

Report on the Panel Discussion

Virtual CEO Lunch: Reflections on Purpose-Led Leadership During a Time of Crisis

On the occasion of the Africa Shared Value Leadership eSummit 2020.

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Discussants

Eusebius McKaizer, *Talk Show Host, Radio 702, and Author and Philosophy Lecturer, South Africa (Moderator)*

Iain Williamson (*Official Session Host*), CEO, Old Mutual (Session Sponsor), South Africa

Hylton Kallner, CEO, Discovery Life, South Africa

Peter Ndegwa, CEO, Safaricom, Kenya

Ifeyinwa Ugochukwu, CEO, Tony Elumelu Foundation, Nigeria

Rebecca Miano, *Managing Director and CEO, Kenya Electricity Generation Company (KenGen), Kenya*

Faith Khanyile, CEO, WDB Investment Holdings, South Africa

Stephen Ruzibiza, CEO, Private Sector Federation, Rwanda

Ellen Agler, CEO, The END Fund, USA

Marion Gathoga-Mwangi, CEO, BOC, Kenya

Clare Akamanzi, CEO, Rwanda Development Board, Rwanda

Jeff Radebe, *South African Presidential Special Envoy and Global Citizen Ambassador, South Africa*

Acknowledgements: Old Mutual

Report By

Cedric Maforimbo, *Faculty in the School of Wildlife Conservation, African Leadership University*

Physical Address 37 Bath Ave, Rosebank, Johannesburg, 2196

Email info@shiftimpact.africa Tel +27 10 880 2948

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INTRODUCTION AND CONTEXT

The immensely challenging COVID-19 pandemic of 2020 has compelled us to think innovatively about how we can lead and do business differently to how we have approached it thus far. This, in turn, has strengthened our consciousness on the need for the application of the leadership concepts of purpose and shared value, whose relationship lies in shared value providing a deeper way of understanding how to make purpose matter (Eusebius MckKaizer). Purpose answers: “why should companies do something?” and the most common response to that question is “this is our fundamental reason for being”, which then needs to be connected to the business. Shared value then says “how do we go about benefitting society and moving the needle on an important social issue through the business and with the business model so that we can scale it, improve it and drive it over time?” (Michael Porter in an in-discussion video). The challenge for our generation of leadership (whether in media, civil society, corporate or government) is then to reduce that gap between the normative vision of purpose and shared value leadership and the practical, actual, everyday reality where we are all living and breathing purpose and shared value as corporate citizens of the globe (Eusebius MckKaizer).

In order to put the afore-mentioned more practically, there is a need to determine how purpose and shared value can be applied in addressing the following questions. Firstly, how can one, as a leader, take decisions in times such as these, of profound and extreme scientific and other uncertainty and complexity, when one has stakeholders, customers and consumers looking to them for answers? Secondly, how do businesses turn around their track record and reputation of having their proboscis in communities taking rather than sharing the value that they extract, being in cahoots with kleptocratic governments and not benefitting the citizens of Africa? Thirdly, given that

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tension seems to exist among civil society, business, labour and government, how can this tension be dissipated for the promotion of business along with the sake of all of our collective well-being? Fourthly, given that this COVID-19 pandemic has also laid bare some unacceptable inequalities that exist not only on this continent but in all humanity, emanating from the inequitable distribution of so much wealth that has and is being generated, with the estimation that the COVID-19 pandemic will drive an additional 23 million people in Africa into extreme poverty (Mahler *et al.*, 2020), how can we use purpose and shared value business leadership to address this? Lastly, how do we ensure that we learn from the present COVID-19 pandemic, given that as human beings, sociologically, we don't seem to have a good track record of learning lessons from numerous past disasters? (Eusebius McKaizer).

This white paper will report on discussions of the above-mentioned issues that were done at the Virtual CEO Lunch: Reflections on Purpose-Led Leadership During a Time of Crisis at the 2020 Africa Shared Value Leadership eSummit. The report will commence on a discussion on the on-going COVID-19 induced tension throughout the globe of public health imperatives versus the economy.

DISCUSSION

Health or Economy?

