

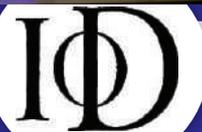


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– tncube@alphamedia.co.zw

Directors:

Trevor Ncube (Chairman), Sternford Moyo, Phineas Whata, Rashid Malik, Mahomed Nanabhay

Chief Executive Officer:

Kenias Mafukidze – kmafukidze@alphamedia.co.zw

Chief Operating Officer:

Kangai Maukazuva – kmaukazuva@alphamedia.co.zw

Editorial Staff:

Editor-in-Chief:

Wisdom Mdzungairi – wmdzungairi@alphamedia.co.zw

Editor:

Faith Zaba – fzaba@zimind.co.zw

Associate Editor:

Nevanji Madanhire – nmadanhire@zimind.co.zw

Deputy Group News Editor: Andrew Kunambura

Senior Political Reporter: Tinashe Kairiza

Group Business Editor: Shame Makoshori

Deputy Group Business Editor: Kudzai Kuwaza

Business Reporters: Melody Chikono, Fidelity Mhlanga, Taurai Mangudhla, Tatira Zwinoira, Mthandazo Nyoni

Chief Sub-Editor: Zivisai Chagaka

Sub-Editor: Joice Svotwa

E-mail addresses

News Desk – newsdesk@zimind.co.zw

businessdigest – business@zimind.co.zw

Sales, Marketing & Advertising staff:

Commercial Executive:

Punish Murumbi
pmurumbi@alphamedia.co.zw

Business Development Manager:

Wilson Masawa
wmasawa@alphamedia.co.zw

Commercial Manager:

Olayayi Jack
ojack@zimind.co.zw

Marketing Officer:

Ozilio Chabhanganga
ochabhanganga@zimind.co.zw

Bulawayo Office:

Zimind P/L Byo, Amtec Building,
Cnr 12th Avenue/ Robert Mugabe Way, Bulawayo.
Tel: (029) 288 3184-8, (029) 288 7057-9/ (029)
288 7069/70/71 Fax 276 837

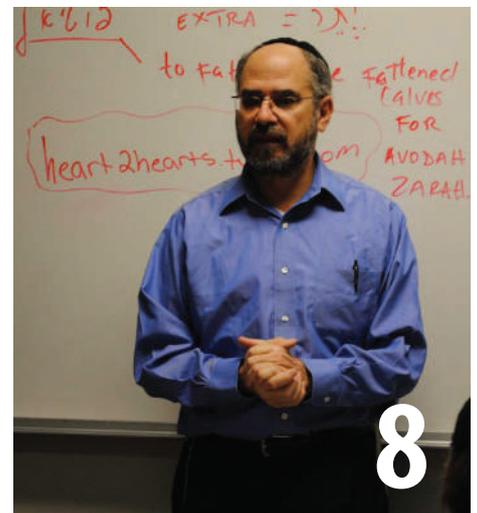
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Reckless trading and director liability under Covid-19

BY TANYARADZWA MILNE MANHOMBO

On 20 March 2020, Zimbabwe recorded its first case COVID-19.

In response, the government declared a State of Disaster and imposed quarantine measures which have subsisted in various forms of severity.

The onset of quarantine measures globally caused irreparable harm and systemic demand and supply shocks to business entities.

In the face of this global calamity, business leaders are faced with difficult choices and decisions to keep companies operational.

However, it is very important for directors of companies to remain cognisant of their statutory and common law fiduciary duties and liabilities attached thereto.

This article focuses on the relationship between corporate rescue, reckless trading and the risk of personal liability which may befall a director.

Corporate rescue

In terms of the Insolvency Act [Chapter 6:07] (hereafter the Act) the purpose of the corporate rescue procedure is to facilitate the rehabilitation of financially distressed companies.

The rehabilitation is achieved through the following three processes: displacement of the board of directors and management of the company by a corporate rescue practitioner; moratorium on claims against the company and the development of a corporate rescue plan to either resuscitate a company or if that is not possible, to facilitate a higher return to creditors and shareholders than they would get through insolvency.

A board of directors may elect to commence corporate rescue on a voluntary basis where there are reasonable grounds to believe that a company

is financially distressed and there are reasonable prospects for rescuing a company (section 122(1)(a)-(b) of the Act).

Financial distress is defined as a situation where a company is either unlikely to pay all of its debts in the ensuing six-month period, or it appears likely that a company would become insolvent in the ensuing six-month period (section 121(1)(f)(i)-(ii) of the Act).

Director duty to notify

In a situation where a board of directors has reasonable grounds to believe that a company is financially distressed but opts not to adopt a resolution in terms of section 122(1) of the Act, a board of directors is required to issue a notice to all the company's affected persons setting out the grounds for the belief in terms of section 121(1)(f) of the Act and the reasons for the board electing not to voluntarily commence corporate rescue.

The inclusion of the word "must" in section 122(7) means that this is a mandatory duty which a board must comply with upon the realisation that there is a reasonable possibility of a company being in a state of financial distress.

The provision makes no reference to a time within which a board must comply after having made a realisation that a company is in financial distress which implies that notice must be issued immediately or as soon as is reasonably possible in the circumstances.

The construction of section 122 of the Act is such that a board of directors is not obligated to commence corporate rescue.

However, where a board of directors elects not to commence corporate rescue in the face of a reasonable likelihood of financial distress then the board is

Reckless trading has been defined as a situation where a business continues to incur debts, when a reasonable businessperson would have been able to ascertain that there was no reasonable prospect for creditors to receive timely payments when due.

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obligated to notify affected persons.

There is no specific sanction or penalty for not complying with a notice requirement in terms of section 122(7) of the Act.

However, this does not mean that directors would necessarily escape liability as shall be explained below.

Reckless trading

In circumstances which warrant a commencement of voluntary corporate rescue, a board of directors which knowingly fails to issue a section 122(7) notice would be guilty of conduct which constitutes reckless trading which could potentially result in personal liability attaching to each individual director (section 68(3) (a), (d)-(e) of the Companies and Other Business Entities Act [Chapter 24:31] (hereafter the Companies Act).

Reckless trading has been defined as a situation where a business continues to incur debts, when a reasonable businessperson would have been able to ascertain that there was no reasonable prospect for creditors to receive timely payments when due (*Ozinsky N.O. v Lloyd and Others* 1992 (3) SA 396 (C) at 414G-H).

A director must have known or knows of the facts giving rise to the objective situation of reckless trading.

It is immaterial whether the director in question was or is conscious of the consequences of her action.

Furthermore, it is not a requirement that there be a causal link between the conduct of the director and the personal liability for reckless trading.

It is a punitive remedy and one to be wary of when holding the position of director.

Liability for reckless trading attaches to both active and inactive directors and may result from simple blind concurrence and support for resolutions at board meetings.

An important element of director liability under section 68(3)(d) of the Companies Act is that it extends to, "past and present directors or any other persons".

This provision means that liability for reckless trading attaches to both present and former directors of a company.

The provision also extends to *de facto* and shadow directors who fall under the umbrella term "any other persons".

To safeguard themselves against potential liability, directors need to be cognisant of the following principles:

Business judgement rule

One way for a director to limit the risk of personal liability for reckless trading in the circumstances is through adhering to their fiduciary duties and the business judgement rule. Directors of a company have fiduciary duties in the discharge of their mandates.

A director is required to exercise the duties of care, skill, diligence and good faith in the course of their functions on behalf of a company.

A director is not required to act blindly in the performance of her duties and is allowed to

Reckless trading and director liability under Covid-19

consult and rely on internal and external professional advice.

The inquiry must be a proper and necessary inquiry as opposed to a mere bureaucratic formality or a window dressing exercise.

In circumstances where a decision taken by a director or board turns out to have been erroneous, personal liability shall not attach to a director in circumstances where a decision was reached after having done the following: proper discharge of fiduciary duties; ensuring there is no personal interest; has obtained the necessary information; and honestly believes the decision to be in the best interests of a company.

This is the business judgement rule as enshrined in section 54(3) of the Companies Act.

Solvency and liquidity test

For all purposes of the Companies Act a company is required to satisfy what is known as the 'solvency and liquidity test' (section 102 of the Companies Act).

The test measures the capacity of a company to meet its financial obligations over a twelve-month period by measuring the assets and liabilities of a company (factual solvency), and ability to pay its debts (commercial solvency).

Although the test prescribes a longer period of twelve months as compared to the six-month financial distress test for corporate rescue, it is a useful tool for a director to assess whether a company is in financial distress.

It is possible for a company to fail to satisfy the solvency and liquidity test but at the same time not satisfying the criteria for financial distress in terms of the Act.

This could occur in a situation where a company would be unable to satisfy debts falling due in a twelve-month period but be able to pay its debts in the ensuing eight-month period.

However, a director or group of directors could reasonably be expected to start consultations on the possibility of either initiating voluntary corporate rescue or issuing a section 122(7) notice to all affected persons.

Consulting a corporate rescue practitioner

As highlighted above, section 54(2) of the Companies Act empowers directors to rely on specialist advice in making decisions.

It is therefore incumbent on a director or directors to consider approaching corporate rescue practitioners to obtain professional advice on the viability or otherwise of commencing voluntary corporate rescue.

A director may also seek information on reasons that could be advanced by a company for not commencing corporate rescue.

Three possible reasons could be advanced for not commencing corporate rescue.

The board may decide to commence insolvency proceedings as opposed to corporate rescue because there is no reasonable prospect of rescuing a company in financial distress.

A board may believe that the financial distress may be temporary, and therefore, in due course the company would trade itself out of financial distress.

The last reason, which contravenes the law, would be a situation where a board or director intends to strip the assets of a company through awarding themselves benefits.

Legislative intervention

In response to the Covid-19 pandemic effects on businesses the United Kingdom of Great Britain and Ireland (UK) enacted the Corporate Insolvency and Governance Act 2020, in which director liability in respect of wrongful trading (insolvent trading) was excused during the period between March-September 2020.

In South Africa, the Companies and Intellectual Property Commission (CIPC) temporarily suspended its powers to issue compliance notices in circumstances of suspected reckless trading.

For the reasons outlined above, it is recommended that the lawmaker temporarily suspends the liabilities and duties of directors in respect of reckless trading.

The suspension would relate to companies affected by the Covid-19 restrictive measures.

Conclusion

The Covid-19 pandemic and measures implemented by government to contain its spread have severe economic consequences and pose significant challenges for business.

Financial distress is a reality for many businesses at present and it is very important for directors to be aware of the risks attaching to their business-related decisions during these uncertain times. Directors are advised to adhere to their fiduciary duties and seek advice where necessary on whether to commence corporate rescue proceedings.

The duty to issue a section 122(7) notice is absolute where a board of directors elects not to commence corporate rescue in circumstances where a company is in financial distress.

Failure to issue this notice could have grave personal liability consequences for directors.

- **Tanyaradzwa Milne Manhombo**
LLBS(Hons)(UZ), LLM(COP)(UNISA)
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Directors push for exclusive league

BY SHAME MAKOSHORI

THE Institute of Directors Zimbabwe (IoDZ) says executives taking up board leadership roles must be accredited with credible institutions if companies are to derive high quality guidance and advice from them.

In an interview with *BusinessDigest* during the Director of the Year awards recently, IoDZ chairman Dr. Mike Eric Juru said this was important as the success of organisations hinges on the quality of directors that they appoint.

“The unfortunate reality is that the root cause (of board shortcomings) is traceable to the selection and appointment process,” Dr. Juru told *BusinessDigest*.

“The pool from which the selection is done needs to be filtered first to ensure those appointed have credentials befitting the appointment,” he added.

