South Africa: A Case Example of Corporate Political Responsibility in Polarized Times

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Patricia McLagan is an author, consultant, and business owner with fifty years' experience supporting large scale change processes in business and governments globally. This article draws on her personal experience with South African businesses and government entities from 1983 into the 2010s. She has served as the Chair of the Desmond Tutu Peace Foundation and has written several books, including The Age of Participation: New Governance for the Workplace and the World, Change Is Everybody's Business, *and* The Shadow Side of Power: Lessons for Leaders (and Their Supporters). *The Erb Institute is pleased to share Pat McLagan's account as a case example to spark discussion, as part of the work of its Corporate Political Responsibility Taskforce. The Erb Institute's Corporate Political Responsibility Taskforce was formed in 2021 to help companies to take a principled, responsible approach to their political influences, in a way that minimizes risk, fosters collaborative solutions to shared challenges, and strengthens trust in American civic institutions. While our guest speakers and authors may express their views freely, the Taskforce is strictly non-partisan and does not advocate, promote or endorse any political party, candidate or legislation.*

Highlights from this paper are captured in a shorter post [A New Paper on South Africa at the End of Apartheid: A Case Example of Corporate Political Responsibility](#)

Key Takeaways

- *In times of polarization and turmoil, business leaders can and should bring their special skills to bear by working with government and social groups to achieve peaceful and democratic outcomes.*
- *South African business leaders faced such a situation in the 1980s and 1990s as the Apartheid system approached a potentially violent crisis. At least some of those leaders rose to the occasion. American executives today can learn from their example.*
- *Some of the most forward-looking South African business leaders met clandestinely with banned resistance leaders to discuss scenarios of undesirable/violent and desirable/democratic futures. Another key step was the establishment of the Consultative Business Movement, which brought diverse voices together and built mutual understanding.*
- *As societal change accelerated, forward-looking businesses adjusted internal policies to align with a future non-racial democracy, prioritizing inclusivity, participatory management, and conflict resolution.*
- *Individual business leaders faced personal challenges in navigating their evolving roles. Their willingness to step beyond traditional boundaries demonstrated a blend of personal courage and political foresight, highlighting traits essential for corporate leadership everywhere in transformative times.*
- *As American business leaders, too, face heightened polarization, they can draw lessons from the South African experience. They can convene meetings of diverse groups, facilitate dialog, and act transparently on core values. By engaging responsibly, they can strengthen democracy foundations and contribute to societal resilience.*

Introduction

Does business have a role in sustaining and shaping our democratic institutions at this time when the pace of change is faster than ever in modern history? Business is, after all, the economic engine of our democracy. But it cannot do the job alone. It relies on policy stability from government, but a polarized government is not agile enough to succeed on its own. It lacks the direct feedback the business has from stakeholders and its ability to react quickly.

Business and government must work together in new ways. Corporations can choose among a range of powerful tools to affect political outcomes, including lobbying, political

contributions, and public statements. They can work indirectly through industry associations, labor unions, and nonprofit organizations. Even a decision to stay out of the overt political fray is one that shapes outcomes. But the modern corporation is a relative newcomer in America's story –only arising in the early 20th century. Thus, the boundaries of business' role are not fully tested on the national political scene. The challenge facing business leaders in these turbulent times, then, is one of how to engage effectively, responsibly and creatively, in a way that takes advantage of the unique skills, prestige, and foresight that they bring to the table.

American businesses are not the first to face the challenge of effective action in times of political upheaval. They can learn from the experience of others. There is no better example than the character and courage that some South African corporate leaders mustered to help steer their nation through the perilous, highly polarized Apartheid era as it neared its end in the late 20th century.

This paper focuses on what some white South African business leaders did in a time of polarization and potential civil war. It is based on my own experiences, research, and relationships as an American woman working in South Africa from the early 1980s through 2010. That work gave me insights into the thinking of leaders not only in commercial businesses, but in academic and parastatal sectors as well. (Parastatals are owned and controlled by the government but are run as private sector businesses. Some, like the electric utility Eskom, are so big that private capital markets can't absorb them.) Others who dedicated their lives to change in South Africa have offered their own perspectives. I hope this paper will create more interest in learning about this amazing story of the role of business in a time of relatively peaceful transformation.

