> ### ENVIRONMENT
>
> *You have the right to a healthy environment.*
>
> *You have the right to live in a protected, healthy environment.*

Ethics and ethical codes are a part of today's professional environment. These codes and principals can be found in almost all fields of study, with environmental management being no exception.

Stakeholder participation has progressed through a series of recognisable phases throughout the years:

- Awareness raising in the 1960s was the order of the day.
- The incorporation of local perspectives in data collection and planning occurred in the 1970s.
- The development of techniques in the 1980s that recognised local knowledge, such as farming systems research and participatory rural appraisals, took place.
- An increase in the 1990s in the use of participation as a norm, with the sustainable development agenda of the UN Conference on Environment and Development (UNCED), occurred.
- Finally, there has been a growing consensus over what constitutes best practice by learning from the mistakes and successes in history.

The integration of environmental management into the modern management of business is a very young science and was assisted in its accomplishments by the introduction of the King reports[1] which were discussed earlier in this book.

9.2   Ethics of environmental management

Ethical questions are often raised in the areas of ecological research, and environmental and biodiversity management. The questions include issues such as responsibilities and duties to the scientific community and the welfare or use of research animals. Lately, questions have also been asked about inter-species communication and interaction. Many people are asking questions regarding our ecosystems and the abuse or use by businesses.

There is no simple way to deal with these questions. They remain a challenge because most of the role players do not have an established field of expertise, with a support network that is focused mainly on the environment to guide them in making ethical decisions.

Some insight is provided into environmental values and the duties these impose on humans through environmental ethics. There is a long-standing tradition of ethical values and decision making in the broader scientific community, especially in the field of medical ethics, perhaps because it deals with human interactions.

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1   IoDSA (2009).

Most other disciplines have not considered many of the common responsibilities and obligations that are relevant to their field of expertise. Many universities and colleges, as well as professional bodies, now require a component or subject relating to the field of ethics.

There is a need to bring together people across disciplines, such as ethicists, religious leaders, scientists, and managers in the fields of biodiversity, environment and business. There are a number of cases that illustrate the types of ethical questions faced by researchers, and managers in the areas of biodiversity, environment and business practices.

From a management perspective, we can draw on the ethical traditions in the animal and environmental research fields. As said earlier, there is a strong ethical tradition in hospitals and research centres in the fields of bioethics and medical ethics. Scientists and doctors often consult directly with ethics committees or qualified bioethical personnel before making any ethical decisions, especially where there are no past historical decisions in this regard.

Bioethics and medical ethics provide a recognised forum for the discussion of ethical issues. This is seen as one of the more established scholarly areas of research. These discussions regularly yield many new research findings; support networks also exist to assist researchers, doctors and scientists in making practical ethical decisions.

9.2.1   Ethics defined

Ethics in the scientific community is largely considered as a branch of philosophy. The early philosophical fathers held many debates and much has been written on the topic of ethics. Yet it seems that people still battle between the concepts of good and evil, and right and wrong.

How then can ethics be defined? A definition of ethics could include the following aspects:

- It is a methodical study of morality and human behaviour.
- It is the concepts on which society's morality is based, namely moral codes and basic beliefs.
- Ethics can be viewed as the science of morals in human conduct.
- Ethics can be said to be entrenched in what a particular society defines as acceptable behaviour.

What people perceive as ethical values may therefore vary drastically between societies. What may be acceptable in one society may not be acceptable in another. Ethical values are found in most societies in the world. There seems to be a basic set of common beliefs among various cultural and religious groups. Most societies in the world would, for example, find murder unacceptable.

The terms moral (*mores*) and ethics (*ethos*) come from Latin and Greek respectively. Some philosophers believe that morality refers to the customs, practices and principles of cultures or of people. Ethics is said to refer to the domain of morality. Moral or ethical values can be judged by measuring the good or bad, (or right or wrong), in human character, behaviour and decisions. This is based upon accepted societal rules, laws and regulations. All societies have standards of human behaviour that are regarded as acceptable or unacceptable; these standards portray the dominant feelings of a particular culture about various ethical issues, such as abortion, human sacrifice, animal sacrifice, prostitution, animal rights, war or issues relating to business practices.

What may be deemed moral to one person, culture or society may not be deemed moral by another person, culture or society. Reflect for a moment on some crucial differences in your circle of friends or colleagues. In our modern day life some of these rules of acceptable behaviour might seem out of date or unnecessary. However, there may be consequences to neglecting these rules, which are not always immediately apparent. One only realises later when one sees the negative impacts of past decisions.

An example of unforeseen consequences can be seen in the development of the motor car. As a replacement for horses, it was believed that cars would advance humankind. However, cars are a source of pollution, for example from leaded fuel and greenhouse gases. No one thought about the long-term impacts at all.

Ethics therefore involves making moral choices and contemplating the values that lie behind these choices. Making bad choices can impact on a person's life, often only years later, and the choices that are made often have a price to pay.

As stated earlier, ethical values are concerned with judging whether something, or some decision, is right or wrong, good or bad. Sometimes it is difficult to judge whether a thing or a decision is right or wrong; such a scenario is called an ethical dilemma. This can occur when an organisation or person may benefit from something, but the benefit may be unethical. The question then is does one go ahead or not?