Dr. Juru said not everyone can be a director and there were critical attributes required for role effectiveness.

This is why directors must receive appropriately structured training and relevant experience, Dr. Juru noted.

In addition, they should have accepted to be subservient to a code of ethics or conduct as a

professional who continuously updates one’s skills, leading to accreditation.

The IoDZ boss said such accreditation would give appointing authorities leads into who qualifies to sit on boards and who does not.

“The current situation deviates away from a known fact that success in one’s field does not necessarily follow success in any other. While we have various professional accreditations, the respective practitioners find themselves elevated to a new responsibility of directorship without the requisite training and are expected to perform. Success in courts does not translate to success on governance practice, success in treating people and saving lives again does not translate to success in the boardroom,” added Dr. Juru.

Dr. Juru said directors had a fundamental, legal responsibility to provide an oversight role for the organisations, which means they provide a bird’s eye view.

“The word ‘oversight’ is composed of ‘over,’ meaning above, and ‘sight,’ meaning looking, but most importantly, not touching and that

is the difference maker. Directors perform the executive oversight role by deliberating on, scrutinising and approving company policies, strategies, programmes, and expenditure plans and to make executives accountable. The role further involves serving as a resource to the chief executive officer (CEO) for advice and guidance along with serving as a check and balance. He said an important thing to note was that without skills and experience, one cannot advise and guide executives.

Dr. Juru said directors lead busy lives, which requires skillful boardroom management to pick executives who make the right decisions during the Times they meet. It is imperative for the appointing authorities to save the situation by appointing the right skills from the start. Accreditation will confirm sufficient understanding of board meeting management best practices and would lead to corporate governance best practice all the time which promotes organisational progress. The nuances of how to run a board meeting are part of director training. The institution of directorship needs to be revered as it carries so much responsibility.

The platform for director accreditation is already in existence in Zimbabwe as we have respective professional bodies in governance (IoDZ) and also esteemed regulators in the form of Zimbabwe Stock Exchange and State Enterprises Regulatory Authority who are entrusted to protect the public interest. The respective bodies are strategically positioned to monitor, regulate, set practice standards and ethical codes for directors in state enterprises and listed companies,” added Dr. Juru, founder and CEO at

Integrated Properties.



*IoDZ chairman
Dr. Mike Eric Juru*



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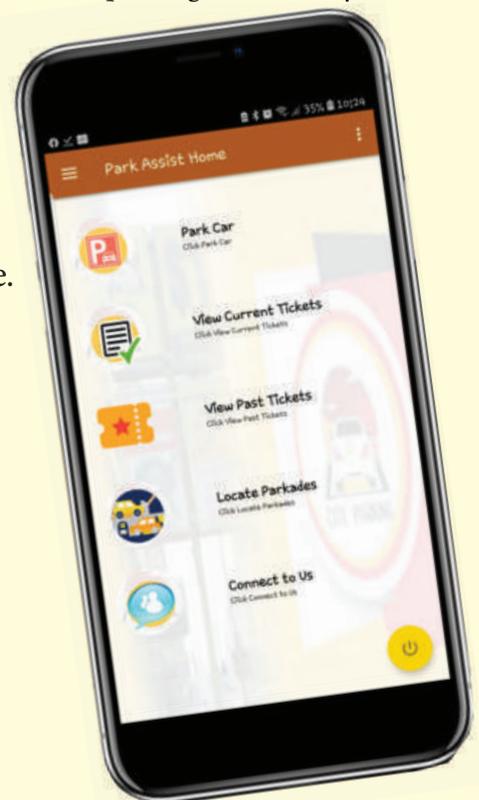
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Business Ethics from the Talmudic/Jewish perspective

BY ALEXANDER MAUNE

This paper is based on the article that was published in the *Journal of Governance and Regulation* / Volume 4, Issue 4, 2015, Continued - 4, entitled, "The Talmudic philosophical conception of business ethics," by the same author.

What is the Talmud?

The Talmud is one of the most challenging and perplexing religious texts in the world.

Talmud is a comprehensive term for the Mishnah and Gemara as joined in the two compilations known as Babylonian Talmud/Talmud Bavli (6th Century) and Jerusalem Talmud (5th Century).

The Talmud is the Jewish oral law.

The *Mishna*, originally an old oral tradition, was compiled and edited in written form about 1,800 years ago, while the *Gemara*, which consists mainly of commentaries on the *Mishna*, was completed approximately 1,500 years ago. The Talmud is principally concerned with *halacha* (Jewish law), but it also provides a detailed record of the beliefs of the Jewish people, their philosophy, traditions, culture, and folklore, that is, the *aggadah* (homiletics). The Midrash, a separate scripture, recorded the views of the Talmudic sages and is mainly devoted to the exposition of biblical verses. The Talmud has been argued to be the Jewish secret for success. The Talmud is a manual for life, and its lessons have been tested for centuries. Therefore there is a great deal of business ethics to be learnt from this book the Jews have preserved and hold dear.

Ethics from the Talmudic eyes

Although defining business ethics has been somewhat problematic, several definitions have been proposed with the author preferring Isaac Unterman (1971)'s definition.

Unterman (1971) defines ethics as the science of moral and right behavior, the art of so regulating human conduct as to ensure happiness to all mankind, the system of thought which attempts to change the factors determining manners and to introduce harmony and clarity in them.

Ethics is the compass for the individual and the group. It is essentially the teaching of human justice, the teaching of precepts that bind the individual to obligations that are not enforceable by law.

Ethical obligations are not under the jurisdiction of the court, and no one can be punished for violating them. In 2014 Professor Hershey H. Friedman and Professor Dov Fischer demonstrate how *Avos* (Ethics of the Fathers), one of the 63 tractates of the Talmud, can be used to make the world a better place.

The soul of the Jewish religion is its ethics.



Rabbi Aaron Parry

Its God is the Fountainhead and Ideal of morality.

At the beginning of the summary of the ethics laws in the Mosaic Code stands the verse: "Speak to the entire assembly of the Children of Israel and say to them: You shall be holy, for holy am I, Hashem, your God" (Leviticus 19:2). According to Professor Hershey H. Friedman (2012), the Talmud has *extensively discussed issues* of business ethics. To him, this is not surprising given that more than a 100 of the 613 precepts in the Torah itself deal with the subject.

The Talmud (Yoma, 85b) states that, transgressions committed against one's fellowman are, in a sense, more severe than those committed against God. If a person sins against God and subsequently repents, God forgives him. But if the sin is against one's fellowman, then even if the sinner repents, he cannot be forgiven until he has appeased the offended party. If a sinner repents, then Yom Kippur atones for all his sins against God, but until his fellowman forgives him, Yom Kippur cannot atone for interpersonal injuries, no matter how fervently one confesses and regrets them. This then supports Hillel the Elder's famous saying in Shabbos (31a) that: "What is hateful to you, do not do to your fellow human, 'that is the whole To-

rah, and the rest is just commentary."

The Jewish concept is that ethics are the divine spirituality, the mark of God with which man was created. The Jewish civilization for the past 3,000 years has turned for ethical guidance to the Torah itself. The Torah came into the world and introduced the idea that there is a God who has ethical expectations of every human being. In distinction to the Jewish concept, is the Greek concept that sees ethics as a result of purely human rationalism (Unterman, 1971).

According to Professor Hershey H. Friedman (1985), although the Talmud is an ancient document, many of the problems addressed in it have their modern counterparts. This is especially true of those related to ethical behavior in business. The business world has been faced with immoral activities and behavior that requires ethics, not of the 21st century, but ethics as perceived by the Talmud. After the big corporate scandals such as Enron, Worldcom, Parmalat, Andersen, Adelphia, Barings Bank, Exxon Valdez, Chernobyl, and various other failures in both local and global corporations, corporate

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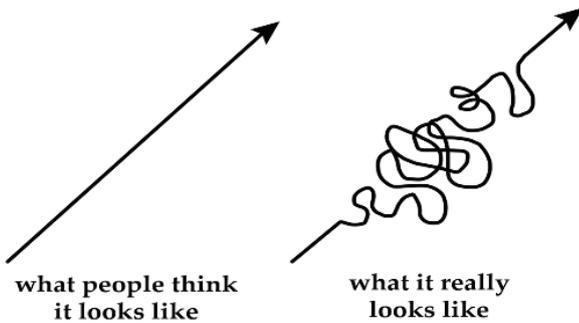
Strategic Planning: *Culture of Innovation*

All companies undertake some kind of strategic planning. Such an investment in time can unite everyone towards a shared vision and direction for the future. Effective strategic planning can reinforce or concretise an organisation's identity and informs resource allocations: human, time, competencies and other assets. It bridges the gap between the here and now and where we want to be. Easy – right?

Not necessarily – but certainly exciting.

Strategy, from the Greek word στρατηγία [stratēgia], is “an iterative process that begins with a recognition of where you are and what you have now” (Henderson, 2014: The Origin of Strategy) and needs to take into account conditions of **uncertainty**. Although originally applied to generals guiding strategy in wartime, organisations are also dynamic, complex and evolving systems. Uncertainty, not unfamiliar in emerging economies, is a key element that can be embraced rather than scorned. Equally important to understand is that strategic thinking is meant to be **audacious** and **aspirational** and require a degree of **agility**. If the tactics and pathway were so clear, we probably would have already implemented it. We know WHERE we want to be. We need to ask ourselves to what extent we are willing for the HOW to emerge through intentional, innovative prototyping.

Here are three key components that can lead to the implementation of



What Success Really Looks Like. [Picture]. Retrieved from <http://creatorsmind.com/success>

authentic strategic planning:

- a clear statement of vision for the future that has emerged from relevant constituencies,
- a company culture of low-risk, low-cost, high-yield prototyping
- embedded user-experience methods

This means that real strategy is realised through an intentional and agile culture of prototyping in an uncertain environment in order to achieve an audacious and aspirational future in the context of our organisational identity and purpose.

In order to do so, as leaders we need to relinquish some degree of control. Certainly, somewhat daunting; however, with clearly articulated strategic priorities that lead to a shared understanding about the future, leaders do not need to be the holders of a single truth or a closed implementation plan. CEOs and directors can demonstrate a deliberate openness by inviting prototype ideas that further the strategic priorities. These may come from the most unexpected people in the organisation. To further broaden the impact, the leaders of organisations can provide time and space and a cultural mindset for innovative prototyping.

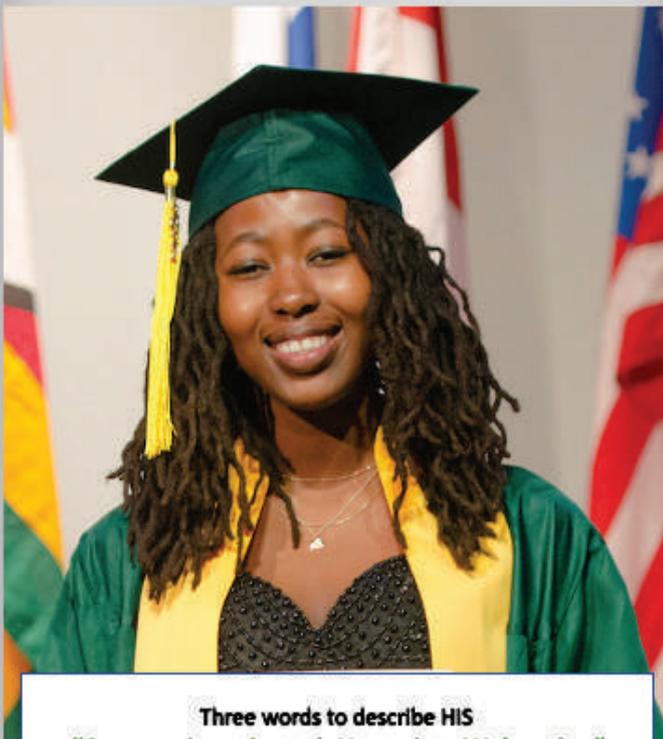
What is prototyping?

