Responsible Board Leadership in a Digital and Glocal Age

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Overview

• Introduction
• A digital and glocal age
• Corporate governance
• Corporate responsibility
• Value
After 200 years, Britannica looks to the future

• I have seen recently [a] computerized glimpse of the future in which the Britannica comes to its subscribers by push button, and as a most unscientifically inclined book lover and publisher they made me uneasy and unhappy.

• It seems reasonable to anticipate that well before the 300th anniversary of Britannica [2068] its information ... will be stored on computer tape, and will be readily available for reading in home, library or office, as pages flick by at the user’s preferred speed, on tomorrow’s equivalent of a television screen.

Encyclopaedia Britannica, Book of the Year 1968
Glocalization

- The simultaneous occurrence of both universalizing and particularizing tendencies in contemporary social, political, and economic systems.

https://www.britannica.com/topic/glocalization

The world we live in

- Digital
  - Fourth Industrial Revolution (Schwab) [link]
  - New Renaissance (Goldin & Kutarna)

- Glocal
  - Global / local binary and its transcendence
• **First to Third Industrial Revolutions**
  – 1 (water and steam), 2 (electric power), 3 (electronics and IT)

• **Fourth Industrial Revolution**
  – Characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres

• **New Renaissance**
  – Looking through a Renaissance lens, what to do now becomes startlingly clear. We need to welcome genius. To understand that disruptive change and technological revolutions can spread both immense good and harm. To celebrate diversity and overcome prejudice ... To embrace change, and strengthen public safety nets in ways that embolden us all. To build new crossroads and welcome migrants. To tear up the (mental) maps that unhelpfully divide people. To stoke virtues – especially honesty, audacity and dignity. To champion collective endeavours as well as individual freedoms
Corporate Governance

New Corporate Governance: Situational, strategic, integrated, controlled (Hilb)

Coping with Uncertainty: Risk / uncertainty, understand human error, hindsight is harmful, technical / adaptive challenges (Howell)

Stop the Rot: Interaction between directors, owners, legislators and regulators – all under much closer public oversight (Garratt)

Epistemological fault line: a sleight-of-hand occurs when governance theories transition from empirical explanation or prediction to prescriptive guidance (Donaldson)

The purpose of business

• “Law is to justice, as medicine is to health, as business is to _____.”
The purpose of business

• “Law is to justice, as medicine is to health, as business is to optimized collective value”
Summary

- **King IV**
  - Principle 1: The board should lead ethically and effectively
  - Principle 12: The board should set the direction for how technology and information should be approached and addressed.

- Directors should acknowledge the different dimensions of responsibility
- The digital and glocal age is not optional, it keeps changing but more importantly: our assessment of what it should be will shape it
- As an independent provider of professional corporate governance services, the company secretary should provide guidance to the board
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