For example, failure to declare one's income to the South African Revenue Service results in more money for one's personal use or for the company to be utilised for the benefit of the shareholders or staff. How ethical would that be? Who decides? The easiest way to deal with such a dilemma is to follow the standard problem-solving tool. First is the recognition of the dilemma. Second, gather all the facts. Third, identify all the options, both positive and negative. Then test each one of the options for factors such as legality or illegality, and rightness or wrongness of the option, as well as the benefits of each option. Make a decision as to which option or options could be taken. The final stage is to decide what family, friends or employees would say and do regarding the choice that has been made. Once a decision has been made, take action.

In asking what the right thing is to do or what the good is in something, the answer might be a choice of wrong and wrong or bad and bad. Many people when faced with such a scenario try and find answers by approaching the courts and have someone else make the decision for them or give them guidance on which direction would be acceptable.

What then are values? Values can be ascribed as a person's principles or standards by which they live. It could also be argued that it is the judgement of what is valuable and important in the life of an individual. Examples of societal structures which have an influence on values and ethical behaviour are outlined below:

- *Ethics* deals with the right or wrong or good or bad of a situation or decision. This influences our reputation and conscience through praise or assigning blame.
- *Religion*, in contrast, defines right and wrong as the sin in people's lives. It also deals with what is permissible or not as defined by the religious authority. A person who behaves and does well will be rewarded; those who do wrong or commit a sin will be punished. This punishment will be carried out by a supernatural agent or being.
- *The law* determines if someone acted legally or illegally, as defined by the judicial system. Punishment for illegal deeds is determined by law and sanctioned by the judicial system.
- *Etiquette* can be described as societal conventions regarding proper or improper behaviour. Behaviour is seen as appropriate or inappropriate. Inappropriate behaviour leads to social disapprobation.
- *Values* constitute a shared conviction of an organisation's desired objectives in the business environment; values are influenced by factors such as religion, law, or etiquette to name but a few. In business, there are also unwritten laws or rules that dictate how one should behave or act as a business person. South African regulations are increasingly focusing on various business codes of ethics and codes of conduct.
- *Integrity* is another concept when dealing with the field of values or ethics. Integrity can be defined as a more restricted concept of ethics and refers to a person's character. According to Rossouw and Van Vuuren,[2] integrity is often associated with concepts such as fairness, consistency, uprightness and wholeness. Integrity can be described as the constant application of ethical behaviour by an individual.

The question which arises now is what is the purpose of morality in a society? Much has been written on this topic; a search of the internet will bring up many websites debating this topic. Morality serves a number of purposes in a society. For a start, it keeps a society from falling apart or disintegrating. It reduces human suffering in

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2   Rossouw & Van Vuuren (2004).

the world we live in and encourages humans to flourish and grow. Morality assists humans to resolve conflicts of interest in a just and orderly fashion. Morality also assigns praise and blame, reward and punishment and guilt within a particular society or environment.

None of the above are the sole purpose of morality, but each of them is part of a comprehensive purpose, which enables humans to live a good life in a just society. Think of an additional purpose that can be ascribed to morality that was not mentioned.

9.2.2 Environmental ethics

Environmental management ethics is only one of the many fields of study in ethics. Most of the fields of study address an area of ethics, code of conduct or ethical values of some kind.

Environmental management ethics is a way in which organisations try to face the challenges of ethics and ethical questions in the business environment. Environmental management ethics is considered to be a field that aims to provide moral justification for the need for global environmental protection.

Western ethics has long focused on the moral values, rights and obligations of humans. Vaughn[3] said that ethical questions that are asked are those such as: 'What good for humans? What value should we place on a human life or person? What is good for humans? What moral rights, if any, obligations or duties do we have to our fellow humans? What moral rights, if any, do humans have? The nonhuman animals, the plants, the waters, the land – these only mattered if at all, largely because they affect the well-being of humankind.'

Vaughn[4] describes environmental ethics as 'a branch of applied ethics, which explores questions about the value of nature and its constituents, the relationship between the environment and humans, and the moral obligations that humans have towards the environment'.

Environmental management ethics

Environmental management embodies sustainable development through various mechanisms. Environmental management combines various processes in the production of goods and services, such as technology, sustainability and economic growth. Environmental management is not the direct management of the environment itself, but deals with the impact of humans on the environment.

Environmental ethics attempts to apply principles and moral values to the environment. It tries that in the same way in which ethics in general has had an impact on the business world, the medical environment, the engineering field and on technology areas.

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3   Vaughn (2013) 497.   4   Vaughn (2013) 497.

Environmental ethics invites one to reflect on three key propositions:

- The earth and its living beings have intrinsic value.
- The earth and its living beings have moral status, worthy of concern.
- Human beings should consider 'sum totals' that include other forms of life in the environment.

Environmental management systems, when correctly implemented, contribute to an increase in an organisation's competitiveness and the reduction of an organisation's environmental impact.

There are a number of main reasons for management to implement an environmental management programme in an organisation.