Prototyping can be explained as *a first version of a product, service, system that may go through iterations for improvement and is then evaluated for its effectiveness in alignment with & towards organisational purpose, mission and strategic priorities.*

Can every action be prototyped? No – and certainly not to the same degree. But what a great way to test out an idea that has the potential to flop, or transform the messy pathway towards the brighter future.

Audacious strategy and iterative prototyping can provide a clear direction as well as a methodology that allows organisations to identify opportunities for development and growth both within our context and beyond. Interested in learning more? Contact **Arden Tyoschin**, Executive Director at **Harare International School**.

- Reference: Henderson, B. (2014, August 01). *The origin of strategy*. Retrieved March 07, 2021, from <https://hbr.org/1989/11/the-origin-of-strategy>



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A Boldly Diverse Learning Community

Business Ethics from the Talmudic/Jewish perspective

FROM PAGE 10

governance has become the focal point and has increased to the role of business ethics.

The Talmud in the non-Jewish Community

In his book, *The Complete Idiot's Guide to the Talmud*, Rabbi Aaron Parry says that when, shortly before his death, Albert Einstein was asked what he would do differently if he could live his life again, he replied without hesitation, "I would study the Talmud." There is now a great deal of interest in the Talmud today, especially in South Korea, China, and Russia. The *Jewish Telegraphic Agency* of January 14, 2019 carried an article by Tim Alper entitled, "Talmud - inspired learning craze sweeps South Korea." South Koreans have developed a fascination with the Talmud and have made it part of their curriculum. Many Korean homes have a version of the Talmud and call it the "Light of Knowledge"; they feel that the secret of Jewish success is hidden in the pages of the Talmud. The Talmud is also becoming popular in China as given by Isaac Stone Fish (2010) in an article entitled, "In China, Pushing the Talmud as a Business Guide," in which he argues that there is a belief that the Talmud can give one an edge in conducting business. And the apparent affection for Jewishness has led to a surprising trend in publishing over the last few years: books purporting to reveal the business secrets of the Talmud that capitalize on the widespread impression among Chinese that attributes of Judaism lead to success in the financial arts. The article noted that several books purporting to reveal the Talmud secrets of business success have recently been published in China. *Know All of the Money-Making Stories of the Talmud* and *Crack the Talmud: 101 Jewish Business Rules* were just two of the titles mentioned. Cnaan Liphshiz wrote an article that appeared in the *Jewish Telegraphic Agency* in August 17, 2016 regarding entitled, "Once a prop for anti-Semites, the Talmud makes a comeback in Russia." The Knizhniki publishing house in Russia plans to make the Talmudic text more accessible to a readership of 260 million Russian speakers worldwide.

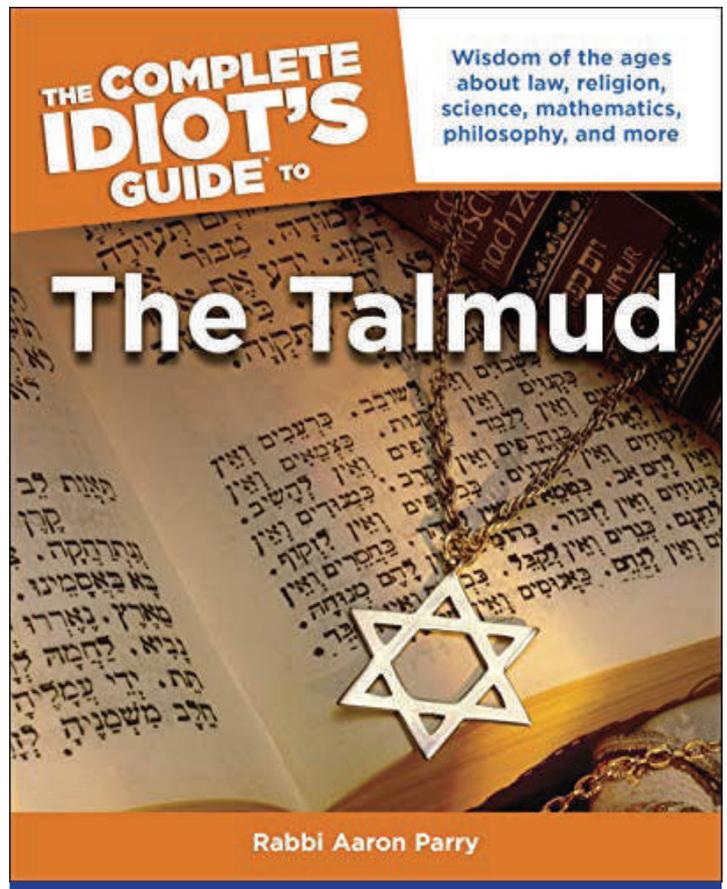
Business ethics from a Talmudic perspective

Numerous books and articles have been written examining the Talmudic business ethics and how applicable they are to the contemporary business environment that has witnessed a surge in corruption, bribery, fraud, misappropriation, misrepresentation and all other

forms of unethical behavioral activities. The Talmud stresses the importance of dealing honestly in business because transacting business, more than any other human activity, tests our moral mettle and reveals our character argues Larry Kahaner. To him it is through money and commerce that we uncover our human frailties, our bigotry, and our ability to deal justly with others during a time in which our natural instinct is to maximize our profits no matter what the consequences. In business transactions we sometimes believe it's acceptable to cheat, because we think "everyone's doing it," or we'll never do business with that particular person again. Moses Maimonides (Rambam) asks (More Nebukim, Chapters 26 & 48): Of what concern are the secrets of God and nature to me? Of prime interests to me are human deeds, the canons and precepts of human conduct. To the Talmud no transaction is tiny and no transgression is trivial. The following are some of the basic Talmudic philosophies of business ethics as discussed by the Sages.

Care for the environment

The idea that everything-including the environment-belongs to God and that one of mankind's job is to act as its caretaker plays a large role in how the Talmudic rabbis viewed the world's resources. Ecclesiastes Rabbah (7:13) says, "God said to Adam: 'everything you see I created for your sake. See to it that you do not spoil and destroy the world for if you do, there will be no one to repair it after you.'" The Talmud (Taanit, 23a) tells a story that one day as Rabbi Honi ha-Ma'agel was travelling on the road he encountered a man planting a carob tree. He asked the man, "How long does it take for the tree to bear fruit?" The man replied, "It takes seventy years for the tree to bear fruit." He asked him, "Are you certain you will live another seventy years?" The man replied, "When I came upon this land, I found a grown carob tree that my ancestors had planted for me. I am doing the same by planting this tree for my descendants" (Judovits, 2009). One of the hallmarks of Talmudic environmental beliefs is that what someone does in one place can affect someone else no matter how much distance is between them (Larry Kahaner,



2003). Traces of radioactivity from the Chernobyl nuclear plant accident were found in the milk of cows grazing in Scandinavia (Larry Kahaner, 2003). The Torah (Deuteronomy 20:19) states that: "When you besiege a city you shall not destroy its fruit trees. Man's life depends on the trees of the field. The Talmud (Shabbos, 67b) states that, "It is forbidden to cause the oil in a lamp to burn too quickly, thus wasting fuel." The Midrash (Genesis Rabbah/Great Genesis, 13:3) summarily states that, three things are of equal importance: earth, humans and rain. Currently, the whole world is grappling with the effects of environmental pollution that has caused climate change.

Honesty in Business

The Talmud (Shabbos, 31a) states that: "The first question an individual is asked in the afterlife at the final judgment is: 'Were you honest in your business dealings?'" This statement on its own demonstrates the importance of honesty in business dealings. In fact, all that the Holy One blessed be He desires, is honesty, as it states (Psalms 31:24): "The Eternal safeguards the honest." And it says (Isaiah 26:2): "Open the gates and let the righteous nation enter - they have waited trustingly" and (Psalms 101:6): "My eyes are upon the faithful of the land, that they may dwell with me; he who walks the way of perfect innocence, he shall serve me," and (Jeremiah 5:3): "Surely your eyes are toward those who are faithful." "Whoever conducts his business dealings honestly is liked by humankind and it is considered as though he observed the entire Torah" (Mechilta, Exodus 15:26). Rabbi Shimon Ben Gamliel, in Avos (1:18) states that: "The world endures on three principles: truth, justice, and peace." "One who wishes to become pious must be scrupulous in observing the laws

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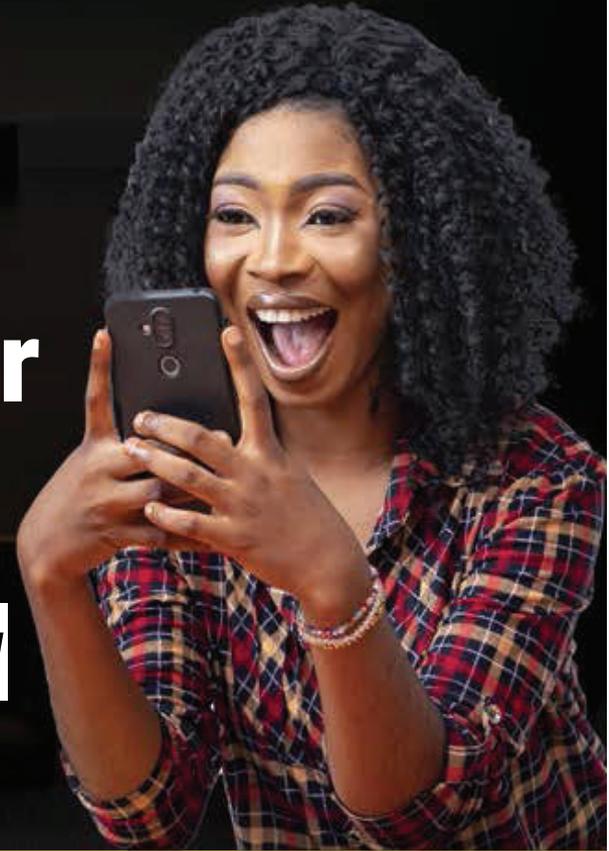


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dealing with damages and torts” (Bava Kamma, 30a).

The Talmud states that rather eat vegetables and fear no creditors than eat duck and hide (Pesachim, 114a). The rabbis made this statement several times in different ways. It calls on companies and individuals not to spend beyond their means. Once in debt, you are always fearful of creditors and the humiliation that being in debt can bring (Larry Kahaner, 2003).

Obedying the strict letter of the law is not enough. The Talmud says that Jerusalem was destroyed, for not doing more than the law required (Bava Metzia, 30b). This idea is brought out in the story of Kamtza and Bar Kamtza, which is told in the Talmud (Gittin, 55b). The Talmud uses the term “the way of the pious” to describe the highest form of ethical behavior. A businessperson who leads his or her life according to this standard would rather sacrifice time and money before exploiting another’s misfortune (Friedman, 1985).