The following sections begin with a brief description of the situation in South Africa in the last years before the end of Apartheid. The several sections after that explore how business leaders moved from high-risk underground actions to formal and open engagement as they helped bring polarized parties together, eventually leading to a new constitution. At the same time, because Apartheid saturated internal business cultures, they worked to reduce polarization and prepare the way for broader participation within their own businesses. The last section turns to the question of how American business leaders, inspired by South Africa's example at the end of Apartheid, can help overcome the current perilous polarization in our own country.

South Africa in the 1980s and 90s: Business and Government at the Tipping Point

The challenges South Africa confronted in the late 20th Century differ from those that the United States faces today. In South Africa, the ruthless Apartheid system of legal discrimination under which black South Africans suffered was breaking apart and moving toward violent revolution. But, although legal discrimination ended much earlier in the United States, some deeper issues are similar. We, too, have polarizing societal rifts and laws that institutionalize them. We, too, have uncertainties about the future driven by advances in technology, and a new administration that promises to shake up the status quo. And we, too, face geopolitical realignments, different, perhaps, from those that South Africa faced under sanctions, but no less divisive.

Opposition to the racial policies of the South African government was nothing new, dating from before the founding of the African National Congress (ANC).[1] After the formal introduction of Apartheid in 1948, many individuals and groups joined the ANC, including black resistance groups like the more radical ANC Youth League; the United Democratic Front (UDF); and the black Congress of South African Trade Unions (COSATU). There were also predominantly white groups like the women of the Black Sash and the National Union of South African Students. Newspapers (not, of course, those owned by the state) and many private individuals contributed to the ultimate creation of a democratic state, followed by the election of 1994.

By the 1980s, as Apartheid rolled toward disaster, a few powerful business leaders began to reach out beyond their normal roles to join white and black agents of change in preparing for the future. Their contributions, combined with those of many others, helped to end Apartheid without a violent revolution, to extend the franchise to all South Africans, and to create a national, non-racial democratic government.

What happened in South Africa holds lessons for business-government relationships in the United States today. South African business leaders, like their American counterparts, were prospering in the existing system – something that makes their story even more worth telling. We need to ask not only what they did, but also what personal qualities enabled them to take risks outside their normal boundaries during times of social and political turbulence.

My company and I worked closely for years with some of the most prominent South African businesses and parastatal enterprises and their top executives as they grappled with their role under the threat of violent change. In the early 1980s, we helped them create the management systems and relationships that they believed a New South African business context would require. They took risks because it was not clear then that a peaceful or any transition would or could occur on its own.

I have often mentally replayed my conversations and work with these leaders. Why did they choose to take the paths they did? What was their impact on the larger national change process? Did their companies benefit or suffer because of their leaders' political involvement? Their involvement was not inevitable, and the paths they took were not obvious. As Graham Mackay, Chairman of South African Breweries, told me, a real option would have been to do business as usual: "Batten down the hatches, full speed ahead."

Mackay chose to move off the business-as-usual path. Along with him, at least a few other executives also traveled non-traditional, uncertain, but eventually fruitful roads into what could have been a catastrophic future. Here is part of the story of what they did and the implications for business leaders in our own troubled political environment.

What South African Business Leaders Did

Most business leaders in South Africa took a wait-and-see stance even after the election of Nelson Mandela in 1994. Since their companies had long benefited from apartheid, they chose to stick with the status quo. But some business leaders foresaw pending political

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[1] The ANC is the successor of black resistance alliances of the late 1800s. It was formed in 1912 and reinvigorated when Nelson Mandela, Walter Sisulu, and Oliver Tambo formed the ANC Youth League in 1944. It became the governing party of all South Africa after the democratic elections in 1994.

catastrophe and engaged in social change initiatives as early as the 1970s . By the 1980s they began to focus on more direct political influence.

As they mulled the moral and business consequences of supporting the status quo or being a force for change, these pioneers decided to move beyond traditional boundaries. Initially working under the radar, they brought diverse parties into dialogue at a time when resistance activities, and even conversations, were illegal, and the ANC was still banned. By the late 1980s, some of these activities, while illegal, were overlooked by government leaders who realized change was coming and saw them as steps toward a solution. These meetings also allowed some off-gassing of the deep anger that seethed throughout the country. Importantly, by 1990, when resistance party activities were legalized and Mandela was released from prison, business had built some credibility as a trusted supporter of the change process. Eventually more leaders joined the initial pioneers.