- Professional ethical reasons are important, especially in the field of research or in the provision of professional services.
- National and/or international regulations need to be adhered to. Companies need to follow standards related to products and goods to stay in business with their export partners, for example the European Union countries.
- Economic profitability is enhanced. A business may lose contracts if the contracting company is not satisfied with the goods and/or services that are supplied. Refer to the discussion of the triple context in the King III report in Chapter 2.
- It is the right thing to do.

Environmental resource management

Environmental resource management deals with the protection and maintenance of the environment for future generations. Managers need to consider, as the King III triple context suggests, the economic ethical, social, technological and scientific variables involved in maintaining the integrity of an ecosystem.

Businesses need to realise that there is a constant tension between meeting the needs of humans and protecting environmental resources. Managers who can find this balance should be able to protect the environment and find a way to have socially responsible sustainability.

9.3   Intrinsic value, instrumental value and prudential value

The word value is normally associated with the financial value of something. Managers need to value everything they do and justify it in terms of returns, profits and money. Boards will not give approval to any projects which are not financially viable. Business ventures must contribute to the financial bottom line.

In a discussion of the financial value of the environment, economic approaches have a number of limitations. Value is not only linked to the financial value of

something; one can also distinguish between things that have intrinsic value, instrumental value or prudential value. Let's look at the differences between these aspects of valuation.

9.3.1 Intrinsic value

Something has intrinsic value if it is good in and of itself. Intrinsic value is not merely a means of acquiring or accomplishing something else in the process. Intrinsic value has nothing to do with something's usefulness. Intrinsic value is ascribed to something that is valuable in itself. When something is of intrinsic value it is pursued for what value it has and what use it will have for humankind.

Intrinsic value is never given by someone but is always recognised. Things with intrinsic value possess value in themselves. Their value lies in what they mean or what they stand for. These values could be spiritual, moral, symbolic or cultural. As an example, happiness can be seen as having an intrinsic value because happiness is good for you. It is good because it's good to be happy, not because happiness would lead to or accomplish something else.

9.3.2 Instrumental value

Something that possesses instrumental value always refers to its function or usefulness. Objects such as a watch, a pencil or a cellphone possess instrumental value because they can be used to generate, increase or accomplish something of value.

Instrumental value is always ascribed by humans to things that will benefit them. The instrumental value is not in the object, but in the usefulness of the object. The value of a watch or cellphone lies within its usefulness in checking the time or making a call to accomplish or attain something of value. If such an object stops working, it becomes useless and loses its value.

Think about modern technology that has become outdated because no one uses it anymore. Would you prefer a typewriter or a computer? If you prefer a computer, would you like the kind that works with floppy drives on a DOS operating system or do you want the latest model that money can buy and technology can provide?

When we think of natural objects as resources we are treating them as something that has an instrumental value. As human interests and needs change, so too do human values and uses of the environment.

9.3.3 Prudential value

Jamieson[5] relates prudential values to those values that communicate a person's own interests. There are many debates as to whether one should consider prudential values as values at all. There is, however, no doubt that we value nature by reminding ourselves of what nature does to support our survival and well-being.

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5   Jamieson (2008).

9.3.4 Instrumental value versus intrinsic value

Some people would say that biodiversity has an intrinsic value. The question that arises is how do we put a price on the very existence of an ecosystem or a species if the ecosystem or species has its own value independent of humans?

How do you determine the value of some nearly extinct animal, for example? Is it the price of the highest bidder? What if it is the only one of a species left? Is it then priceless? What is, for example, the price that we can attach to the loss of our South African rhinos? We might feel that something that is intrinsically valuable must be of infinite value. If this is true, then we should be willing to pay almost any price to save it.

9.4   Applying environmental ethics to business policies and decisions

9.4.1 Introduction

Environmental ethics and business management have been considered to be two opposing or sometimes even incompatible areas. This situation has led to conflict between the need for economic performance and environmental responsibilities within organisations.

Let's take an example of a manager facing financial problems and who has to make a choice between saving the company financially or implementing an environmental management programme. If the manager chooses to consolidate the financial position of the company, he or she will have to defend this action in a context where more and more companies are analysing their environmental impact and choosing to implement environmental management policies to reduce their environmental risks.

Economics and economic analysis plays a major role in any environmental policy or management programme. This is true at local, national and international level. Many companies have incorporated what they call sustainable development programmes or policies. Sustainability is a concept that has continued to gain inroads into a wide range of sectors and institutions in South Africa and internationally.

9.4.2 Sustainable development

The Brundtland Commission, commissioned by the United Nations in 1983 to investigate sustainable development, came up with the following definition still widely used today: 'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'[6]

Various books and articles have been devoted to contemporary challenges to sustainable development. Kibert et al[7] have outlined some of the issues that businesses need to think about regarding the sustainable development of companies:

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6   United Nations (1987) 41.   7   Kibert et al (2012).

- population growth and consumption
- climate change
- non-renewable resources
- loss of biodiversity
- overfishing
- eutrophication (over-enrichment of water bodies)
- desertification and acidification
- poverty
- ecosystem services and quality of life.