Employer-Employee Relations

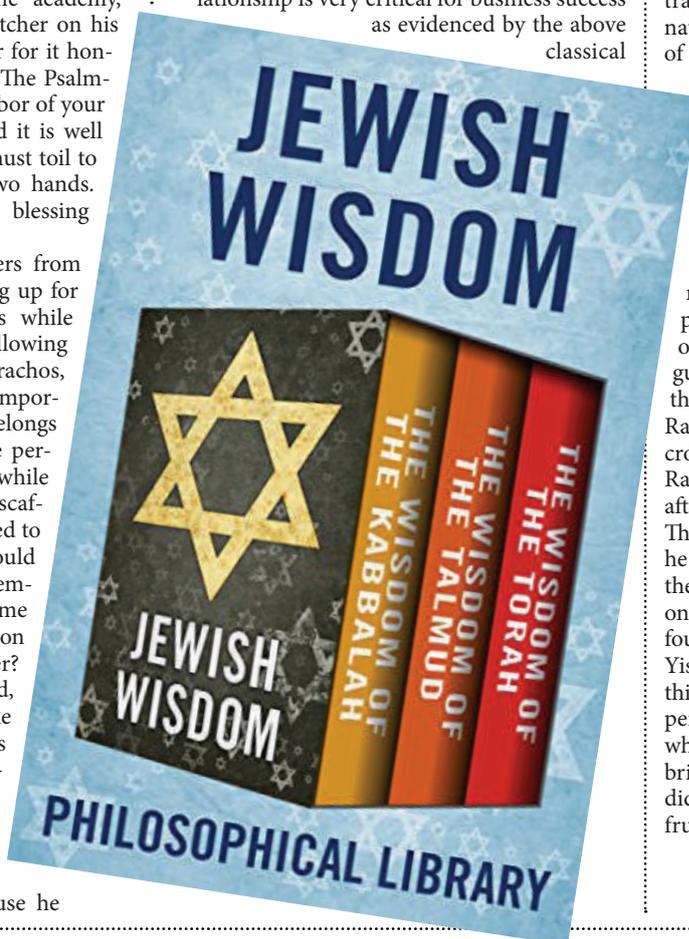
The Talmudic sages encouraged people to be hard-working. They taught four things that have to be industriously completed: Torah study, performance of good deeds, prayer, and performance of one’s occupation (Berachos, 32b). Whenever he went to the academy, Rabbi Yehudah would carry a pitcher on his shoulders and say, “Great is labor for it honors the worker” (Nedarim, 49b). The Psalmist declares, “When you eat the labor of your hands, you are praiseworthy, and it is well with you” (Psalms 128:2). Man must toil to produce results with his own two hands. Only then does God send His blessing (Tanchuma, Vyeitzei).

The Talmud exempted laborers from the Biblical obligation of standing up for elderly individuals and scholars while working (Kiddushin, 33a). The following law, discussed in the Talmud (Berachos, 16a), further demonstrates the importance of not wasting time that belongs to one’s employer. Laborers were permitted to recite various prayers while on top of a tree or on the top of a scaffold. The worker was not permitted to climb down the tree since it would waste time that belonged to the employer. How much employer’s time is being wasted by employees on WhatsApp, Facebook, and Twitter? The employer, on the other hand, was obligated to climb down the tree in order to recite the prayers with more feeling. One is obligated to perform religious obligations at one’s own expense, not at the expense of the other.

The Talmud (Kiddushin, 22a) interprets the verse, “because he

fares well with you,” (Deuteronomy 15:16) to mean the servant must have the same living standard as the master, “[the servant] must be equal to you in food and drink; you should not eat refined bread and he eat coarse bread, you [should not] drink old wine and he drink new wine, you [should not] sleep on a mattress and he on straw.” The Talmud concludes that one who procures a servant acquires a new master for himself! Thus, treating employees poorly is prohibited.

The Talmud (Berachos, 5b) tells a story that once Rabbi Huna suffered great financial loss when four hundred jars of his wine turned sour. Rav Yehuda, the brother of Rabbi Sala Hasida, and the other rabbis visited him. They said to him; “Master, you ought to examine your deeds.” He asked them, “Do you find me suspect?” They answered him: “Is God to be suspected of punishing unjustly?” He declared, “If somebody has heard that I am accused of any misdeed, let him speak.” They replied, “We heard that the master does not give his tenant his lawful share of vine twigs.” He replied, “Does he leave me any? He steals them all.” They said to him, “That is exactly what the proverb says. If you steal from a thief, a taste of his theft remains with you.” He said to the rabbis: “I take upon myself to give him his share in the future.” It was reported that after this visit, the vinegar became wine again. Others say that the price of vinegar increased so much that Rabbi Huna sold the vinegar for the same price as wine. The employee-employer relationship is very critical for business success as evidenced by the above classical



Talmudic discussions and examples. It must be a win-win relationship.

Fraud and theft

The Talmud’s views towards fraud and theft go beyond those of contemporary business ethics thought. Besides acknowledging the rational and logical requirement of honest dealings within the marketplace, the Talmud looks at monetary dishonesty as a transgression against God’s will. Regarding stealing, many prohibitions have been stated in reference to it in the Torah: “You shall not steal” (Exodus 20:13), “Nor may you rob” (Leviticus 19:13), “You shall not oppress” (ibid.), “Nor may any man [among you] make a false denial” (Leviticus 19:11), “Or lie against his fellowman” (ibid), “You must not cheat one another” (Leviticus 25:14), “You must not move back the border of your fellowman [’s field]” (Deuteronomy 19:14). Such activities lead to Divine retribution (Tamari, 1991).

The Talmud (Bava Basra, 88b) states, “Stealing from a human being is worse than stealing something that is consecrated [for use in the Beis HaMikdash - Temple], for when referring to the former, [the Torah] speaks first of ‘sinning’ and only afterwards does it mention ‘misappropriation’ [while when referring to the latter it speaks first of ‘misappropriation’ and only then does it mention ‘sinning’].” Theft requires not only restitution, but repentance (*teshuvah*) before God, and may result in an individual becoming ineligible as a witness (Tamari Meir, 1991).

The Talmud (Bava Kamma, 119a) states, “Whoever steals from another, even [something] worth only a prutah (small coin), it is as if he has taken his life.” [From here] one sees the severity of this sin even with regard to small amounts. The Talmud further says on this subject (Taanit 7b): “The rains are withheld only because of the sin of stealing.” The Midrash (Leviticus Rabbah, 33:3): “[In] a basket full of transgressions, which sin is the most incriminating? The sin of stealing!” And it was the sin of stealing that finally condemned the generation of the Flood to such harsh punishment (Sanhedrin, 108a).

Bribery, outright and subtle

The Torah is very strict about taking bribes: It states (Exodus 23: 8; Deuteronomy 16:19): “Do not accept a bribe” and (Deuteronomy 16:19): “Do not pervert judgment.” The Talmud (Kethuboth, 105a) adds that the Torah prohibits a judge from taking money even in order to acquit the innocent or to declare the guilty liable. To further elaborate on this point, the Talmud (Kethuboth, 105b) tells the story of Rabbi Yishmael son of Rabbi Yosi whose sharecropper brought him a basket of a fruit (from Rabbi Yishmael’s own orchard) every Friday afternoon. One day he brought the basket on Thursday. When Rabbi Yishmael asked him why he brought the fruit early, he was informed that the sharecropper wanted to use him as a judge on a case. Rabbi Yishmael recused himself and found others to try the case. Later, when Rabbi Yishmael overheard the proceedings, he kept thinking to himself of arguments the sharecropper might use to win the case. When he realized what he was doing, he cursed those who take bribes. He said that in this situation, where he did not take the gift and even if he had, it was fruit from his own orchard, yet, he was still bi-

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ased and could not think clearly. All the more so, one who takes a bribe (or who even has a conflict of interest) can never be impartial.

Conflict of interest

The Talmud (Bava Metzia, 38a) discusses a disagreement regarding the law in the case of a bailee who is watching someone's fruit, wine, oil, or honey and notices that it is starting to spoil. Should he sell it or is he not permitted to do anything? The Talmud maintains that he should sell it to others under the supervision of the court, but he is not permitted to buy it for himself. The reason being to avoid people to suspect that the bailee purchased it for an unfairly low price. Klainman (2000) uses this law to prove that the Jewish laws dealing with conflict of interest are not only for judges, witnesses, or public officials. These laws are also for trustees or "anyone having a fiduciary relationship with another." Also, they cause others to be suspicious of one's motives, implying a lack of transparency or oversight. One is obligated to act in a way that does not cause others to be suspicious of one's actions.

There is no question that Jewish law does not allow people or organizations to place themselves in a situation where a conflict of interest is present. The Talmud (Sanhedrin, 18b) states that neither the king nor the High Priest may be members of the court that is involved in the intercalation of the year. The Talmud felt that the conflict of interest was too great and therefore did not allow the king to participate as a member of the panel. The High Priest also had a conflict of interest. If he agreed to add another month, the following Yom Kippur would be later in the year when it is colder in Israel. This would result in a great deal of discomfort for him, either because of the five ritual baths he took on Yom Kippur and/or because the floor would be very cold and he performed the service barefoot. When it comes to conflicts of interest, no one is to be trusted (Hershey H. Friedman and Linda, L. Friedman, 2009).

Honest weights and measures

The Torah is very concerned with honest weights and measures. The Torah states (Leviticus 19: 35-36): "You shall not commit a perversion in justice, in measures of length, weight, or volume. You shall have correct scales, correct weights, correct dry measures, and correct liquid measures – I am Hashem, your God, Who brought you forth from the land of Egypt." One is not permitted to own an inaccurate weight or measure (Deuteronomy 25: 13-16): "You shall not have in your pouch a weight and a weight – a large one and a small one. You shall not have in your house a measure and a measure – a large one and a small one. A perfect and honest weight shall you have, a perfect and honest measure shall you have, so that your days shall be lengthened on the Land that Hashem, your God, gives you. For an abomination of Hashem, your God, are all who do this, all who act corruptly" (Bava Metzia, 61b). This is why shopkeepers were instructed to wipe their weights once a week and clean their scales after every weighing (Bava Basra, 88a).

The Talmud further states that, "The punishment for measurements is [even] more severe

Business Ethics from the Talmudic/Jewish perspective

than the punishment for promiscuity..." The Talmud is so concerned with honest measures that the sages even prohibit vendors of liquids from pouring a liquid rapidly from a great height. Since foam is generated, the consumer ends up with less liquid. In addition, market commissioners were appointed to oversee businesses using weights and measures (Bava Basra, 89a). For example, the strict Jewish attitude towards maintaining accurate weights and measures counters society's lenient view with respect to "shortchanging" clients and "cutting corners." One major form of theft or monetary exploitation regarded by Jewish law is "overcharging."

Transparency

The Torah (Numbers 32:22) states that, "And you shall be innocent before God and Israel." This verse is used by the Talmud (Yoma, 38a) to derive the principle that it is not enough for one to know that that one's actions are proper in God's eyes. One must also act in such a way as not to engender suspicion on the part of human beings. Conflicts of interest, of course, cause people to be suspicious of one's actions and this is not permitted. Demonstrating the importance of keeping honest records, the Torah (Exodus, 38:21-31) enumerates the amount of gold, silver, and copper used in the construction of the Tabernacle. Moreover, the Torah (Exodus, 38:21) informs us who was ultimately responsible for guaranteeing that accurate records were kept: "These are the accounts of the Tabernacle, the Tabernacle of the Testimony, as they were calculated according to the commandment of Moses..." Moses wanted to show everyone that he was acting in such a way so that no one would be suspicious of him and to make evident to the Israelites that no precious metals were diverted for anyone's personal use. Thus, he commanded others to audit the books.