Those executives who chose to act were often seasoned leaders – respected, powerful, and well-known across society. Some acted alone, zeroing in on critical areas within their reach without directly confronting a fragile political system or bringing their firms into the fray. Others worked in groups. They began in areas where government leaders could not or would not act, convening diverse interests to work together on change processes, helping communities clarify core values, mediating conflicts, facilitating, and socializing alternative visions of the future, and developing skills for political participation and democracy.

Throughout the change process, both as individuals and as leaders of their businesses, their work helped to shape the new consensus that led to a new Constitution. This is not to argue that business was the savior of South Africa. It wasn't. But it was a contributing player during a transformational time.

The early 1980s: Business unofficially engages

In the 1980s, when it was still illegal for anyone to gather with representatives of the resistance, some prominent business executives met with exiled ANC leaders to show support and begin a conversation. In one case, in 1985, Anglo Corporation's Chairman, Gavin Relly, hosted a series of meetings with top ANC leaders at their headquarters in Lusaka, Zambia that would later be known as "The Lusaka Trek." During this time, Relly learned about the scenario planning process used at Royal Dutch Shell to envision alternative visions of the future. He appointed Clem Sunter, one of his executives, to bring that process into these meetings. The resulting scenarios described a high road (a prosperous, non-racial, democratic, developed country) and low road (a racist, centralized "wasteland"). As word about the scenarios spread, Sunter was invited to speak to a variety of business and political groups.

It was then up to Relly to decide whether to expand the initiative. According to Nick Segal, Relly was initially reluctant, partly because it had never been the intention to take the project public, and also because he was mindful of Anglo's problematic reputation outside the white English-speaking community. Segal, however, notes that Relly was a deep and broad thinker. He was, in the tradition of the corporation's philosophy and values, keenly aware of the socio-political context in which Anglo operated. In addition to the Zambia initiative and the

scenarios, he had also sponsored other forward-looking projects, including an exploration of constitutional options.[2]

With Relly's support, Sunter publicized the scenarios on widely followed State of the Nation radio talk shows, and eventually discussed them with the National Government Cabinet and with the still-imprisoned Mandela. In 1986-87, Sunter and colleagues made hundreds of appearances and spoke to tens of thousands of people, mostly white, from government, civic groups, and political parties.

Scenarios – relatable visions of both positive and negative alternative futures – became shared reference points that helped people from all groups imagine a negotiated political settlement. Some other large businesses also used scenario exercises. For example, the Old Mutual Insurance/Nedcor scenarios, initiated by Nedcor Bank Chairman John Maree (more about him later), had a mainly economic focus. By the time Mandela was released, scenarios were a credible way of bringing people together and developing a common sense of the future. in 1991, the Institute for Social Development at the University of Western Cape launched another scenario initiative, again reaching out to Royal Dutch Shell for support. Called the Mont Fleur scenarios, they were developed by a diverse, mostly young, group that represented political, business, academic, and civic groups. They were not a business-led initiative, although the facilitator, Adam Kahane, was an employee of Royal Dutch Shell (Netherlands). The scenario process was spreading beyond business.

Another example of the remarkable impact of business leaders illustrates how a few key players in black and private-sector communities slowly built mutual trust. From 1985, pressures from international sanctions, organized labor, and internal civic groups intensified. It became clear to all that the political status quo could not hold. As financial crises, violence and civil unrest increased, Oliver Tambo, the then exiled president of the ANC, brought a remarkable request to Michael Young, an executive in Consolidated Gold Fields, one of the biggest gold mining companies in country at the time. "I want you to help me build a bridge to Pretoria," he said, "because when the signals come, I don't think I'll recognize them. We need to have a channel of communication which is not microphone or amplified through the media but is as direct and personal as possible."[3] Young later brought government and ANC leaders together in dialogues that, along with similar business-leader-supported activities, would help build the trust that future difficult negotiations would depend on.