Similar to the King III model, Kibert et al suggest that sustainable development has three components:

- environmental
- social
- economic.

9.4.3 Business ethics

Ethical behaviour in a business context consists of the collective behaviour of the individuals who own or are employed by a business. These values and conduct guide the actions and decisions in the work environment. If the owners of the business (and senior management) value ethical behaviour highly, they will implement an ethical framework within the business to guide employees with regard to what is considered to be ethical behaviour.

On the other hand, if the owners do not value ethical behaviour highly, it is unlikely that they will pay much attention to the question of ethics within a business context.

Ethical behaviour covers a wide range of different activities within a business, including how clients and employees are treated, as well as the environment. The challenge is to find the balance between the conflicting interests of the business and those of clients and other stakeholders. Ethical behaviour is about recognising there may be a difficult choice to be made, taking the appropriate action or decision, and then accepting responsibility for that action or decision.

Rossouw[8] defines business ethics as:

The specific application of this general principle (what is good or right for human beings) to business activities. To act morally within the business environment, means ensuring that the consequences of business actions are not detrimental to others. Alternatively, to put it more positively: ensuring that business activities contribute towards personal well-being, the well-being of others and the societies who are influenced by these actions.

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8   Rossouw (2002) 3.

An ethical framework creates a standard against which to evaluate possible ethical choices that need to be made. It also sharpens awareness of ethical and moral issues by consciously examining personal values and choices. This awareness is extremely useful when faced with a difficult ethical choice. Most importantly, a strong ethical framework also builds trust and credibility between the business and the stakeholders.

However, even though people often face ethical dilemmas and questions in their work environments, business ethics have yet to be fully integrated into the strategies and daily operations of a business. Although strides have been made locally in this direction, with the publishing of the King Code on Corporate Governance[9] and various other means of promoting ethical behaviour, unethical behaviour in the business world is still rife.

Some of the ethical dilemmas that staff can experience on the job are:

- conflict of interest between what is best for the client and what is best for the company
- acting with honesty and integrity versus the pressure to compromise
- being loyal versus speaking the truth
- deciding whether to blow the whistle.

Business factors that could cause damage to the environment

The environment is affected by a number of factors. These factors can generate destructive effects that might have a long-term or even permanent impact on the environment. This can be ascribed to a lack of minimum ethical principles in some individuals and organisations. Factors that most often bring damage to the environment include:

- *over-consumption,* the main destructive factor affecting the environment
- *over-development,* the long-term effect of economic downturn
- *lack of environmental education* (too few educational institutions include this in their management training and school curricula)
- *research responsibility,* which promotes the profit motive irrespective of the environment
- *technology,* which leads to increased consumption of energy
- *religion,* which can promote the idea that the only reason nature exists is to serve humankind
- *social responsibility,* which sees the main objective as the achievement of profit.

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9   IoDSA (2009).

Business ethics are influenced by the leadership of the company. Leadership is the ability of a manager to guide and direct subordinates, staff or colleagues to achieve specific goals. This in turn will influence the company's values.

Corporate governance

What do we mean by corporate governance? We can identify it as the oversight of senior management by a company's board of directors. A board of directors is normally responsible for hiring, firing, disciplining and remunerating the CEO of a company in South Africa. The management of a company is responsible to the general public, and to the employees, investors and consumers. In terms of the Companies Act 71 of 2008, directors and shareholders can now be held personally responsible for the activities or inactivities of a company.

Codes of conduct

A code of conduct can indicate the responsibility a profession takes towards the environment. Many of today's professions have a code of conduct or ethical values, which includes:

- a general code of conduct, designed to guide members' conduct and behaviour
- a specific code of conduct, designed for specific guidance for individuals within a profession.

Examples of these codes of conduct include the Hippocratic Oath taken by doctors, which was first implemented more than two thousand years ago; the code of ethics of the Institute of Directors in Southern Africa (IoDSA); and the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS), which contains general and specific codes of conduct, as well as treating customers fairly (TCF) regulations.

Many of South Africa's professional bodies have an ethical code for their members. Most new legislation makes provision for regulations that would contain codes of conduct for the individuals in a particular industry.

In response to unethical practices in the business environment, a number of ethical codes have been developed, particularly in relation to the professions. However, although an ethical code governs and specifies the required level of ethical behaviour within a business, having a code does not necessarily mean that a business will always be ethical. For a code to be effective, the provisions of the code must be integrated into the processes and procedures of the business.

Ethics must also form an important part of the culture and identity of a business. However, this can only be achieved if ethics is given sufficient attention through a top-down approach. Rossouw and Van Vuuren[10] outline a number of different terms for ethical codes:

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10   Rossouw & Van Vuuren (2004).

- credo
- code of conduct
- declaration of business principles
- value statement
- standard of conduct
- code of business practice.

In some industries, especially where self-regulation has not resulted in ethical behaviour, legislation has been enacted in order to ensure that ethical guidelines are followed. This legislation and its subordinate legislation provide for both general codes and more specific codes of conduct to regulate industry.