The Sidrah begins with a detailed listing of the amounts of gold, silver and copper that was contributed for the construction of the Tabernacle. Despite the fact that metals were deposited with Moses and were under the supervision of Bezalel – people whose greatness and integrity were indisputable, known to the people, and attested to by God – Moses would not rely on assumptions. Leaders must be beyond reproach and must keep accounts of the funds that pass through their hands. Today we would refer to this as transparent accounting records. Moses gave a complete reckoning to the Jewish people of what their donations had been used for. Financial transparency is essential for all organizations and especially those that are supported by the community.

The Talmud (Pesachim, 13a) states that the overseers in charge of the soup in the kitchen were not allowed to purchase surplus food when there were no poor people for whom to distribute it. Surpluses were only allowed to be sold to others so as not to arouse suspicion that the charity overseers were profiting from public funds. The Talmud (Yoma, 38) relates how the family of Garmu, that made the showbread for the Temple, was especially careful to be above

suspicion. Their children were never seen with fine bread. Brides from the family of Abtimas never wore perfume since this family made the incense for the Temple.

Paying wages and rents on time

The Torah (Leviticus 19:13) states: "You shall not cheat your fellow and you shall not rob; a worker's wage shall not remain with you overnight until morning." Employers must pay employees on time. Withholding payment due to workers is a violation of the Torah law. The Talmud (Bava Metzia, 112a) says that, "Whoever withholds an employee's wages, it is as if he has taken the person's life from him." The Talmud (Bava Metzia, 111b) extends this law to all kinds of payments owed, including various types of rental fees. Firms that are late in paying their landlords or suppliers violate this law. The importance of paying workers on time can be seen from the following episode related in the Talmud (Bava Metzia, 83a). Some porters hired by Rabba Ben Huna were negligent and broke his cask of wine. Not only did Rabba not get restitution, but Rab, the judge, required that Rabba pay the workers. Rab felt that since the porters were quite poor, one must sometimes go beyond the strict letter of the law. Rab, somewhat cryptically, quoted a passage from Proverbs to demonstrate that an ethical person sometimes must do that which may not be necessary on purely legal grounds. The verse in Proverbs (2:20) says: "That you may go in the way of the good and keep the ways of the righteous."

In our own time, Aaron Feuerstein, President (owner) of Malden Mills, displayed an unusually high level of ethics after his textile company burned down on December 11, 1995. This was so unusual that President Clinton was moved to invite him to sit with his wife Hillary and daughter Chelsea during the State of the Union address the following month (Kahaner, 2003). Feuerstein could have taken the insurance money and not rebuilt his company. Not only did he choose to rebuild (primarily in order to save the jobs of 3000 employees), but he paid his idled workers for three months and took care of their health-care benefits for six months. The total cost of his generosity was about USD10 million. Apparently, Mr. Feuerstein chose to "keep the ways of the righteous." Who can do that during and after this pandemic, Covid-19 that has left a number of companies collapse and left employees stranded.

Honesty in negotiations

The negotiation between Ephron and Abraham over the Cave of Machpelah provides interesting insights into proper and improper ways to negotiate (Genesis 23). Abraham's wife Sarah died, and Abraham needed a place to bury her. Abraham was desperate for a burial plot. Ephron, knowing this, realized that he could overcharge Abraham and probably still get his asking price. Ephron, however, was also interested in posturing before his countrymen and



Are Industry Expert Independent Directors important on Corporate Boards?

BY ALEXANDER MAUNE

The previous volume (Volume 10, December 2020) carried an interesting and must read article by Engineer Jacob Kudzayi Mutisi entitled, “Zimbabwe needs more young persons on listed company boards.” Of interest is the fact that even though Zimbabwe has one of the youngest populations in the world with the majority of her populations under 40 years, many corporate boards are dominated by people in their 60s. This is posing a serious challenge or it’s a challenge in the making given the dynamism in the global economy as a result of digitalization of economies, big data, algorithms, AI, IoT, 5/6G, and cybersecurity. The current developments in technology are posing a critical challenge to corporate boards which many of them are composed of people who do not possess the expertise in these areas. But is age really an issue or it’s just a number as the saying goes? Of importance, however, to some authorities is the possession of industry expertise. To Ann C. Mule and Charles M. Elson (2014) in their article that appeared in the *Director Evaluation* entitled, “A new kind of captured board - What we should be worrying about: the ‘management knowledge-captured board’”, argue that boards of directors need people who know what they are doing. They also need people who have the objectivity to then follow through and make the best decisions for shareholders. What boards need are *industry expert independent directors*, which is the focus of this article. But before that, let’s talk a bit about the issue of age raised by engineer Jacob Kudzayi Mutisi which is without consensus from researchers though.

Board member age

One governance expert stated after the demise of Enron that, “Enron melted down because it lacks independent directors and several are quite long in the tooth.” Jeffrey A. Sonnenfeld (2002) in his article entitled, “What Makes Great Boards Great,” in the *Harvard Business Review*, September Issue argues that this expert’s remarks reflect a general belief that boards become less effective as the average age of their members rises. His research on executives over the past two decades has shown that, to the contrary, age is often an asset, and this general finding is supported by board data from the Corporate Library. Sonnenfeld (2002) argues that, Charles Schwab, Cisco, and Home Depot all have had several board members who are well into their sixties. He further states that Michael Dell (Dell Computer placed tenth on Fortune’s 2001 list of most admired companies) told him that when he incorporated in 1987, as a 21-year-old college dropout, he found it invaluable to have then 70-year-old George Kozmetsky, Teledyne’s visionary founder and the former dean of the McCombs School of Business in Austin, Texas, serve on the board; Kozmetsky stayed for more than a decade. This debate can never end but can only be resolved by bringing in the issue of industry expert independent directors.

Industry expert independent directors

Mule and Elson (2014) believe, as longtime governance advisors, that the issue of industry expert independent directors is critically important. To the two it is essential that most publicly traded companies have one or more

independent directors with industry expertise represented on the board. Their view is supported by recent academic studies, Delaware litigation, and activist shareholder campaigns, and reason. Many codes and listing corporate governance requirements put emphasis on board independence for public companies with the underlying belief that board independence would strengthen a board’s ability to challenge management as appropriate from both a board monitoring and advising perspective. However, this has resulted in a scenario where when boards seek to fill a board seat have to searched for director candidates who are current or former CEOs or other C-suite executives who are “independent” without regard as to whether or not that individual is knowledgeable about the company’s business or industry. Consequently, some boards are now comprised of all independent outside directors — none of whom possess industry expertise — and an inside CEO who is the only director with industry expertise. To Mule and Elson (2014), this situation presents a real danger of management-captured board: the “*management knowledge-captured board*.” In this situation, the independent board members may be inadvertently and unknowingly de facto deferring to the CEO, particularly as to decisions that require a deep knowledge of the industry or industry risk (Mule and Elson, 2014).

Corporate governance experts are now advocating for the inclusion of director industry expertise under the list of good governance that has long recognized the importance of director independence, director equity ownership, and a

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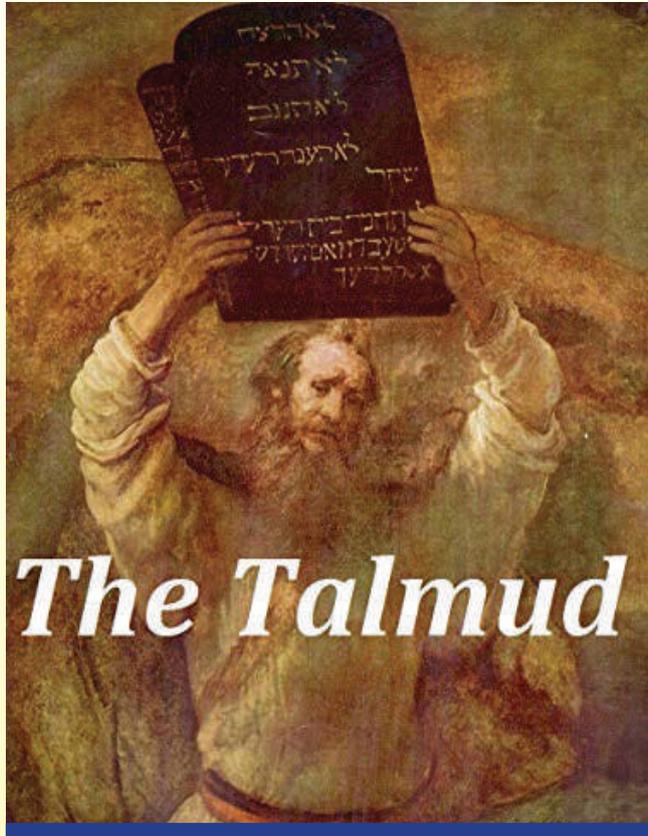
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looking generous. He said to Abraham, “No, my lord, listen to me! I have already given the field to you, and as for the cave that is in it, I have given it to you; in the sight of my countrymen, I have given it to you. Bury your dead” (Genesis 23:11). Abraham certainly had the opportunity of saying to Ephron, “Thank you very much for this nice gift.” Abraham probably suspected that Ephron was offering the land only because his countrymen were watching and was not sincere in his offer. Abraham replied, “If only you would listen to me! I am giving you the money for the field...” Ephron said, “My lord, hear me! Land worth four hundred silver shekels, between me and you, what is it? Bury your dead” (Genesis 23:15). Ephron, still pretending that he wanted to give away the land, slyly mentioned its value. Abraham understood what Ephron really wanted and ended up paying him the grossly outrageous sum of four hundred silver shekels (Jeremiah paid seventeen shekels (Jeremiah 32:9) for property that was better, and probably larger, than the Cave of Machpelah).

The Torah could simply have stated that Abraham paid Ephron four hundred silver shekels for the Cave of Machpelah and left it at that. One reason this chapter is in the Torah is possibly to instruct us in the proper way to negotiate. Abraham did not want to take advantage of Ephron, knowing very well that Ephron was simply posturing. Abraham desired to pay a fair price. Ephron’s behavior, on the other hand, was reprehensible. Knowing that he had the upper hand, Ephron proceeded to ask for an outrageous sum. From Ephron’s conduct, the Talmud (Bava Metzia, 87a) derives the principle that “wicked people promise much and do not even do a little.” They would offer to anoint with oil from an empty flask.

Negotiations are quite common in business. In particular, there are employer-employee and buyer-seller negotiations. The story of Abraham and Ephron demonstrates the importance of being honest. Ephron comes across as a sleazy character because he promised much and then ended up overcharging for his property. Ephron was more concerned with grandstanding than with being honest and straightforward.

The Talmud states that an individual who “jumps in” while another person is involved in negotiations and snatches the property away from the latter party is wicked. The Talmud tells the story of a sage who abandoned a field he had just purchased after discovering that someone else had been negotiating for it prior to the purchase (Kiddushin, 59a). A decent person (or organization) does not intrude when others are in the midst of negotiations. Legally, of course, one cannot prevent another from interloping. The Talmud, however, frowns on such behavior. This rule also applies to an individual who “steals” a job from another person who is in the middle of negotiations with a prospective employer. It may be legally binding, but it is certainly immoral by Talmudic standards.



The Talmud

Providing an honest day’s work

The rule of thumb is that whatever the work may be, one who has been hired to do a day’s work is regarded as having sold all his hours to his employer for that day, as the Talmud (Bava Metzia, 56b) says: “One who hires himself out for a day’s work sells himself for that day.” Therefore, whatever one takes [from those hours] to benefit himself, in whatever manner, is pure thievery, and if [his employer is not prepared] to overlook this he is not absolved of guilt, as the Talmud (Yoma, 85b) adds that: “A man’s sins against his neighbor are not atoned for on Yom Kippur until he placates his neighbor. Employees are required to work to the best of their abilities and not waste time. Incidentally, companies that are hired on a cost-plus basis as contractors have the same obligation of working to the best of their abilities and not wasting time and money belonging to others. Homiletically, one sees this principle in the following biblical passages. Ya’akov Avinu (Jacob) ran away from his parents’ home in Israel to another country because his brother Esav wanted to kill him. When he arrived in Haran, he noticed some shepherds idling around the well. He said to the shepherds, “Look, the day is still long; it is not yet time to bring in the cattle. Water the sheep and go on grazing” (Genesis 29:7). A stranger in a foreign land does not usually question the work habits of others. This can be quite risky, especially with the wrong kind of people.

