern in an authentic way.

MH: he always you cannot question it and I stioll say it stems from his respect for all of us no matter what our position is he just respects people.

Rvw: off the record discussion...

MH: for him it was never about your position or power it was about the humanity and is it the right thing or the wrong things and sometimes I think it created friction because in his way...he would never want to be "cool" or go to the "in" places. I have to take so-and-so out to dinner where must I go... other people would have this "in" place where we have to go to, but not for him, was not an issue to him, he always asked where should I take these people...

Rvw: Ethical platform, understanding his background and his early years. Values that you get taught when you are small.

MH: another thing about him although he does not believe he respects other peoples religious believes as long as it does not impede with others. Something about his childhood worked in his uncle's sari-shop folding sari's I do not know if you have ever seen how he folds a piece of paper and everybody who knows him would tell you they always get this piece of folded paper from the minister, perfectly folded (shows how he folds it, very meticulous), it would be like he just...I never knew I was always amazed at how he folds a piece of paper...Minister would always gives you piece of paper likes this and like this and even if you give him a file if the edges are not perfectly he would constantly re-align his papers until everything is perfect and I think it comes from working in the sari shop for me it is ...you would always get a piece of paper and he tares it out so neatly... why for me it is an issue is that I am not like that, stapler example...he would never say anything but it would bother him and he would sometimes take the staplers out and re-do it...

Rvw: explain enegram, number 8...

MH: He has the neatest hand-writing and he is very visual so he always used to draw diagrams and that is why we have these white boards in SARS, because of him nobody could keep up with copying his drawings and they found these white boards that they can print the

drawing. He thinks in a very abstract and he draws a picture for you. So even if we all sit together in an EXCO meeting and everybody gives their opinion and all the fancy documents are there and everything he would say ok and then he would go and would draw it. And then everybody would agree and then afterwards they would ask what did the minister draw again... Exco notes always full of drawing. Changed the way I looked at presenting things, you need to look beyond what is written on a piece of paper your intuition becomes fine-tuned I could never be on the level he is. Oh and the ipad was designed for him, absolutely we would be in a meeting and somebody would be saying remember when he became Minister of Finance his area of knowledge and he was depending on others...then we would sit in a meeting and he would google the term and he listens and people get so irritated but he can really do several things at the same time, at SARS people were used to it but at Treasury people would stop talking...he would tell them to continue. Takes time for people to understand that he is not being rude to adjust to this...he can do all these things and then you would google and would ask them about specific people with a different view and he would cause ... he would be told but minister this has been the policy of the country for years and he would say, yes, yes, I am not changing the policy I am simply asking about this opinion. If you can justify to him why your opinion is your opinion but do not just be dogmatic about it because then ...I do not know how many Ministers would actually before they actually look at the price of a hotel would tell you what could be done with the money, how many houses can be build, how does this relates to HIV drugs to so many different people. Because I am used to him I always knew those details where beyond them, why would you ever ask these details that is part of his thought picture because it is not about micro-management for him it is the whole the whole picture, you cannot go to a casino and you cannot sleep at this place and what would other people think and you know so for him it was always what is the cost of this can I defend this. Not defend because he is scared of the public but morally is it the right thing and can he defend it to himself. So even with his car we always used to tell him Minsiter it is time to replace your car, but why it is a perfectly good car why should I replace it. It is so part of his DNA, he has the moral courage to stand up and to say the difficult thing even if it is not the opportune time.

Rvw: Limpopo I am putting you under administration, even if it is not the opportune time..

Of the record discussion

Rvw: The juggler article, where it says that he knew he was going to be put in jail, and he continued with the struggle, that is moral courage.

MH: Some people it becomes the fashion word to speak about corruption and stuff like that but for him it has always been part of who he is. Even at SARS he was very frugal in how public expenditure was managed and even though he would have the budget and the allowance he never wanted to spend it.

Rvw: that talks back to the morally right thing in fashionable word... he does not install these cultural and ethical behaviour in us because of legislative requirements he does it by doing the right thing by showing us, this is what I expect. And by doing that he just draws you in and you either say I am going with him or you know what this is not a space I am going to be comfortable and then he says to you, there is the door, if you are not comfortable these are my rules this is why I do it and that is the end of it. It is not because of legislation he does not force it on you he just creates that environment.