As African countries ease their lockdowns at the time of this summit, the question on whether this is the right time to be increasing economic activity in Africa arises, given its fragile health system in comparison to the stronger health systems of global northern continents which are themselves struggling with containing COVID-19 (Eusebius McKaizer).

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African governments around the continent responded well and early to the COVID-19 outbreak, through lockdowns (Iain Williamson). The explanation to the part-confusion and part-misunderstanding about why COVID-19 has not impacted Africa as much as other continents, some suspecting climate and other factors, is that Africa really is good at dealing with infectious diseases. Rwanda, for example, was taking body temperatures of arriving travellers as early as February 2020 at its airports, and collecting information on who the travellers had been in contact with, demonstrating an evident and deep understanding of contact tracing and how infectious diseases are nipped in the bud. There were even education materials available at the airports. This was at a time when none of these measures were in place in the United States, where there were then even conspiracy suspicions of this basic public health practice of contact tracing (Ellen Agler).

The “health or economy” question does not have an “either/or” answer, but the answer lies in a balance (Iain Williamson). There is a balance required between keeping “oxygen” in the economy and keeping people safe (Peter Ndegwa). The answer thus lies in a very complex system with a feedback loop between economic activity, level of interaction and level of likely infection (Iain Williamson). The current trend of easing lockdowns globally is the right decision to take, as the very purpose of lockdowns is to slow down infections and lower pressure on health systems whilst “beefing them up” in preparation to fight infections once the lockdowns are lifted, and enough time has been allocated to this. The level of economic depression that we have seen also cannot go on indefinitely (Iain Williamson) and there is always pressure to loosen economic activity and difficulty in suppressing it in a sustained manner (Hylton Kallner).

There is also a question on public health versus public health that needs to be answered. The END Fund has received data on the devastating impacts there

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will be on malaria, HIV and TB-related deaths, as well as bilharzia infections if health organisations do not resume community-based treatment which had been halted due to the lockdowns. The challenge then lies in how to deliver treatment safely (Ellen Agler).

Ultimately, it is down to all of us individually and as individual institutions to take responsibility for our fellow community members through observing protocols in terms of social distancing and wearing masks, not only for our own sake but for the sake of all of those around us who may be infected and vulnerable to complications (Iain Williamson).

Leading in Crisis: What is Required

Leading in times of crisis such as these requires that a leader stands out as a real role model, remaining the hope-giver, being the leader that people trust, keeping people-focused, and exhibiting bravery as many look up to them and follow their example (Rebecca Miano). Purpose-driven leadership in this time must also ensure unity and oneness, and that the businesses we lead to support, contribute to and encourage people who are even beyond their geographical and product market share, so that they see you as, and you become a part of them rather than an entity that is taking from them. This ensures that the organisation becomes relevant, not only in the period of trial but even in the future (Stephen Ruzibiza). There is thus the importance of connecting and aligning one's business and its policies to its clients, society and what it creates in that society which can make a material difference. This purpose needs to be embedded in the "DNA" of one's organisation (Peter Ndegwa, Hylton Kallner, Rebecca Miano). Ultimately, leading in this crisis requires that a leader connects to their humanness as this is what the essence of purpose is truly about. It requires that one recognises and remembers that we are all connected, which

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brings us to act for the good of all mankind and strive to leave the world a better place than we found it (Ifeyinwa Ugochukwu).

What is required to thrive in these times of crisis is to have agility, which comprises the ability to quickly pull back and the ability to quickly move forward, all based on data on the ground (Hylton Kallner, Clare Akamanzi, Stephen Ruzibiza). It is important in this time to ask oneself how they can adjust their structured values, missions and all other corporate values to fit the dynamics of the life we now find ourselves in (Stephen Ruzibiza). It is also a time where one as a leader has to stay ahead of challenges (Stephen Ruzibiza) and be up-to-date with all requirements and updates and monitor accountability systems more closely as the disruptions that crisis brings sometimes compromise security systems (Rebecca Miano). One then has to be a source of reliable, effective and timely communication (Rebecca Miano, Clare Akamanzi). Exactness is also required in this time, recognising that if good work is put in now, good results are obtained in the future, which is essentially a multiplier effect (Marion Gathoga-Mwangi). Innovation is also key (Ifeyinwa Ugochukwu, Clare Akamanzi), for example, innovation has enabled us to be connected as we are on this esummit. We then have to collectively think about how we can leverage these powerful connections to create a very united solution to the problem. This is also a time when we need to create our own, context-specific solutions, particularly an African response to the COVID-19 pandemic. Our solution has to be unique to us and has to take into cognizance the fact that Africa is unique and has a unique socio-economic landscape (Ifeyinwa Ugochukwu). Advocacy is also required in this time, particularly for policy changes that will benefit both the private and public sectors (Clare Akamanzi).