Apparently, Ya’akov Avinu was surprised that these shepherds appeared not to be doing

an honest day’s work. Many years later, Ya’akov Avinu described the kind of work he himself had performed for Laban. Ya’akov Avinu told his wives, “You know that I have served your father with all my strength” (Genesis 31:6). Ya’akov Avinu also described to Laban the kind of work he did for him: “These twenty years that I have been with you, your ewes and your she-goats have not miscarried their young, and I have not eaten the rams of your flocks. That

which was torn of beasts I did not bring to you; I bore the loss of it.... “In the daytime I was consumed by drought and in the evening by frost, and my eyes were deprived of sleep” (Genesis 31:38-41). So what will they say – those who are busy with their own pleasures (on WhatsApp, Facebook, Twitter etc) while they are supposed to be at work attending to their jobs, or who are occupied with enriching their pockets [at their employers’ expense]?! Evidently, Ya’akov Avinu worked to the best of his abilities for Laban this, despite the fact that Laban had deceived him by substituting Leah for Rachel at the wedding, thus requiring that Ya’akov Avinu work an additional seven years. Ya’akov Avinu believed that an employee should work as hard as possible and do an honest day’s work.

The Talmud relates that Abba Chilkiyah was so meticulous about not wasting his employer’s time that he

ignored and did not even greet two scholars sent by the rabbis to ask him to pray for rain. The two scholars then later asked Abba Chilkiyah about the mysterious behavior to which Abba Chilkiyah answered, “Because I was a paid laborer; I could not steal my employer’s time to greet you” (Ta’anit, 23a-b).

In conclusion, the Talmud is still relevant today as it was more than 1500 years ago and it is proving to be the panacea for all unethical behaviours facing the world today. The Rabbis of the Talmud left no stone unturned in their discussions, that is, the Gemara. No book can provide the answers to the challenges facing the world today than the Talmud, which is a divine inspired book that has survived the test of time which the Jews have preserved and from which they draw the strength to overcome all the tragedies. It is the soul of the Jewish people and is their success secret as noted by the Koreans and other nations who seek to understand why Jews are so successful as witnessed by the number of Nobel Prize winners as well as the number of companies listed on the New York Stock Exchange.

• **Alexander Maune is a Research Associate at UNISA, CEMS. Alex is a Competitive Intelligence & Big Data Analytics Consultant. He is also a Talmudic and Zoharic scholar. He can be contacted at alexandermaune6@gmail.com**

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vigorous and responsive election process. This view has been supported by the results of a survey by PwC and a joint survey by Deloitte and the Society of Corporate Secretaries & Governance Professionals, Simon Lorne, former general counsel at the U. S. Securities and Exchange Commission, NACD Blue Ribbon Commission on Director Professionalism, and Anne Simpson, director of corporate governance at the California Public Employees' Retirement System, who commented to the *Wall Street Journal* on a board of a company that was experiencing regulatory problems which she believed exposed the lack of hard-core industry expertise on the board, stating: "It's like asking a bunch of dentists to perform brain surgery."

Why industry expert independent directors are important

Of all requisite competencies, industry expertise is perhaps the most important attribute for board members because it equips directors with a deeper understanding of the risks and opportunities in a specific industry and also enhances directors' knowledge of the regulatory environment and key industry players. These points are well understood by practitioners. The consulting firm McKinsey & Co. states in a 2006 report: "...in our work with boards we find that too many simply lack directors who have industry expertise to participate effectively in shaping strategy... [W]e believe that on a board of, say, a dozen directors, a litmus test of strategic energy is the presence of at least three or four members who have deep industry expertise in the core business and market conditions the company faces" (Carey and Patsalos-Fox, 2006). Similarly, 40% of respondents in a survey of S&P 500 firms identified industry expertise as a desired background for director candidates, second only to financial expertise at 42% (Spencer Stuart, 2011).

Recent academic studies have found that independent director expertise is positively associated with better monitoring, operating performance and shareholder value. In an article published by Cong Wang, Fei Xie, and Min Zhu (2015) in the *Journal of Financial and Quantitative Analysis*, entitled, "Industry Expertise of Independent Directors and Board Monitoring," the trio found that industry experience on the audit committee was associated with a reduced likelihood of fraud and earnings management and that industry expertise on the compensation committee generally resulted in lower CEO compensation. The study also found that industry expertise on the board resulted in an increased likelihood that poorly performing CEOs were promptly dismissed and that those companies typically received higher returns on diversifying acquisitions.

Also a study entitled, "Do Independent Expert Directors Matter?" by Ronald W. Masulis,

Christian Ruzzier, Sheng Xiao, and Shan Zhao (2012) show that the proportion of independent expert directors (IED) on a board is positively and significantly correlated with firm performance. The study also found that when the proportion of IEDs is higher, there are fewer earnings restatements and larger cash holdings. Firms with IEDs have higher CEO pay-performance sensitivity, higher CEO turnover-performance sensitivity, and more patents with more citations. Stock market investors react positively to IED appointments. Their findings also show that the higher the CEO power, the less likely IEDs will be on board.

Mule and Elson (2014) argue that the management knowledge-captured board is a danger that boards should avoid. The only way to avoid "knowledge capture" is for one or more of the independent board members to be sufficiently equipped with industry knowledge to be able to appropriately and effectively challenge management. The cure for this is the industry-expert independent director.

In an article entitled, "Are independent directors with industry expertise more informed?" Sumingyue Wang (2017) examined the informational advantage of independent directors with industry expertise compared to independent directors without such expertise. Wang found that independent directors with industry expertise earn significantly higher trading returns when purchasing their firms' stocks than do independent directors without industry expertise. The impact of industry expertise on independent directors' trading profits is more pronounced for firms with higher information asymmetry, for more complex firms, and for firms with higher business risk. Trades made by independent directors with industry expertise have greater predictive power regarding future stock price changes. Moreover, an increase in the proportion of independent directors with relevant industry expertise on the board is associated with better alliance performance, a higher probability of M&A deal completion, and a lower investment-to-price sensitivity. Overall, the results suggest that independent directors with industry expertise have superior knowledge about the firm and enhance board effectiveness in performing both monitoring and advisory roles.

A paper by Olubunmi Faleye, Rani Hoitash, Udi Hoitash (2012) in the *Harvard Law School Forum on Corporate Governance*, entitled, "Industry Expertise on Corporate Boards" in which a comprehensive biographical data from BoardEx was employed to construct a measure of board industry expertise based on the employment histories of independent directors for a sample of 1,528 unique firms over 2000-2009 had the following findings. It was found that firm value is significantly higher when industry experts serve on the board. In particular, the presence of an industry expert independent director is associated with an increase of 4.6%

in firm value. The trio also found a robust positive and statistically significant association between board industry expertise and corporate innovation measures such as R&D investments, patents granted by the U.S. Patent & Trademark Office (USPTO), and patent citations. Yet, their results show that board industry expertise has no effect on acquisition outcomes. These results suggest that industry expertise enhances board effectiveness by facilitating organic investments in corporate innovation rather than through improved acquisition performance. Their findings also suggest that board industry expertise is associated with monitoring decisions that are consistent with motivating innovation. Specifically, the three found that board industry expertise significantly lessens the sensitivity of CEO dismissal to firm performance, both in terms of operating profitability and stock market returns. They also found that board industry expertise is associated with a significant increase in stock option awards and a significant reduction in cash-based pay. Overall, their study demonstrates the significance of industry-specific skills in board effectiveness, especially in value creation and when corporate innovation is a significant value driver.

In another study by Bernadette A. Minton, Jérôme P. A. Taillard, and Rohan Williamson (2010) entitled, "Do Independence and Financial Expertise of the Board Matter for Risk Taking and Performance?" the three examined how risk taking and firm value are related to independence and financial expertise of the board for a large sample of U.S. financial institutions both before and during the financial crisis. Overall, their results were consistent with financial expertise being associated with more risk taking and higher firm value prior to the crisis and lower performance when the crisis hits.

In conclusion let me repeat the words of Mule and Elson (2014) in which they state that all boards and governance committees should carefully review the issue of independent expert directors. Shareholders are increasingly focused on the importance of independent director industry expertise. Boards that do not focus on this issue run a real risk those shareholders will do it for them. Where are we in Zimbabwe, one of the youngest populations in the world?



Alexander Maune is a Research Associate at UNISA, CEMS. Alex is a Competitive Intelligence & Big Data Analytics Consultant. He can be contacted at alexandermaune@gmail.com.



Directors must lead by example during battle against Covid-19

England is known to have fully vaccinated more than 56% of its population and has since opened up its economy as it is an acceptable fact that vaccination is the solution.

BY MIKE JURU

THE severity of the pandemic is now a known factor as it continues to ravage lives and the economy.

We are living in difficult times.

We have lost loved ones in families, at work and in our communities.

To contain this, it is apparently everyone's responsibility including the corporate world.

Directors, as corporate stewards, have a responsibility to ensure worker safety, protection and preservation of lives, and as leaders, they need to step up, to rise to the challenge and provide leadership.

The Institute of Directors commends the government on the vaccination roll out which has seen Victoria Falls achieving head immunity with more than 60% vaccinated. This is a positive move to contain and hopefully eliminate the spread of the Covid-19 virus in Zimbabwe.

England is known to have fully vaccinated more than 56% of its population and has since opened up its economy as it is an acceptable fact that vaccination is the solution.

Accordingly, directors as leaders, are urged to lead by example by complying with World Health Organisation Covid-19 protocols, enforcing the implementation within their organisations through clear policies that reduce anxiety and uncertainty to employees.

Further, total support for the government mass vaccination initiative drive, will contain the pandemic as the solution is known to be in vaccination.

Social media has proved to be effective for information dissemination with the unfortunate reality being that it is indiscriminate of truth and foals, hence, directors by virtue of their positions,

are role models, expected to lead in terms of vaccination, masking, sanitising, washing hands with soap under running water and keeping social distance.

Wherever they are, leaders are under spotlight in terms of compliance and instituting a culture of compliance, at home, as charity begins at home, at workplaces and in communities. Directors' stance on Covid-19 should be unequivocal and that would go a long way towards saving lives.

Profit without conscience is meaningless and goes against the Tripple Ps and ESG principles. Directors are obliged to save lives, as our homes, communities and country are what they are because of the people there, who are vital for the businesses and economy to thrive.

President Emmerson Mnangagwa is on record reminding us to do everything possible to save human life because once lost, it is irreplaceable.

Our human resources are vital for the development and growth of industry and commerce. As such, looking after ourselves, our families and human capital at home, our work places and in the communities around us becomes our obligation as leaders for nations are made up of people.

Guided by Corporate Governance Principles, we keep encouraging continued transparency and disclosure, exercise of fiduciary duties by all in dealing with the pandemic.

We continue paying tribute to the healthcare professionals and essential service providers and assure them of our moral support as they help fight this global pandemic.

Concerted efforts will yield the desired results.

Together we can make a huge contribution for the sustainability of our beloved country Zimbabwe.