Throughout the 1980s several executives I worked with brought me to meetings where resistance political groups and their leaders debated, passionately disagreed, and sometimes even listened to one another. I recall one meeting that I attended with John Hall, Chairman of Middelburg Steel and Alloys and an executive in the Barlow Rand conglomerate.[4] Speakers positioned themselves and made their pitches on a stage in a dark room. After presentations, audience members, including business leaders, asked questions. Such meetings occurred in off-the-path areas, but the government undoubtedly knew about some of them and let them

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[2] Nick Segal, *Breaking the Mould: The Role of Scenarios in Shaping South Africa's Future*. Sun Press. Stellenbosch: South Africa. P. 15.

[3] Sophie Bishop, "Michael Young Discusses His Role as Facilitator in Anti-Apartheid Negotiations," *Harvard Law Today.* March 30, 2012.

[4] Middelburg Steel was the first mining company to launch in-house works councils (in-house unions) and to create near-mine communities where families of miners could live. Traditionally, miners were separated from their families who stayed in segregated townships and homelands.

run. They were not sponsored by business, but forward-looking business leaders somehow heard about them and participated. These assemblies, too, helped create the emerging consensus for a New South Africa. I believe that the presence of business leaders in these small meetings contributed to their understanding of black society's concerns as well as of their own credibility in later negotiations.

The late 1980s and early 1990s: Building bridges and a contract for social change

Business leaders, civic groups and others facilitated and participated in informal gatherings throughout the country that helped change the national consciousness through value sharing and scenario planning.[5] At various times, members of many societal and political groups were involved. During the years the ANC was banned, these secret conversations provided safe space for people to air their concerns and dreams. Once the government released Mandela from prison, that changed. Activities that brought disparate groups together were publicized openly and accessible to everyone. They helped create mutual empathy for the concerns and fears of others. These conversations, which aimed to build bridges across divides, were often hosted by trained facilitators and enjoyed overt financial support from some businesses. Gradually these conversations, together with many other factors, made it clear throughout society that anything short of a full and inclusive democracy would lead either to a failed state or revolution.

As the decade ended, such dialogues were occurring throughout South Africa. But the situation was fragile. The country was on the verge of bankruptcy and open revolt. An increasing number of business leaders, worried about the country's economic future and united in a love of South Africa, looked for ways to make a difference.

Activities earlier in the decade had made it clear that the best way for business to help bring about change was to support dialogue. In 1988 a group of 40 business leaders and academics came together as the Consultative Business Movement. CBM became a vehicle for using their organizational skills to bring top political and civil society leaders together. The group eventually grew to almost one hundred members who participated in hundreds of meetings, sometimes large, across the country. These meetings included representatives of the resistance, business, and academia, among others. The immediate goal was to search for mutual understanding on which a new political and economic agreement could rest. The larger goal, however, was to provide a foundation for peaceful, but transformational political change. As the Director of CBM put it,

> Until the mid-1980s business had in general not viewed itself as being an integral player in change processes. The brittle and superficial excuse that has always been offered is that 'business does not get involved in politics.' It is not a case of whether business should respond politically, but rather of how it must respond to its obvious political-economic involvement. This requires a new paradigm of acknowledging that participation in and integration with the forces of history, society and community is not an extra-mural activity but requires total immersion to secure survival for the future.[6]

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[5] This process continues today, via many NGO and civic group activities

[6] Christo Nel & Rosemary Grealy, "The Consultative Business Movement," *Indicator SA. Vol. 6, No. 1/2 Summer/Autumn 1989.* Pp.105-108

By the end of the 1980s, it was clear that Apartheid would fall, but not clear whether the fall would come peacefully or through violent revolution. One major turning point toward peace began in 1987, when senior government officials launched secret meetings with Mandela in prison. These culminated in a meeting in 1989 between Mandela and President F.W. deKlerk that led to Mandela's release and the unbanning of political activities by the resistance. The unbanning of resistance political leaders and parties also opened the door to a more overt role for those business leaders who had already earned some trust among the parties. They began to play a structured, formal, and visible support role in negotiations leading to the new Constitution.

The Consultative Business Movement and other representatives of the business community who supported reform went on to facilitate many of the government-sponsored meetings that led to constitutional change and the first democratic election.[7]

As in any complex social change, many factors, political, economic, civil, cultural, and more, contributed to the remarkable changes in South Africa that culminated in the election of Mandela as president in 1994.