Codes have been developed by professional membership bodies, as well as by companies, to guide both their members and employees in practising ethical behaviour. Professional industry bodies have developed codes of ethics to set standards of conduct for their members.

9.4.4   Environmental ethics and business policy

Environmental management systems (EMS) encourage companies to accept responsibility for protecting the environment. Companies can also ensure continuous improvement in the way in which they manage their environment. When companies implement an EMS they must adopt environmental strategies and implement environmental policies. The difficulty for companies in implementing environmental strategies is to find a balance between economic and social factors.

An investigation into organisations' annual reports clearly indicates that most companies have embarked on the road of establishing a value statement. In most cases, one of the core values in these value statements is ethical behaviour, often supported by an ethical code of conduct.

An important question is: how does government influence business policy and business affairs? This can be done through legislation and regulating what businesses are allowed to do or not to do. There is a great deal of legislation that influences business policy or business behaviour in all sectors of the economy. Examples include:

- Consumer Protection Act 68 of 2008
- Labour Relations Act 66 of 1995
- Competition Act 89 of 1998
- Occupational Health and Safety Act 85 of 1993
- National Environmental Management Act 107 of 1998 (NEMA).

9.5 Applying ethics to lifestyle decisions

9.5.1 Introduction

Business ethics can be divided into three main categories:

- *micro-ethics* relates to the accountability of owners and management towards the business with regard to the vison, mission, policies and procedures, and legislative compliance
- *market ethics* relates to accountability towards customers, competitors and suppliers
- *macro-ethics* is the collective social responsibility of a profession or professionals within a company with regard to technology use, the economic, cultural, political, legal and international environments and the ecosystems or natural environment.

9.5.2 Moral and cultural values

Companies can advance their reputation by implementing strong value-based ethical programmes. The result should be access to more capital, increased economic prosperity, a positive effect on employees and improved customer loyalty. Organisations which display ethical behaviour will also find that it has a positive impact on the nature and quality of the jobs that employees perform, which can lead to better morale and work performance.

Business ethics sets standards of conduct and identifies appropriate behaviour for an organisation based on values, beliefs, judgements and attitudes concerning issues such as what is good or bad, or right or wrong. This includes the way humans interact with one another.

According to Rossouw and Van Vuuren, 'when ethics is applied to business we consider the implications of economic activity on the interests of all who are part of such activity. The ethical impact of economic activity is studied in business ethics, but so too is the economic impact of ethicality'.[11]

The institutionalisation of business ethics has become strategically vital for a business's survival. Traditionally organisations made use of the *compliance approach* to institutionalise ethics into their organisations. This approach forces business ethics upon employees. However, a potential problem with this approach is that it forces itself on all stakeholders. The question thus is whether all stakeholders will internalise the same set of values. This means that a value shift needs to take place.

According to Rossouw and Van Vuuren,[12] 'the modes of managing morality model explains the changes in modes of managing ethics within organisations'. These modes indicate the strategy of an organisation in managing its ethics. The model consists of five modes describing organisations' preferred choice of strategies for managing ethics.

There are a number of different sources of ethical standards.

- *Legislation* encourages ethical behaviour. In South Africa, the Constitution, through the Bill of Rights, lays down the foundations for ethical standards.
- *The policies and procedures* of an organisation set ethical standards, for example, on issues such as sexual harassment and whistle-blowing, and outline general and specific codes of conduct.
- *A moral stance* is often revealed in the position people take when there is no law that governs an issue, or no policy and procedure guidelines. Within any business or organisation this may be supported or undermined by the culture of the business or organisation.
- *Ethical codes*, such as the King Report on Corporate Governance[13] or the ethical codes of professional organisations.
- *Personal* codes of ethics.

9.5.3 Forms of African value systems

Ubuntu

An extract from a speech made in 2006 by then Deputy President, Ms Phumzile Mlambo-Ngcuka, at a national *imbizo* on ubuntu and nation building, best describes the principles of ubuntu:

> What is ubuntu? Ubuntu is what defines us as Africans, as distinct from other people, what we normally refer to as the spirit of African humanism; it is the foundation upon which most African societies are founded. It defines what is best about us as Africans.
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> The values of ubuntu are based on principles of caring for humanity, love for one's people, respect for people and their country, affording each other nationhood. These are the very same values that our South African society was founded upon when we adopted our new Constitution in 1996.
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> Besides the Constitution, our principles of ubuntu are deeply rooted in an African culture, and the African saying among the Nguni and Sotho-speaking people which say 'Umuntu ngumuntu ngabantu' or 'Motho ke motho kabatho'. When directly translated into English it means that 'A person is a person because of other people'. But, I believe this saying is deeper and more profound than that; it defines the concept of ubuntu.
>
> This saying instructs us that our existence is dependent upon other people. Our successes are due to the role that our communities have played in nurturing and developing us.

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11   Rossouw & Van Vuuren (2004) 4.   12   Rossouw & Van Vuuren (2004) 44.

13   IoDSA (2009).

It speaks about the need for us to have a sense of community spirit as a people. It says community members must play a constructive role towards the development of their communities. It also tells us about the need to give back to our communities what they have given us; it tells us that the most important value of ubuntu lies in giving. Having an open heart and giving to those who are needy and poor is not a sign of weakness, rather a sign of strength. Making sacrifices for the common good is what keeps our society together.