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Examples of Innovative Purpose-Driven Leadership in the Present COVID-19 Crisis

Discovery in South Africa utilized their data to determine which of their health insurance clients are most at risk of developing complications if infected by COVID-19. They then reached out to these clients positively, educating those who were infected on how to manage their conditions and those who were not yet infected on the steps to take in case of an infection. The company has also noted over the last couple of months several of their members avoid going to pharmacies to get their very necessary chronic medication for fear of infection, resulting in increases of incidences of other non-COVID illnesses. The company has thus begun delivering medication to the homes of these clients, also keeping them safe from entering high-risk environments (Hylton Kallner).

The Rwanda Development Board (RDB) got involved in advising businesses on innovative adaptations to fit the new requirements of markets as freshly brought about by the COVID-19 outbreak. Going into examples, the RDB advised a textile and garment company that had encountered a dip in business to temporarily pivot to manufacturing masks, and this company has now produced over 6.5 million masks. The RDB did the same for a pesticide company, advising them to temporarily pivot to the production of sanitizers, which this company was able to do in a few weeks and increase its revenues again (Clare Akamanzi).

Safaricom in Kenya has modified *ponga*, a scheme which awards priority points to subscribers for buying airtime, which points can redeem more airtime. These points have now been extended to being able to redeem goods, food or purchase other essential goods and services. Safaricom has also now made it possible to even donate one's priority points to another person in need to

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redeem these essential items. Within the COVID-19 crisis, Safaricom has also made transactions on their M-Pesa mobile money transfer service below 10 000 shillings (10 USD) free of a service charge (Peter Ndegwa).

At BOC in Kenya, the employees from the shop floor volunteered to move in and reside on-site in order to eradicate their risk of getting infected during daily travel to work in the public system, which infections would not only disrupt their ability to supply oxygen to hospitals and save the lives of Kenyans but would also present risks of them spreading the infections to hospital patients and staff (Marion Gathoga-Mwangi).

Through the Private Sector Federation in Rwanda, the members of the business community donated to the Government of Rwanda's COVID-19 food distribution programme both in cash and in-kind towards as, due to the necessary lockdown, businesses had closed and movement had come to a standstill, compelling the majority of the working population who are self-employed in trades that require in-person working to sit at home, not earning their usually meagre income for food and other basics (Stephen Ruzibiza).

What this Crisis Should Mean for Leadership in the Future

The **COVID-19 crisis needs to represent the start of a turnaround and transformation** in the way that business is done (Rebecca Miano), as it is a unique opportunity for all to reset, that is, to pause, reflect, deeply introspect, rethink our way of doing things and re-prioritise shared social values, food security, human development, human capital, stakeholder capitalism, empowerment of the most undervalued and vulnerable in our workspaces and communities respectively, the real economy (and not the finance-driven economy) and productivity (Ifeyinwa Ugochukwu, Faith Khanyile, Rebecca

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Miano). As this crisis has shown us, **we need to remember that organisations are made up of human beings**, and if everyone would take personal responsibility for connecting to their humanness, their core and their purpose, becoming selfless, compassionate and having humanity, ensuring stakeholder welfare, then we would have shared value in all sectors globally (Ifeyinwa Ugochukwu, Faith Khanyile, Jeff Radebe). Being connected and being affected by the same things, as COVID-19 has demonstrated, we also all have the responsibility of helping not only each other in business but even communities with purpose, mission and with waking up to what is possible through mentoring, connecting one another and other means. (Ellen Agler, Peter Ndegwa). **We also need to embed purpose and shared value into all aspects of the business.** Corporate Social Investment is good and important, but it is not necessarily sustainable as it very, unfortunately, tends to be one of the first areas to get cut in times of immense financial pressure and strain such as these, hence purpose and shared value are more sustainable. (Hylton Kallner, Rebecca Miano). This crisis has shown us that, given that nonprofits have vast experience thinking of and strategizing on how to work within purpose and missions, for-profits have much to learn from nonprofits about creating a passionate workforce that also thinks about social good and derives the clarity of impact not only from just shareholders but from broad-based stakeholders (Ellen Agler).