- **Juru is the chairman of the Institute of Directors Zimbabwe**

Corporate governance ecosystem

...structure, players and stakeholders

Corporate governance is a leadership tool that improves the effectiveness of governance across sectors spearheading change at the most senior level of a given organisation.

Use of the term was prompted by changes that took place in the 80s through the Organisation for Economic Cooperation and Development (OECD) which resulted in a lot of political and economic transformations.

Increased dismissals of chief executive officers in companies such as IBM and Kodak showed that these individuals pursued their private interest by compensating themselves with excessive compensation and benefits.

The general view of corporate governance is that it involves an environment of actions that are entwined in ethics, trust, confidence, and moral values.

These attributes constitute what is regarded as a society comprising of stakeholders such as government, professionals across sectors, general public, and corporate sector.

In this view, Millstein (1993) states that corporate governance is the locus of control and responsibility making it a tool for ensuring compliance through controls and systems that monitor fairness on profit and shareholder gain.

A definition for corporate governance as a framework would be a set of relationships between a company's management, its board, its shareholders and other stakeholders.

It also provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance determined.

In essence, the structures and systems should specify the distribution of rights and responsibilities among the existing stakeholders while articulating rules and procedures that enhance decision making whilst ensuring accountability to the appropriate stakeholder.

The board of directors of a given organisation is responsible for; firstly, the championing and institutionalisation of good governance in their organisation. Secondly, ensuring that effective and efficient corporate governance systems and processes exist with clearly written procedures and policies covering issues of shareholder rights, clarity of board leadership and performance, and provision for transparency and disclosure.

Lastly, they oversee the work of senior leadership responsible for compliance with corporate governance procedures and company policies. In line with Sir Adrian Cadbury (1992) systems that entail how an organisation is guided are centred on the board of directors which is the leadership. These are appointed by shareholders or the owners of the business.

They should ensure that proper structures are put in place, strategic aims are set, and provide the required leadership to ensure management is su-

pervised.

Separation of ownership and control make up corporate governance challenges where the roles of agency and stewardship should be specified.

The transfer of capital from shareowners to the organisation where it is controlled by the managers and the guardian role of the director on the assets of the organisation entails what is known as the agency and stewardship role respectively. Separation of ownership and control functions within an organisation brings in the critical component of trust between managers and shareowners.

This therefore brings in the importance of the board of directors who act as the medium between shareowners and managers.

Figure 1 illustrates the tripartite relationships that exist between board members, shareowners and managers.

These make up the key players in the corporate governance environment. The shareowners appoint the board of directors who report to them about their oversight role on the managers of the organisation. The same shareowners also provide capital to the managers who act as an agency in ensuring that they grow the share capital.

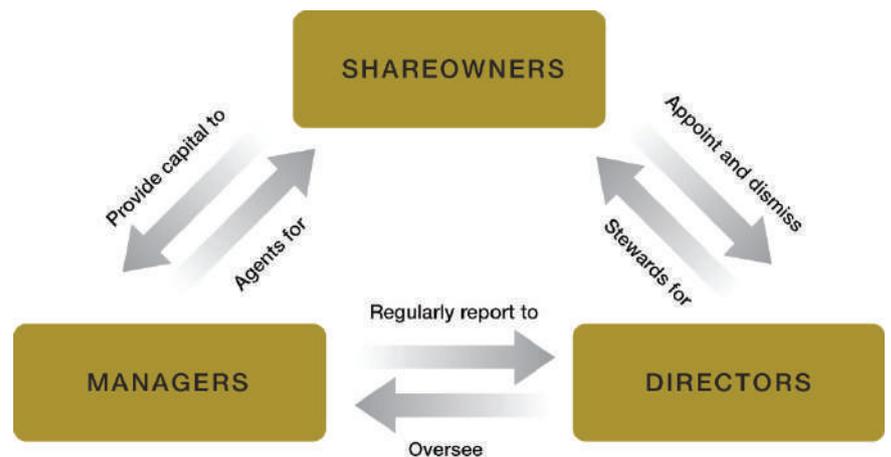


Figure 1: Corporate governance players

Players in figure 1 are guided by four critical pillars that make up corporate governance, thus accountability, fairness, transparency, and responsibility.

The accountability pillar drives accountable practices of management and board to shareowners and the other stakeholders. It is also important that fairness prevails in the systems and processes of the organisation for the protection of shareholder rights and effective redress for violations.

The transparency pillar caters for accurate disclosure of material information like financial situation, performance, ownership, and corporate governance deliverables.

Lastly, the players must display the responsibility to recognise stakeholder rights whilst encouraging healthy networks between the company and its stakeholders towards sustainability and business continuity.

These pillars rely on good practices by the board of directors, appropriate control environment and processes, strong practices of information disclosure, and protection of the rights specifically the minority.

Table 1 below shows a summary of good corporate governance practices that can be evidenced in each element and what these entail across organisations.

Corporate governance ecosystem

FROM PAGE 14

Good board practices

- Clearly defined roles and authorities
- Duties and responsibilities of directors understood.
- Board is well structured.
- Appropriate composition and mix of skills.
- Appropriate board procedures.
- Director remuneration in-line with best practice.
- Board self-evaluation and training conducted.

Transparent disclosure

- Financial information disclosed
- Non-financial information disclosed
- Financials prepared according to IFRS
- The high-quality annual report published
- Web-based disclosure

Well defined shareowner rights

- Minority shareowner rights are formalized
- Well-organized general assembly conducted
- Policy on related-party transactions
- Policy on extraordinary transactions
- Clearly defined and explicit dividend policy

Board commitment

The board discusses corporate governance issues and has created a corporate governance committee
The company has a corporate governance champion
A corporate governance improvement plan has been created
Appropriate resources are committed
Policies and procedures have been formalized and distributed to relevant staff
A corporate governance code has been developed
The company is publicly recognized as a corporate governance leader

Good corporate governance practices require a framework that consists of laws, regulations and rules. From a national perspective, countries have guiding laws and regulations that indicate how organisations should operate and additional laws may exist that govern how a board should behave and make decisions.

These are in the form of;

Laws and regulations (stock exchange listing rules, financials, intellectual property insolvents)

National codes of corporate governance (Zimbabwe Code of Corporate Governance, Public Entities Corporate Governance Act and King Reports of South Africa)

Articles of Association (General assemblies, accounts and audits, shareowners' votes, borrowing powers, appointments powers, duties of directors)

Board charter (composition, leadership director compensation, committees, board meeting procedures, codes of ethics, policies and procedures)

Policies and procedures and assessments

A corporate governance structure is implemented through a board structure which consists of a chairman and his vice, board members that constitute committees, a company secretary and the chief executive officer and these have fiduciary duties meaning they should act in a faithful and trustful manner by putting their duty before personal interests.

In general board members should act in good faith and should not make secret profits, act confidentially and avoid conflict of interest.

The following is the structure of boards;

A balanced board should have executive and non-executive directors, independent directors, an appropriate mix of skills, a bal-

anced male and female representation, experience, and attribute to perform their roles as a board member.

The board chairman and vice-chairman shall be elected by the board members amongst themselves.

In the absence of the chairman, the vice-chairman will assume the duties of chairman.

The duties of the chairman are to manage the committees and act as the spokesperson of the board.

The chairman is also the principal contact for the chief executive officer and required to meet regularly.

The company secretary has the responsibility to assist the board by ensuring that procedures are followed through organising board activities, performance reviews and board capacitation.

Committees are formed from the board members to enable the performance of specific tasks and boards should establish the audit, finance, and remuneration committees apart from other relevant committees depending on the organisational needs. Board committees should allow the full board to handle a greater number of issues with experts focusing on specific areas such as finance, risk management, and internal controls.

The chief executive officer works closely with the chairperson to formulate strategy, gets budget approval, formulate major policies, and supervises management.

This paper discussed the corporate governance ecosystem, what corporate governance entails, the suitable structures and framework, and the key players and stakeholders that influence practices. Good corporate governance is a culture that should be inculcated in organisations to ensure effectiveness and compliance to set rules and regulations of expected standards and procedures.

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Author: Millicent Banda
Email: Millicentbanda@gmail.com
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Push for corporate disclosures

‘...move will help Zim locate forces behind cartels’

BY TATIRA ZWINOIRA

A NEW company law which came into force last year must be amended to enhance transparency in the ownership of corporations, according to Veritas, a legal think tank.

Under the Companies and Other Business Entities Act, companies registered in Zimbabwe must maintain a register with identification numbers and other key personal information of shareholders controlling at least 20% stakes.

But Veritas said at a benchmark of 20%, information about many stockholders of influence won't be captured at the Registrar of Companies.

It suggested the benchmark be reduced to 5% shareholding, which is in line with requirements under the Banking Act.

Generally, disclosure of shareholders gives investors an opportunity to understand who controls companies before making investment decisions.

“Disclosure enables journalists, investigators and members of the public to find out who controls the companies and cartels that have allegedly taken over large sections of the country's economy,” said Veritas, which commented as the Registrar of Companies sent out notices asking companies to comply with the law.

“There is a good argument for

saying that as a matter of policy the figure should be 10% rather than 20%. Under the Banking Act no one is allowed to acquire a “significant interest” in a bank without permission from the Registrar of Banking Institutions – and a significant interest is a holding of more than 5% of the bank's shares. In the case of banks therefore the legislature considered that people with only a 5% shareholding could influence their banks to such an extent that they needed to be controlled. Perhaps in the interest of greater transparency and accountability Section 72 of the Act should be amended to require the same disclosure specified in the Banking Act i.e. disclosure for shareholders holding 5% or more of a company's shares,” the think tank said.

The issue of accurate wealth disclosures has

gained traction worldwide in the past decade.

In Zimbabwe, public officers have been asked to disclose their assets before taking up office.

Experts say this ensures that authorities won't influence decisions that benefit companies in which they control.

However, the Registrar said those to be included in the register must control at least 10% shareholding.

Veritas said this was a violation of the Act.

“The notice suggests that beneficial owners, whose particulars must be recorded in a register of beneficial owners, are individuals who own or control more than 10% of a company's shares. That is not quite accurate,” Veritas said.

“Section 2 of the Act defines the term “beneficial owner” in relation to a company as a

natural person, i.e. a human being, who ultimately owns or controls rights or benefits to property (presumably shares) or who exercises ultimate effective control over the company, and more specifically, who; directly or indirectly holds more than 20% of a company's shares or voting rights; or directly or indirectly has the right to appoint or remove a majority of a company's directors. So, the figure given in the notice does not conform to the Act,” Veritas noted. *–Zimbabwe Independent*



SUSTAINABLE DEVELOPMENT GOALS

Cassava Smartech is on a mandate to use digital solutions to drive socio-economic development, and to improve the overall quality of life for all Africans.

To impact the Sustainable Development Goals, we have gone on a transformational mission, envisioning a future where our solutions are able to touch every life, bringing positive impact particularly to the millions of previously excluded Africans.