MH: He is very tough on himself, as a person. So he will, a decision for him, he is not scared to make a decision but he does want to have all of the facts before he makes the decision and all the opinions of all the different people and then once he made the decision he is not one of those people who does not care about the impact he will still say today we had to fire somebody for stealing toilet paper and he understands why he had to do it was the right decision but it does not mean he does not care about the person and the impact that this would have on your family.

Rvw: he displays consistent ethical behaviour, he is a humble person he does what he does with integrity and that gives him authenticity at the end of the day, just the core beliefs that are non-negotiable to him in your view.

MH: do not ever lie to him, never. If you did something wrong I would just tell him and it would be fine, just tell him and maybe he would scream a bit but he would always then, cover for you but be honest and you know the hidden agendas, he does not play games.

Rvw: I use the word authenticity a lot but that is how you build an ethical reputation because I can do the right thing today and I am not consistent in my behaviour tomorrow I will not be seen as an ethical leader. He does not do it

MH: It relates to him, he is not scared to admit that he has made a mistake or that this decision was appropriate for the time but it is no longer appropriate. It is not ego driven. I miss him... I want to maintain the distance...there is no time...people had this picture about me when I came back...I know what is happening with him...the chances of him reading a sms... (personal reflection from MH)...although people think that we used to like hang around with him, because he had this mind-set relationship with us he would sometimes call it as it is and ask Georgio about the trip...would say, no, no you cannot eat this food, you are too young...you must eat healthier...with him it was just...he took on for a lot of people he almost takes on a fatherly role...

Rvw: care and concern that he shows

MH: discusses personal time during which Minister assisted her at a personal level...background as a pharmacist...shows real care and concern and interest in the individual...for him it was...he wanted the best for me, it was an issue about honesty. I think there are people who are more sophisticated in managing situations I mean but he manages it because of the purity of his intention therefore people did not mind if he was a bit "bruusk". Even then he could shout if he wanted to but...and once he has banged the table then you...

Rvw: Asks MH whether she is enjoying the experience of being interviewed and having the opportunity to reflect...

MH: yes, but I want to do it in a way that does not betray his trust or the relationship with the Minister...It is good to have an honest reflection, I think there is a lot of lessons to be learned. I have reflected on it because I ... I am so dead bored now without the Minister, the Minister would always have a challenge if there was none he would create it, to mobilise...Minister build up his charisma, he was always, he could mobilise people from a very young age but I have seen him grown so that he could adapt. Where previously he would meet with investment bankers that he hates and would be complaining about them...and he gradually he has built a relationship with all the different stakeholders where Minister Manual had true charisma where people with Pravin related to him because of his honesty not because of his chauve, sophisticated using all the catch phrases, it is because of this honesty and authenticity and even at the international forum, he was the best chair of the World Customs Organisation and he was chosen early on to chair an African forum of an international ministers of finance and increasingly his profile in that space of the international community has greatly grown. If you had to look at an agenda of the World Bank or the IMF meetings of the first year and literally by the 2nd and third year he was, we were over-run with invitations and that is incredible and remember when we go there it his him and Minister Manual and other Ministers and most people will only meet once with the South Africans and the second and third year we were the people they were wanting to meet. He made himself "the Man" very quickly with the developing countries and the developed world, he is hugely respected...

Rvw: whether you like him or not people talk about him with deep seated respect, he earned it.

MH: He does not...his life is very basic,

Rvw: there is no bling in it...and this is the important part that I am trying to say: through. This authenticity his genuineness, he causes you to follow him and to perform. So if a subordinate sees that their leader is not ethical not doing the right thing what forces them to do the right thing and produce service delivery... ethical leaders are far more effective leaders, they put in sustainable systems, they have people that is true to the cause that is loyal and committed and that want to perform because they do not want to disappoint, it is not just about getting the salary at the end of the month.