The current crisis has taught us that proactive preparedness for disaster, and multiple disasters at that, is critical as a survival strategy for every organisation, as other disasters such as flooding and locust invasions occurred at the same time as the COVID-19 outbreak (Rebecca Miano, Peter Ndegwa). **With the uncertainties and challenges that will occur going forward from now, it is important to embrace innovation, creativity and technology** (Faith Khanyile, Stephen Ruzibiza). Governments have also learnt lessons from the COVID-19 crisis. **The Government of Rwanda has learnt how they should relate to the**

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private sector. The first lesson has been on communicating both information and uncertainty transparently. This encompasses communication on the actual situation with regards to infection, state of readiness to fight it, what the lockdown means and how long it will last not only to the staff of the Rwanda Development Board but also to all stakeholders of the economy including the general public (Clare Akamanzi).

As leaders, we have spoken a lot but it is now about taking action, digging deep into and trusting our capabilities, and being the change that we want to see, which action should be different from that which we took even as recently as 3 months ago (Faith Khanyile, Marion Gathoga-Mwangi).

CONCLUSION AND RECOMMENDATIONS

From the discussions above, three clear but inexhaustive imperatives towards the enhancing purpose-driven and shared value leadership. These recommendations are presented to business leaders, governments, labour organisations and civil society as guiding principles by which to improve the outcomes of our modes of leadership.

Businesses Collaborating in Economic Recovery, Disaster Preparedness and Supporting One Another

The lockdowns that resulted from COVID-19 outbreak have resulted in dire straits or closure of some businesses, especially SMEs, which provide a significant proportion of employment. As such, **the business sector will need to come together** to support these as part of the economic recovery process, through partnership, mentorship, and as far as possible, resource provision, encouraging and supporting them to build disaster preparedness, purpose and shared value into their businesses. There is also a need to take the learnings from

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the outcomes of different versions of shutdowns that have been enacted and use them to operate in a much more systematic way in future crises (Peter Ndegwa). Discovery's Virtual Consultation Platform, which is adaptable to many other uses, should be made available beyond South Africa and across Africa and leveraged to aid economic recovery and success going forward (Hylton Kallner).

Policies Addressing Inequality in Business and Society

The **business sector needs to devise and implement economic models that are inclusive of all** sectors of society, without which it will be impossible to address the inequality that COVID-19 surfaced not only in Africa but in the globe (Faith Khanyile). Businesses need to re-evaluate their valuations of normally lowly classified, such as cleaners, as, through the COVID-19 crisis, they emerged more critical than previously realised. These jobs are also mostly performed by women, often placing them at the bottom of the hierarchy, hence the revaluations of these jobs would promote very necessary gender empowerment (Rebecca Miano). As we progress through the fourth industrial revolution, reaching for the fifth industrial revolution, there will be need to consider basic income grants for communities, given the reduced employment opportunities that automation will bring for the myriad people who are unemployed and consequently in poverty in our society (Jeff Radebe).

Establishment of a CEOs' Working Group

It is recommended that a working group of CEOs across the African continent with select representatives from other sectors such as government, labour and civil society be formed and convened regularly. The purpose of this working group will be to devise plans on implementing and executing

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recommendations that have arisen throughout the discussion reported on herewith, as well as any other progressive ideas of note that will arise.

In closing, Iain Williamson highlighted that the critical role of the panellists and audience at this juncture is to influence all those in our circles to take the uplifting recommendations and path that is being described in this conversation, which basically says “we’re all in this together and we need to emerge stronger together at the end of this process”.

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