Firmly embedded in this saying is an injunction that, without the support of other people, our existence is meaningless. It instructs us that we have a central role to play in the empowerment of our communities, who are mostly poor and destitute. Because of this spirit of ubuntu that permeated our communities the weak, the young, the poor and the vulnerable were not as exposed to the harshest conditions of our society and dangers in our streets as it is the case today.

Ubuntu acted as a social security network or fabric that cushioned many in our communities. It was the glue that held our society together. Several articulations by President Mbeki on ubuntu reveal both the government's attitude as well as the vital role ubuntu can potentially play in revitalizing the African Renaissance. It therefore means that revival of ubuntu will not be something strange and new for a majority as it has some resonance born out of collective memory and experiences. Given the picture painted above and the preponderance of ubuntu in our communities at one point in time, there is a serious decline in our values of ubuntu and this is tearing our society apart and causing disintegration of our communities and families. But our society while still facing challenges of crime, violence, rape, murder, greed, and other social ills, is however a fundamentally moral society, which is influenced by the values of ubuntu.

We must ask ourselves how can we infuse (re-infuse) our society with a spirit of ubuntu by making concrete policy interventions and suggestions instead of sentimental utterances to make a positive impact on people's lives. As the leader of Moral Regeneration Movement collective, I will be keenly interested in your advice on how to re-energize our campaign utilizing the values of ubuntu.

The wonderful thing about ubuntu is that it embodies universal human values that are essentially not in contradiction with values of our diverse communities in the country. Ubuntu values are also found in Christian, Islam, Jewish religion, Hindu, Buddhism, Bahai religions/belief systems. It is for this reason that ubuntu could provide a platform that every racial and cultural group of this country can relate to.

We could begin this work so that even visitors who come to our country and those who will come for 2010 FIFA Soccer World Cup can begin to experience the legendary spirit of ubuntu.

Archbishop Desmond Tutu explains the concept of ubuntu as follows:[14]

A person with ubuntu is open and available to others, affirming of others, does not feel threatened that others are able and good, for he or she has a proper self-assurance that comes from knowing that he or she belongs in a greater whole and is diminished when others are humiliated or diminished, when others are tortured or oppressed.

One of the sayings in our country is ubuntu – the essence of being human. Ubuntu speaks particularly about the fact that you can't exist as a human being in isolation. It speaks about our interconnectedness. You can't be human all by yourself, and when you have this quality – ubuntu – you are known for your generosity. We think of ourselves far too frequently as just individuals, separated from one another, whereas you are connected and what you do affects the whole World. When you do well, it spreads out; it is for the whole of humanity.

Nelson Mandela explained ubuntu as follows:[15]

A traveller through a country would stop at a village and he didn't have to ask for food or for water. Once he stops, the people give him food, entertain him. That is one aspect of ubuntu, but it will have various aspects. Ubuntu does not mean that people should not enrich themselves. The question therefore is: Are you going to do so in order to enable the community around you to be able to improve?

According to Michael Onyebuchi Eze, the core of ubuntu can best be summarised as:[16]

A person is a person through other people strikes an affirmation of one's humanity through recognition of an 'other' in his or her uniqueness and difference. It is a demand for a creative intersubjective formation in which the 'other' becomes a mirror (but only a mirror) for my subjectivity. This idealism suggests to us that humanity is not embedded in my person solely as an individual; my humanity is co-substantively bestowed upon the other and me. Humanity is a quality we owe to each other. We create each other and need to sustain this otherness creation. And if we belong to each other, we participate in our creations: we are because you are, and since you are, definitely I am. The 'I am' is not a rigid subject, but a dynamic self-constitution dependent on this otherness creation of relation and distance.

14   Tutu Foundation UK (2010–2015).   16   Oddie (2015) 106.
15   Oddie (2015) 106.

9.5.4   Applying ethics in everyday life

Fraud is a manifestation of unethical behaviour. According to Rossouw and Van Vuuren,[17] Deloitte and Touche conducted a survey in 1999 on fraud in 17 African countries. In every country, with the exception of Botswana, fraud was on the increase. 'The kinds of fraud that were identified included forging bank documents, tax evasion, false insurance claims, and electronic funds-transfer fraud. Other forms of unethical behaviour that are well documented include unfair dismissal of people with AIDS; race and gender discrimination; intimidation of employees to perform work they find morally repugnant; and neglect of the safety of employees in the pursuit of profit'.[18]

One needs to look no further than at the recent past to find that big international corporations such as Enron, WorldCom, CityGroup, JP Morgan, ICN Pharmaceuticals and AT&T, to name but a few, have been involved in gross scandals relating to unethical behaviour.