MH: and at the same time you have the example that has been set, it is not that he leaves the office and sets you an impossible task he stays with you until the task is completed and often you know the people would want him out of the room so they could just get on with it and do it. But he would not leave, because whether his job was finished or not he was not going to leave us and he would make the copies if he needed to. I remember we were sitting for the Portfolio Committee trying to finish a presentation and then he sat next to me and was getting impatient with me because I was trying to do things in a specific way and he knew a short-cut and he grabbed the mouse from me and he started to work on the screen and clicking away and then I unplugged the mouse... and I said to him, Minister no... and I learned that I needed to unplug the mouse, he was trying to help and he knew how to do it in a faster way...some people, I worked with other Ministers and DG's and stuff, they would delegate and for them delegation would mean I told you how to do it, now do it. Pravin would give you this incredible scope but at the same time he would be managing every aspect of it and actually helping where he could

Rvw: without making it easy for you but he would not allow you to fail and the values and that principles that he would apply to you would be the same values and principles that he applies to himself he does not treat you differently at that level.

MH: and you know he always use to push if he believed that there were more answers and why stop when it is ok when you can stop when it is brilliant.

Rvw: There must be more to that answer...challenges you to think

MH: Because he keeps on challenging himself. He is always, literally three or four steps ahead of other people and by the time they have reached the conclusion he has already thought of the steps beyond that and he would be going there and I think sometimes it must have been exhaustive for him to pull everybody with him the whole time when he goes forward.

Rvw: Because he runs and they crawl...but he never shows that

MH: no, but he is never condescending in any way and sometimes people would get upset because he would...if you had all the Gm's around the table, he would ask you, what are the people saying about this... Christo Henning, smoker...what does the smokers corner say about this...the moral of the organisation was always very important to him and he believed that he could get that from the grass-roots he would like to walk-the-floor...

Rvw: way that he just pitched-up in the office un-announced...

MH: There was no wrong answer as long as you through about the answer. A ringing telephone...he would say..."telephone", and then he walks and answers the phone because to him it was about service...there was a reason why someone was phoning and sometimes there was very rude people calling consistently and I remember Blessing was younger and this person was so rude to her and he listened and he took the phone from her and he spoke and he would say, I am sorry you can address the issue but you cannot talk to staff like this so tell me what you what you have to say. He is so analytical, he would write, 1. 2. 3. Have you seen it? He would always wright and there would be points underneath it with a block, line...so whatever everybody was saying he would start unpacking.

Rvw: Part of a specific listening technique, talking back to ensure that you heard the message correct and that you have applied your mind in getting the thing down, extremely difficult

MH: he is incredible, and if he has given you one of these neatly folded pieces of paper...incredibly detailed, would tell you I gave you a piece of paper on Wednesday from Cabinet, yeah, yeah it was a yellow post-it that I got from so-and-so I gave it to you, then you can know that he did give it to you and you better find it or he made notes on his documents. But those pieces of paper that we used to get you will never forget, and he always carries a little note-book in his pocket and then he writes and then he opens up that note book and then we go through whatever is there or he tears it out for you or he makes a copy.

Rvw: The fact that he does not have a big entourage a blue light brigade nothing like that it talks to his humbleness, he plays the role down...he is not interested in the fun-fare

MH: even when we travelled when most Ministers would travel with 2/3 people he would limit himself to one because we could do whatever we needed on this side on the phone and he would never, sometimes we would say to him, you need to ask us about these things...let me explain to you, I work with another minister and you would get a lot of personal requests, because it is the nature of your job because they really do not have time to do these things but with him he did not believe in bothering us with personal things and so for me we would say Minister what would you want to eat, or have for lunch...I do not know...when he is hear his wife would pack him a "sarmie" and he would take out his "sarmie" and eats his "sarmie" and we would ask him, Minister did you bring anything from home and he would say...packed... and that would be his lunch...they can ask for the best, but he would simply have his sarmie and would be limiting himself in asking for personal things and he has an astounding relationship with his wife, his best friend and sounding board. She is an amazing woman in her own right who has her own opinion about the country and she would often say to him... he would say something and she would say "you are not the Minister"... or I would say...He is just Pravin now, Pravin don't boss the people around...it is a very nice relationship and friendship.

Rvw: anything else important pertaining to the Minister...

MH: what makes a good leader...for me he never asked anybody to do anything that he was not willing to do himself. Then obviously his leadership style for me was quite generic in that he was always very consultative but he is also quite isolated in his decision-making.

Rvw: one question- do you think he can work in an organisation or structure with different values from his?