- **1.2 million** Registered health tips subscribers on Maisha Medik
- **+10,000** Free diabetes tests
- **180** Service providers signed up to Maisha Medik
- **ZWL 61,871,694** Investment in community development projects
- **12** Financial Wellness seminars
- **+500** Staff marathon participants (including the Econet Victoria Falls virtual marathon)
- **14%** Insurance penetration
- **1.4 million** Lives covered by Insurance

- **+3,600** Registered students on Ruzivo Extramarks
- **+6,400** Registered students on Akello Books
- **733** Enrolled and trained on the Digital Skills Training Program with Muzinda Hub during the financial year
- **120** Young girls trained in basic coding and computer literacy with Muzinda Hub, in partnership with Theirworld UK
- **+10,000 Skills** development courses taken through Akello Courses



- **15,265 Women** groups registered on EcoCash Savings Club
- **25% Female** drivers on VAYA platform
- **60%** Clean City jobs taken up by females
- **31%** Women on Steward Bank low cost / Isave Accounts

- **+5,000** Brand ambassadors
- **+3,500** Vaya drivers
- **+52,000** EcoCash agents
- **+1,200** Clean City jobs
- **+571,200** Steward Bank new accounts opened on digital platforms
- **800** Steward Bank agents
- **ZWL 539,500,000** Loans to productive sector
- **ZWL 7,840,179** Kashagi loan Disbursement
- **ZWL 393,847,277** Domestic industry spent



- **+80%** Airtime recharges in electronic format through our platform
- **255,000** Number of households serviced by Clean City
- **84.1 tons** Total waste recovered
- **ZWL 62,300,000** Distributed Power Africa funding (Solar)

Director of the Year Awards (DOYA)

Historical Overview

The Director of the year awards were introduced by the Institute of Directors Zimbabwe (IoDZ) in 2005 to celebrate and recognise achievements by individuals in Zimbabwe who would have distinguished themselves as board directors. The awards seek to especially celebrate and recognise their individual contribution to their boards' effectiveness, direction, strategy, and good corporate citizenship of their company or organisation. The awards do not recognise management contribution of individuals, but rather his or her contribution as a board director in terms of the board roles, responsibilities, and director duties.

Past winners include Mr. Anthony Mandiwanza of Dairibord, Mr. Douglas Mbiweni of Econet, Mr. Shingi Munyeza of what was then Africa Sun, Ms Grace Muradzikwa of NICOZ Diamond, Mr. Philip Mataranyika of Nyaradzo Funeral Services, Mr. Jonathan Shoniwa of Lafarge Cement, Dr Charity Jinya of what was then MBCA Bank, Mr. Morgan Nzwere of SeedCo, Mr. Nhena Nyagura of Dandemutande Holdings and Dr Lance Mambondi-ani of Banc ABC.

DOYA 2020

In 2020 planning for the DOYA programme commenced in January. The Gala Dinner and Awards Presentation was scheduled to be held at Meikles Hotel on the evening of Thursday 28 May, where the Guest of

Honor was to be the Chairman of the Institute of Directors in London, Ms Charlotte Valeur. The Dinner was postponed due to the Covid 19 National lockdown restrictions.

An official launch was successfully held on Thursday 27 February, to which sponsors were invited.

This is the IoDZ's premier event of the year. In 2020 the categories recognised women directors, young directors, chairpersons, and boards, in addition to directors of large and listed companies, SMEs, parastatals and state-owned enterprises, and NGOs and civil society organisations. Emphasis was placed on the contribution of directors and boards towards sustainability and the triple context which combines the economy, society, and environment in which we operate.

2020 Theme



Adjudication and Adjudication Process

The adjudication panel consisted of experts in several fields, including corporate governance, economics and business development, and social responsibility,

Panelist	Description	Comment
Mr. N Masunda	Adjudication Chairman	Participated
Ms. Susan Mutangadura	Adjudicator	Participated
Mr. Simon Hammond (CABS)	Adjudicator	Declined
Mr. Edgar Nyoni (SERA)	Adjudicator	Participated
Mr. Tafadzwa Chinamo (SECZ)	Adjudicator	Diaries Conflicted
Ms. Ethel Bangwayo (UNDP)	Adjudicator	Participated

The adjudication period was 02/10/2020 – 06/10/2020. Meetings for the panel were scheduled in consultation with the panel.

Nomination and Selection Process

The Nomination and selection Criteria were informed by the IoD Director Competency Framework. The Director Competency Skills Framework measures both the qualitative and quantitative details, which was measured on the financial reporting, financial health, and sustainability of the organisation.

Director of the Year Awards (DOYA)

FROM PAGE 27

The award period for 2020 was 01 January 2019 – 31 December 2019.

Award Categories

- Director of the Year – Large and Listed Companies
- Director of the Year – Small and Medium-sized Enterprises
- Director of the Year – State-Owned Enterprises and Parastatals
- Director of the Year – NGOs and Civil Society Organisations
- Woman Director of the Year
- Young Director of the Year (aged 35 or younger)
- CEO of the Year

In addition, the IoDZ introduced two new awards to recognise Board excellence:

- Board of the Year
- Board Report of the Year

The actual event

DOYA 2020 was held at Zimbali gardens and was attended by 125 delegates. The event was generally a success and was well supported.

Challenges experienced.

Call for nominations was done late due to Covid 19 challenges. As a result, not all categories had enough for adjudication. Communication with adjudicators was done late which impacted negatively on the contributions of the adjudicators. However, the adjudicators were dedicated and completed the process in three days.

Nominees could not be interviewed as planned due to time constraints.

Adjudicators Suggestions

Involvement of adjudicators early in the year for the formulation of an authentic adjudication and nomination process.

Adjudicators indicated that they would be available to assist with adjudication of the 2021 DOYA learning from their experiences from the 2020 process. This would enable continuity and objectivity.

Milestones and Proposed Plan

ACTIVITY	ACTION DESCRIPTION	DEADLINE	STATUS
Event date	Revert to original dates: 27 May 2021	30 March 2021	-
Event Theme	Confirm 2021 event theme	30 March 2021	
Venue	Decide on a hybrid event	30 March 2021	-
Guest of Honor	Select and Engage Guest of Honor for virtual presence and virtual	30 March 2021	-
Adjudication Panel	Consider the 2020 Adjudicators and engage Confirm Adjudicators	5 March 2021	-
Award Categories	Decide on the Award Categories	15 March 2021	
Nomination Forms	Approve Nomination Criteria and Call for nominations open. 1 st call for Nominations: 30 March 2021 2 nd call for Nominations: 15 April 2021 3 rd & Final call for nominations: 30 April 2021	30 March 2020	-
Adjudication Period	01 May – 15 May 2021 To be confirmed with adjudication Chair	April 2021	-
Publicity	Develop and approve publicity plan	30 March 2021	-
Sponsorships	Engage Sponsors (with confirmed date and venue)	30 March 2021	-
Shields and Trophies	Recall trophies. Produce shields and trophies	15 April 2021	-
Adjudication Final Meeting	Adjudication Report Back and Finalisation of results – 09/11/2020	16 May 2021	-
Nominees/ Finalists	Communication Period – 17 May – 20 May 2021	17 May 2021	-
Adjudication Report	Final submission – 16 May 2021	16 May 2021	-
Event Supplement	Publish Event Supplement through official media partner (AMH)	At least two weeks after the event	-

Proposed Way Forward

Marketing and Membership Committee to meet by the 5th of March 2021 to deliberate on the issues presented above.

INSTITUTE OF DIRECTORS ZIMBABWE

DIRECTOR OF THE YEAR AWARDS

ADJUDICATION REPORT 2021

Introduction

The 2021 Director of the Year Awards were presided over by a Panel of five adjudicators who used the IoDZ DoYA Scorecard and resumes to assess nominees under eight categories namely:

- i) Large and listed companies.
- ii) Small and medium sized enterprises.
- iii) State owned enterprises and parastatals.
- iv) NGOs and Civil Society organisations.
- v) Women Director of the Year.
- vi) Young Director of the year.
- vii) Chief Executive Officer of the Year.
- viii) Chairman of the Year.

The adjudication panel first meeting was on the 30th of April 2021 to finalise on the evaluation criteria and interviews. Nominations opened on the 6th of May 2021 and closed on the 21st of May 2021. A total of 20 nominations were received by the last day. The final adjudication meeting to evaluate and decide on the winners was held on the 21st of June 2021. On nominations, the person nominating was supposed to submit a scored Scoresheet and a resume for the person they are nominating. The winners were decided after evaluating the IoDZ DoYA Scoresheet submitted by the person nominating.

The Adjudication Process

The Adjudication process for the 2021 Director of the Year Awards implemented one phase of assessment:

Assessment phase

During the assessment phase the IoDZ Scorecards were compiled, and totals tabulated on an excel sheet. The evaluation criteria consisted of the following three pillars:

1) Knowledge

- ✓ Corporate governance
- ✓ Leadership and stakeholder relations
- ✓ Strategy
- ✓ Finance

2) Skills

- ✓ Strategic thinking
- ✓ Analysis and use of information.
- ✓ Decision making.
- ✓ Communication.
- ✓ Leadership
- ✓ Influencing.

3) Mindset

- ✓ Ethical
- ✓ Professional
- ✓ Performance oriented.
- ✓ Independent.

The total possible score for each nominee was 650 and the top scorer was selected then evaluated using his/her resume. Points were distributed fairly across the three pillars. Three nominees were disqualified based on the nominator failing to provide the scored IoDZ Scoresheet. One nomination was withdrawn after a follow-up to submit resume and IoDZ Scoresheet. The Chairman category was evaluated using the nominees resumes as the nominators did not provide the scored IoDZ Scoresheet in time for the adjudication process. On the evaluation phase the emphasis was on the nominees' roles in the boards and improving corporate governance in their lines of business.

Conclusion

At the end of the adjudication process the following recommendation came up from the adjudicators: Participation across all sectors of the industry was encouraged in the next coming awards. Recommendations from the 2020 awarding adjudication are also supposed to be considered to improve the awarding system of the Director of the Year. After going through the adjudication process the Institute of Directors Zimbabwe will be awarding 8 winners for the Director of the Year from various sectors listed above.

DOYA 2020 WINNERS



Young Director of the year award - from left - ZACC Chairperson Justice L Matanda - Moyo, Simon Nyamuda (winner), IoDZ Chairperson - Dr M.E Juru, Ethel Bongwaya, Susan Mutangadura



Overall Director of the year award winner - from left - ZACC Chairperson - Justice L Matanda - Moyo, Dr Lance Mambondiani (winner) IoDZ Chairman Dr M.E Juru



Women Director of the year award - from left - ZACC Chairperson Justice L Matanda - Moyo, Roseline Charehwa (winner), IoDZ Chairperson - Dr M.E Juru, Ethel Bangwaya, Susan Mutangadura



SME Director of the year award winner - Sapientia Bachi (2nd from left), From left= ZACC Chairperson - Justice L Matanda - Moyo, IoDZ Chairman - Dr M. E. Juru, Ethel Bangwaya, Susan Mutangadura



Director of the year award winner - Dr Lance Mambondiani (left) IoDZ Chairman Dr M.E Juru (Right)

DOYA 2020 WINNERS



Chairperson of the year award winner -
Albert Katsande



All award winners
Dr Lance Mambondiani (left),
Albert Katsande (2nd from left),
Roseline Charehwa (center),
Simon Nyamuda (2nd from
right), Sapiientia Bachi (right)

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15 - 18 March 2022 | Elephant Hills Hotel | Victoria Falls

Areas of discussion will be:

- COP26 resolutions
- Internationally bankable PPAs
- Financing Models for Clean Energy
- Nuclear Energy
- Rethinking Mobility
- Decarbonisation of the Grid
- Energy Transition
- Climate Change
- Standards: focus on ISO 50001
- Local Government catalysing Renewable Energy uptake
- Nuclear Energy

Who should attend

- Diplomats
- Policy Makers
- Solar equipment manufacturers
- Development Finance Institutions
- Private Equity Investors
- Commercial Banks
- Property Developers
- Consultants
- Contractors
- Transport Operators
- Academia
- Independent Power Producers
- Insurance Firms
- Local Authorities
- Power Developers
- Legal Institutions
- Development Bankers
- Utility & regulators
- Fund Managers
- Motor Vehicle Manufacturers
- Technology Developers



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