Enron bankruptcy

The saga of Enron's bankruptcy in 2001 is an example of what can happen when employees, management, boards of directors and shareholders do not ask questions about a company's performance and ethical values. In an online interview, Kirk Hanson, Executive Director of the Markkula Centre for Applied Ethics, suggested that the two most important reasons for what happened to Enron had been the lack of truthfulness by management and the culture of Enron:[19]

> This scandal demonstrates the need for significant reforms in accounting and corporate governance in the United States, as well as for a close look at the ethical quality of the culture of business generally and of business corporations in the United States. There are many causes of the Enron collapse. Among them are the conflict of interest between the two roles played by Arthur Andersen, as auditor but also as consultant to Enron; the lack of attention shown by members of the Enron board of directors to the off-books financial entities with which Enron did business; and the lack of truthfulness by management about the health of the company and its business operations. In some ways, the culture of Enron was the primary cause of the collapse. The senior executives believed Enron had to be the best at everything it did and that they had to protect their reputations and their compensation as the most successful executives in the U.S. When some of their business and trading ventures began to perform poorly, they tried to cover up their own failures.

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17   Rossouw & Van Vuuren (2004).
18   Rossouw & Van Vuuren (2004).

19   Nakayama (2002).

Silverstein,[20] in an online article, wrote:

> Altogether, 16 former Enron exe[cutive]s including Skilling had been sentenced to prison. A lot of people have suffered, not the least of whom are the shareholders and pensioners who lost it all. It was a sad 'ending' to what had appeared to be a promising beginning to the New Economy in which the internet age would spread wealth and create jobs throughout the social spectrum. While Enron may be the crown jewel of corporate prosecutions, it was preceded by guilty verdicts for top exe[cutive]s at Adelphia Communications, Tyco International and WorldCom.

Some lessons that can be learnt from this ordeal are:

- One needs adequate liquidity in a company.
- Disproportionate leverage is usually a high-risk approach.
- Fraudulent behaviour never pays.
- Employees need to continually update their skills and knowledge.
- If investors cannot understand a company's financials, then they should not invest in the company.
- The same company cannot be the auditors and the consultants, as this creates a conflict of interest.
- The board of directors, investors and shareholders should ask more questions about a company's activities, especially those off-book.
- One's own failures should not be covered up.

The film *Enron: The Smartest Guys in the Room* is a good lesson in ethics and corporate governance. If Enron did indeed have value statements in place, it is an illustration that the mere existence of value statements and ethical codes of conduct does not ensure ethical corporate behaviour.

Ethical behaviour, like any other type of behaviour, does not manifest because of the mere existence of a set of rules. In the case of Enron and many other companies, rules may have been in place, but these were wilfully and perhaps even skilfully circumvented. The result is that investors, as well as internal and external stakeholders, are losing trust in companies which are managed on unethical principles.

Whistle-blowing

Ethics and its application in everyday life cannot be discussed without mentioning whistle-blowing. One can ask questions such as: Why did the Enron executive not blow the whistle on the CEO and CFO earlier? Why did the board not ask questions or let the authorities know about their book entities that were created? By the time Watkins and Cooper blew the whistle on the Enron situation, a lot of damage had already been done.

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20   Silverstein (2013).

This leaves us with the question, what is whistle-blowing? A whistle-blower is a person who exposes dishonesty, misconduct, malpractices, the endangerment of others' safety or illegal activities in an organisation. In other words, it is someone who publicly exposes an organisation's wrongdoing.

One of the most famous whistle-blowers was Erin Brockovich, about whom a film was made. We find that many companies will have a whistle-blowing policy or a helpline or a company that will handle this on their behalf. Another film worth watching is *Silkwood*.

Whistle-blowing is not easy. It has major implications for the company, as well as for the whistle-blower. Whistle-blowers can experience alienation from their colleagues; they may even lose their jobs or their families may be persecuted. This may result in financial difficulty for the people involved; it may also hamper their chances of getting a new job or starting their own business. Whistle-blowing can also have extreme consequences. An example includes whistle-blowers from the KwaZulu-Natal Education Department who were murdered because they exposed the fraudulent practices of certain school principals in the province.

Organisations may have internal whistle-blowing processes; these days businesses often use external companies to encourage employees to inform on suspicious events. It is important for companies which are serious about ethics and values to have a way for employees to confidentially report illegal activities. Some companies also offer a reward for employees who report such activities.

The costs of unethical behaviour

Most people do not realise how the costs of unethical behaviour can escalate. Below is a list of costs that can be incurred as a result of unethical behaviour:

- Much of the costly work carried out by attorneys and advocates is due to unethical behaviour.
- The cost of law enforcement and security personnel adds up. Security guards would not be necessary if it was not for people's unethical behaviour, such as stealing.
- Costs are incurred for the physical protection of people and property, such as alarm systems, electric fences, vaults, etc.
- Wasted or misused investors' funds by unscrupulous investment companies incur costs; money must be spent on regulators and examiners because of the unethical behaviour of a few who bend the rules and do not act in the best interests of their clients.
- Recovering and collecting undeclared taxes from companies and individuals incurs costs.
- The need for forensic auditors and accountants to trace moneys defrauded or stolen incurs costs.