MH: Yes, but he would see it as a challenge to bring it in line with his values. I think he would actually be bored if everyone thought the same way he did. Of course he would, and then he would change the place. He will never tolerate arrogance and he will never let it go. By time Minister took over Treasury from Minister Manual there was a lot of antagonism, little or few consultation about the various departments' budgets etc and they make the mistake to say it is because of Minister Gordhan, already had problems...asked people to be more consultative, which was strange approach. Pravin is an excellent reader of situations and he adapts but within his moral framework and within his value system and he knows when you need a different approach and a stronger approach...

INTERVIEW: Yolisa Pieke: 30 September 2013

Rvw: relates to ethical and effective leadership, using Minister Gordhan as a case study to say that if you are an effective or an ethical leader it seems as if things just happen and it is sustainable. First part, what are the five most important characteristics of ethical leadership in your view?

YP: Consistency, that similar situation be treated similarly, not given in any order of importance. Having values that are based on substantive fairness to others putting yourself in the service of others instead of your own ends. And living the old expression "practicing what you preach". There is not much gap between what you claim to be your values and your daily actions.

Rvw: And the basis or the foundation of ethical leadership, so what we are talking about here is your moral compass so what do you use when you are with ethical dilemmas? Where does ethical leadership start? What causes people to be ethical?

YP: I think there are 2 sources, in my experience. The values which drive you to some form of ethical behaviour and the other one is what sort of vision for society do you have in you, your drive to do things in a specific manner based on your values, based on a specific code.

Rvw: Purposefully do not ask question about religion. Would you describe PG as an ethical leader and why do you say this?

YP: Yes I would, one must always remember that when he was here we did not have all the systems for governance for all the control in place and so on, but always he always whatever decision he wanted to make he tried to look for what are facts available to ensure that it is a factual decision and not an arbitrary one, and was guided by South Africa's interest and not by his own and his own interpretation of what South Africa required and all of that and it was largely consistent with the values in our constitution, and I know it sounds grand. The other time that I was here, and he does this in every decision, there is a consistency and no arbitrariness or something on the big things he was quit consistent. And he infused I think within SARS the spirit that we are all working towards guided by the higher purpose and not the higher purpose he would not define. I think it was understand that it was living to promote the highest aspirations of our constitution and think at SARS we understood that and the results are there to show. If you look at all the controversies in South Africa there has been involvement from very prominent individuals, you never had any leaks to about tax payer information to the press even when we had far less controls, even when 15,000 individuals dealt with tax payer records. How is that so? I think the majority of SARS people generally had it in their head that it would be wrong, because PG says it is wrong. He instilled that culture. So it is in the results really, that I would say that he acted ethically from the beginning.

Rvw: Do you know what the stance was pertaining to ethics in the home that he grew up in?

YP: He is very private I know very little about his life, it is next to zero. I would probably pass Mrs Gordhan in the street and not recognise her. I have met her and I would probably not recognise his children.

Rvw: What do you think was the base of his ethical behaviour and how do you think it was developed?

YP: I think the UDF and the anti-apartheid activism, you must remember they UDF called on upon us to do many things. One, well we had to fight the system and the important thing that was always stressed in the UDF was to take always take the moral high ground, never give the apartheid government the space to be the better thing. SO there was no attacks on, there was not supposed to be attacks on soft targets. Most of the struggle was about civil disobedience

against the laws but you had to rely on the people's own will to do it. So we worked through them, creating our own structures abiding by their democratic decisions and the principles that were ingrained in us related to non-racism. Can you imagine how difficult it is to not be a racist in apartheid South Africa when the people who are going to throw you in jail are white, the people who spit at you in the streets are white, the people who are oppressing you are white and the system says that they are greater. You really have to think deeply and truly live it truly for you to always hold it in your hand that you would not copy their thinking in such matters. I don't regard it as a personal thing, the main point that was always stressed is that we are fighting the system not the people, and it was also necessary in our view that, the thing about the moral high ground, it was also necessary for a different reason: the chance of over-throwing a highly industrialised military state through the force of arms had never been done. So you had to win the largest number of people under your tent and you cannot get the largest number of people under your tent or within your tent if you, yourself are violent and prejudicial, you needed a moral content. And the ANC of old and the UDF at the time there was a thing that you would build unity and those who seek to oppose it would marginalise themselves. So you spend more time worrying about what the good is that you must do and not causing injury to another person.

Rvw: But it was like-minded people

YP: Over time, yes. There is this thing that everybody nowadays was in the struggle and

Rvw: The struggle was a bunch of like-minded people with ethical values and you are not the first person that says this to me was also confirmed by GSB.... At some point the ANC was based on principles, not any more.

YP: What I saw in Pravin was the same set of principles that I would have experienced amongst the best activists in the UDF, and that is how I thought about it. Everything that I know about him, some of the people that we think of as very good leaders in South Africa through the hard times came from that era, Trevor Manuel, Bishop Tutu, there are thousands and thousands of people that have died... SO I would say that, that was a crucible for most people, at least my generation, I know that most of us where formed 1:30.

Rvw: Part of research relates to the crucibles in live that form you as a leader....background to deal with specific ethical dilemmas. The core beliefs that are non-negotiable to PG, that he will not budge on?

YP: Higher purpose, I don't think it is negotiable that he would do anything for any other reason than then belief that it would serve the country, and a constant belief that we can make people's lives better. And that is what we must strive for but he has his own quirks in everything he does, other things that he would not budge for would be things related to power. He likes to have it and to exercise it and to wield it. Whether that is ethical or not is another question, I do not know whether that is ethical or not.

Rvw: Would you describe him as a humble person?

YP: No.

Rvw: Not at all?

YP: He always insisted that people must be humble that they must listen to others. No he was not a humble person. Or at least not in a ... No he is not a humble person. He believes himself to be very humble. If there is a situation, I have notice that in which he is not in full control he would find a way of destabilising the situation in such a way that he at least keeps the people off-balance.

Rvw: Does he have an ego?

YP: Huge ego, "bloody huge ego", but I suppose he exercises it a bit differently. He had a huge ego but he was not egotistical, he was not always egotistical in the way that he related to people. He was certainly not egotistical when he was relating to people but he believed in himself he had high levels of confidence. In most rooms he preferred to be the centre of attention to be the brightest one. Strange enough though he is one of the best listeners that I have ever seen. PG would sit in a meeting for 2 hours and not interfere much and just ask questions and at the end of those 2 hours he would remember exactly who said what and how it relates to another person in the room and how it relates to the broader concepts that are affected by the discussion. So he was like that, a very good listener.

Rvw: So my next question is about this phenomenon that I see with him and from the interviews I get some substantiation for it, although there is this huge confidence, ego, power. My question is, would you describe PG as a self-less individual that acts in ways that are other enhancing rather than self -enhancing.

YP: Yes I would for the most part. It took a lot.

Rvw: That power, he does not yield it to improve his own position.

YP: No, No, No, he could have easily have gone and made millions outside of SARS, but he did not. It was his choice. He could have gone to a parastatal, or one other case that were...I do not know if his career was...what he was earning, but it was not a lot and he could have easily have changed his life and made sure that he would be earning much more than he was at that stage. But he did not.

Rvw: So even though he is described as egotistical and power, he likes to have the power. That power he uses it for the higher purpose.

YP: For the greater good.

Rvw: He enjoys the power-trip, but the end benefit is not for him. And that is an amazing characteristic to have. Would you describe him as an individual that displays consistent honourable behaviour?

YP: I would say so without a doubt.

Rvw: And as a person with integrity.

YP: Yes

Rvw: In your view, has PG consistently and throughout the period during which you have known him, displayed a respect of the value of others including individuals and organisations through his actions?

YP: Generally, I would say so. Yes, PG did not really try to persuade you to shift in this or that way. He just lived what he believed in and if you in the core of your heart believe in the same thing you will follow it. So he would not be trying to tell you, no do not be a Christian, don't be this or that. He did not care much about that.

Rvw: And also to think about his time at Codesa. He has got that skills where you and I will...has the ability to have us agree (consensus)

YP: Yes he has that ability.

Rvw: That is also a skill. Would you describe him as a person that instils a positive atmosphere of consistent ethical behaviour opposed to placing unwanted constraints through trough laws and societal norms? I think you started with that when you said that when he took over SARS there were not a lot of systems. He does not bring about this ethical behaviour, and

I am not answering the question on your behalf, I am just explaining it, he brings about the ethical behaviour not by enforcing law or procedures it is by his actions.