- Consumer protection agencies, ethical business agencies and consultation companies all incur expenses.
- Revenue is lost by creditors when companies and individuals declare themselves bankrupt.
- The low investment that results from external investors and tourists not visiting a country, or clients not doing business with a company.
- Costs are incurred by committees investigating governmental fraud and unethical behaviour and wrongdoing.
- Welfare costs are incurred for those without a means of income when parties to unethical behaviour are imprisoned.

There are also costs to business; these can be seen from the Enron example:

- the costs of declaring the company bankrupt
- the higher cost of the debt incurred
- the costs incurred through the involvement of regulators in a company
- the loss of business assets
- increased security costs
- the loss of customers as part of the aftermath of the unethical behaviour
- the loss of employees who would rather work elsewhere; this includes the costs invested in their training and development
- the cost of legal expenses, which cannot always be claimed as a tax deduction in South Africa
- the loss of investor confidence, reflected through lower share prices, and difficulty in getting finance or funding
- the ultimate loss of the company's reputation; this is the biggest loss of all for any company.

9.6   Conclusion

Businesses have much to gain if they have a reputation of corporate governance based on ethical behaviour. A company's reputation is the most important aspect for the success of any entity.

Unethical behaviour may enable a company to gain ground and have an advantage over its competitors, but that is temporary. In the long run, individuals, companies and society will pay a price for the unethical behaviour of employees and management.

It stands to reason that any organisation that has a reputation for corporate governance and ethics is able to:

- attract new investors
- attract ethically discerning customers
- be a preferred employer for people who perceive themselves as having the capacity to thrive in an environment that fosters ethical behaviour.

Our environment is important for the future of everyone in this world. We as management and future management have the responsibility to look after it. We cannot take responsibility for the harm that previous generations caused to the environment, but we can change the future through ethical behaviour on the part of individuals and companies.

South Africa has a Constitution that ascribes many rights to people. Many people claim these rights and stand by their rights. We need to be aware that standing by one's rights is fine and well, but every right that is claimed brings with it a responsibility. We should not allow rights and the responsibilities to be separated from one another.

Ultimately it is important to remember to do unto others as you want them to do unto you. This can be achieved by doing what is right. Respect others, take responsibility for your action or inactions and you will achieve positive results. Check before you do anything. Know your values that are uncompromisable.

David Cottrell[21] said: 'The toughest issues any of us face are those involving 'right versus right'. The problem: there are no obvious "wrongs" to avoid.'

Review questions

1. In your experience:
   a. Is the environment getting cleaner?
   b. Are environmental problems more or less of an issue than when you first became aware of them?
   c. Are some problems getting better or worse? Which?
   d. Do you have any thoughts about why some are improving and others are not?

2. What criteria do you use to establish moral standing? Where do you draw the line between objects that count and those that do not?

3. Should polluters be required to prove that their pollutants are safe before being allowed to discharge this material, or should they be allowed to pollute until the material is shown to be harmful? Motivate your point of view.

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21   Cottrell (2002) 23.

4. Some people in South Africa mourn the decline of the family farm in favour of a commercial centralised agricultural business. What values, both social and personal, might be involved in a family farm that would be missing in large businesses?

5. Should industries, local communities and countries be forced to keep the toxic waste they generate or should they be allowed to pay others to bear this risk for them? Write a detailed motivation for your point of view.

6. Sometimes South Africa is seen and portrayed as a developing county and other times it is portrayed as a developed country.
   a. Do you see South Africa as a developed or developing country, and why?
   b. Should industrialised countries have a greater responsibility for implementation of environmental policies than developing countries? Why?

7. Many of South Africa's resources are exported to industrialised countries such as Europe, America and China. South Africa then imports the manufactured goods, mainly from China, which is currently one of SA's largest trade partners. This has caused South Africa to be a net importer from China.
   a. Do you agree with the 'production at all cost' policy of our trade partners? Motivate your point of view.
   b. Would you be willing to pay more for imported products as a means to encourage exporting countries to meet environmental standards? Motivate your point of view.
   c. Should South Africa create a system of environmental protection tariffs? Explain your answer.

8. In your opinion, is humanity in general at fault for the ecological crisis, or are specific people, such as those with power and money, more responsible than those without power and money? Give reasons for your answer.

9. Many people in South Africa believe that ubuntu is central to their decision-making process regarding ethical issues. This implies that rural people believe that tradition is a good guide for deciding public and business policy matters. In your experience, what traditional values support environmental management policy in businesses? Which traditional values do not support environmental protection and would not be advisable to use in business and public policy decision making?

10. How do ethical dilemmas complicate your community or your workplace?

11. How can companies maintain high ethical standards?

12. Explain what corporate social responsibility is.

13. Name at least five regulations or Acts that influence business policy or business behaviour in all sectors of the economy.

14. Discuss some of the costs of unethical behaviour for societies and companies.

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About the editor

Dr Sarel Smit heads a safety consultancy, providing expert safety management services to business, as well as assessing managers and safety practitioners in assessment centres. Despite these commitments, he still makes time to share his teaching expertise as an e-tutor in Safety Management at Unisa. His postgraduate qualifications include a PhD in Social Science (UFS) and an MSc in Industrial Safety Management from the Central Missouri State University (USA), where his dissertation received an award for the best graduate student research dissertation.

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