YP: By his actions, constant communication and by appealing to the better side of people. Edward Kennedy uses the expression: "to appeal to the better angels of our nature". Look he aspired to build the system but he was also one of the biggest disruptors of the system that was being built. But I do not think during his time anyone would have been mistaken about what was on top of his mind. To be able to do it for South Africa, do it with an ethical compass, has a sense of the higher purpose in mind, remember who we are serving.

Rvw: Would he be able to work within an organisation or structure with different values from his own?

YP: I do not think so. Firstly, I think he will try and burn that organisation down. Well then again he is a politician I cannot imagine that the entire parliament matches his values to be honest. He serves in the Cabinet with Zuma, he serves in the structure with the ANC. I suppose I was wrong in my initial answer. Look the ANC still espouses the same ideas but it has moved way out of.. But PG is a politician.

Rvw: But he will not drop his values.

YP: Yes his own, he will keep it.

Rvw: And there is an article done by Princeton or Wits Business School in which they explain him as; he says he knew that it would be hard in the struggle. He knew he was going to have to make sacrifices, huge, even losing his life, but he still did the right thing for the right reason.

YP: That is more or less how he would be, explains his nature.

Rvw: Does PG influence the ethical behaviour of individuals and organisations?

YP: I think so yes. SARS was formed in his image. For an organisation of this size and the amount of money that we handle, we are fairly, we are relatively ok.

Rvw: The reputation is in-tact.

YP: The reputation is in-tact and I think generally the confidence is ok. We hit a wobble now with Oupa's thing, but I think we are ok.

Rvw: And how do you think that he does that. Is it because of his authenticity? Because he does the right thing? He sort of forces you to do the right thing because you do not want to let him down? How do you think he gets people to a-spouse to his way of working?

YP: Well there is an element of But PG always tried to always, never to put himself in compromising situation. Throughout his time at SARS he never attended political meetings. He avoided certain crowds and sponsored events.

Rvw: that talks about contextual intelligence that he has. He knows what to stay away from. And the importance of his reputation coupled to the position he holds.

YP: So ultimately PG made sure that everybody in the organisation knew what was going on and we would always tell the story that if you passed by his office and while he was there he would call you in and there would be other people sitting there and you would not know what issue is being discussed but he would say: "Sit, sit here, I want you to listen". And in the end quite a lot of people got to know what was happening in the organisation just simply because at one point you sat in one meeting, which had nothing to do with you, which you knew nothing about but he forced you to sit down and listen. And there was certain wisdom in it. Because later on I sensed that he was creating an organisation in his mind in which there were no

shadows. Where I suppose rank did not matter as much, except for his own rank, but everybody else's rank did not matter as much, and it was understood that he himself acted in that way. He could take ideas from just about anywhere. He fostered this environment. There were no shadows in this organisation. All of us are part of the same project and focusing on the same aims and all of that.

Rvw: Somebody explained that he caused a "bazaar" to happen. He knew what was happening within each stall, and there were overlaps. How does PG influence the culture of organisations or structures that he serves in? I think you have answered that.

YP: Yes.

Rvw: Moving on to effective leadership. What do you think makes a good leader?

YP: Look, you have to focus on goals. You have to be quite thorough in thinking about how you will achieve it. And once you have set the course you must proceed despite the obstacles. And by obstacles I mean real obstacles. Example: You have to collect R820 billion and you only have 100 auditors. That is a real obstacle.

Rvw: Or you inherited an organisation that is totally corrupted and dysfunctional and a society that has no tax morality.

YP: yes, but also to rely on provable facts for the most part of the decision-making process and there will be some marginal decisions that we will not be able to do something about. There will be some decisions that you cannot determine all the information, but for biggest part of the decisions you need to make (80%) always rely on facts. Always carry on with innovations and you cannot get there on your own.

Rvw: And attributes pertaining to effective leadership? If you could think about those attributes which in your mind makes up effective leadership?

YP: He communicates he sets out goals to be understood. They can plan well. They spend a lot on planning. And by planning I do not mean drawing up a small template. It is understanding exactly the problem you are trying to solve in its fullest dimensions. And then deciding how to handle it. All those kind of issues.

Rvw: Strategising.

YP: yes, and have the will to learn from mistakes and to persevere despite difficult times.

Rvw: And what makes PG, "PG"?

YP: An effective leader?

Rvw: Yes.

YP: PG's focus would always be on the goals that he set out. He communicated those well and he put an enormous amount of energy in realising it. He would set the course and adjust the speed, adjust direction but he would never entirely change the destination based on the available information. He was always prepared to compromise in order for the goals to be achieved within limits.

Rvw: Do you think he has always been an effective leader?

YP: Look he built the...he was part of the rebuilding of the UDF in the 80's. He was part of one of the most effective underground structures within the movement. He dealt with the 1st draft of the Constitution. And from 1998-1999 this is the organisation that he built. So, there is a record to show

Rvw: Would you describe PG as a person that listens to others and puts value in the opinion of the team? I think you have answered that. Does he display a willingness to include others in his decision-making processes and therefore does not have the need to appear to be the smartest person in the room?

YP: I think he does both. (laughs)

Rvw: Successfully?

YP: Yes, he consults widely, think about the issues deeply. But you must never act as if you know better. And this is advice that I was told to do. Know your place

Rvw: And does PG consider the view of others and is he prepared to offer praise and success to others that contribute to organisational success?

YP: He would praise in general and not specifically (laughs), PG hardly ever praised anybody but he would consider... You see if you worked with him, there were several PG's in the organisation, there were those that worked closely with him and then there were the rest of the organisation. If you worked with him closely he would never praise you, he would pretend that your ideas are not the best. But for the rest of the organisation he would say: "You did it well". I took the advice... He was no manager, but as my leader I would follow him, but he was a terrible manager.

Rvw: He is a leader and he is authentic in what he does.

YP: Yes

Rvw: So you believe in him, close to "blindly"?

YP: Yes, he treats you very badly

Rvw: Do you think that you can be an effective leader without having ethical values. Can an effective leader behave unethically?

YP: I think, look, let's all be honest. Yes I imagine you can and some people have succeeded despite their level of ethics. But history and within SARS makes it clear that it cannot be sustainable. You can only sustain it with fear, and you could be able to sustain it for a long time such as Stalin and Stalinism in Russia lasted for approximately 70 years I think.

Rvw: Have you experienced any incidents during which PG held any of his subordinates accountable for a set of standards and criteria while holding himself to a different standard?

YP: No, no. he is never wrong, but hey...

Rvw: Has he ever displayed any different behaviour from the values or high standards that he expects from others?

YP: No

Rvw: Do you think PG's ethical platform plays a part in his effectiveness as a leader? And why do you say that?

YP: Yes, for the same reasons we have just spoken about. Although he can be described as a "messy" manager, he believed in what he did and made us follow him and made us believe that he was worthy to pursue. I think his ethical stance does make him an effective leader. Because given how difficult he is, how many people would like him if they did not believe in him?

Rvw: Is it your view that ethical leaders are more effective leaders?

YP: Not necessarily. I would rather have ethical leaders. I prefer them. But that is just a matter of personal preference.

Rvw: Why?

YP: Because I do consider myself an ethical man with my own value system which requires it, and I would be frustrated otherwise.

Rvw: How does a lack of ethical leadership affect governments' ability to deliver on its promise?

YP: Look, the fact of the matter is; if you talk from a SARS perspective if people are not of the opinion that we are spending the money well and on the right things after a while they will start to question why they should be paying taxes. And I think if the e-tolls is the first tax in which we notice sustained low level ... and of course governments in-effectiveness will start to affect us (SARS) at some stage too, because people will not only start to think that they are waistfull and that most politicians have grubby hands and further their narcissism. And I think it is going to start to affect compliance levels if we do not improve on that.

Rvw: So my introduction... threat to democracy.... Because of unethical behaviour. Look at the service level protests.

YP: Corruption an bring a country down.

Rvw: How would an increase in ethical leadership improve governments performance?

YP: It would help. The biggest problem in South Africa and the biggest failure relate to the administrative systems and how the administrative systems are not up to the task and do not make it easy for people to know what is going on. So I think even if somebody is highly ethical he could be compromised just by the administrative systems in South Africa. Especially in procurement. Take a simple example, In the PFMA it always says you must find the financially most efficient ways of doing your job and running your business. How do they define this efficiency? Example of the R200 hiring of glasses in the Presidency... system failing the young inexperienced individual tasked with this responsibility?