In addition to playing a key role in the political process, some business leaders also invested in accelerated programs to transform governance within their businesses. Although initially motivated by concerns for productivity and competitiveness, they also realized that they had to remove the vestiges of Apartheid from their organizations. Doing so added another dimension to the larger societal changes and helped prepare people to operate under more participative conditions.

Changes within business accelerate readiness for the New South Africa

In the Apartheid years, black people were legally constrained in where they could live, whom they could marry, how and when they could move in the cities, the type of education they could pursue, jobs they could hold, and more. And, of course, they could not vote. In the workplace, they often had few rights. They were sometimes abused and even known only by their numbers, not their names.

In the late 1970s, violent worker resistance to discriminatory practices became a major national issue and an issue for business, as well. Worker protests erupted all over the country. It was difficult for individual firms to deal with the violence on their own. In 1979, In response to business pressure, the Nationalist government established the Wiehahn Commission to find a way to deal with the increasing unrest and to bring order to labor negotiations. The commission's recommendation was to legalize black trade unions. [8] Government and business saw this as a way of reducing pressure while retaining the status quo, but it was the first legal outlet for black power since the launch of the apartheid system in 1948. It proved to be the first big structural chink in the government's armor.

The government and most businesses pursued the new path for industrial relations reluctantly, but a few business leaders saw it as an opportunity. They looked outside the country for labor relations and management methods that might work, while simultaneously

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[7] During the period between Mandela's release and his election in 1994, there were several formal national meetings, some jointly convened by leaders of the contesting political groups. Facilitators, some from the business community, played roles in most of them. As stated earlier, this paper does not argue that business was the savior of South Africa, but rather a contributing player during a transformational time.

[8] See this summary for more on the Wiehahn Commission.

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preparing their firms for a potential post-Apartheid era and a more globally competitive future. They contracted with external experts, (including my organization) to learn participative labor practices that were unfolding in Western Europe and the US and were later used successfully in Eastern Europe after the collapse of the Soviet Union. These new relationships between black union workers and business leaders helped form new power dynamics in South Africa after 1994.

Ultimately, because of their leadership experience and public profiles, the first black union leaders were prime candidates for the new South Africa Parliament. So, without intending it, businesses (and the Nationalist government) helped create the substantial union-presence in the legislature that continues today.

Labor relations problems were not the only workforce-related challenges the apartheid system created for business leaders. By the mid-1970s, forward-thinking business leaders realized that they lacked a workforce with the education needed for the emerging technology-driven and globalized era. Seventy percent of the population was black, and many were products of a Bantu Education System that excluded math and science and thus left a substantial portion of the population ill-prepared for a more globally competitive economy. In 1979, around the same time that black trade unions were legalized, business pressured the government to invest in worker training and development to help correct this problem. A new law provided significant business tax credits for company investments in workforce development. This business-driven education and skills retrofit preceded a later significant change in national education policy.

The Nature of Transformational Leadership

Any transformational social change, whether of a nation or organization, is a contest between the status-quo and something new or on the margins. In the process, new and marginalized ideas are tested, refined, and eventually become a new status-quo. Transformational changes are long processes because they require the realignment of many parts of the socio-economic and political system. Structures, processes, values, roles, dreams, goals, and small or large groups with vested interests must change as they move into new relationships. Skills and ideas related to something new are built in fits and starts. Although systemic change is an evolutionary process, it can reach a tipping point where it speeds up and can be boosted, nudged, even accelerated.

In the early stages of any complex change, most stakeholders in the existing system stand with the status quo. Even so, a few, foreseeing shifting winds, step out as facilitators of something new. The business leaders who actively engaged in change activities in the South Africa of the 1970s, 1980s and 1990s put their credibility, jobs, and even lives at risk. Doing so required special courage since, as executives, they had prospered under Apartheid and were living comfortably behind the high security walls in the wealthy suburbs of Johannesburg or in luxury along the south coast's Garden Route.

These executives met with ANC leaders underground in South Africa or in exile in Zambia. They set up clandestine meetings between government and resistance leaders. They engaged with polarized groups across the country and resisted the temptation to try to solve problems before they had built the necessary relationships. They developed both desirable and disastrous scenarios that made alternative futures vivid and compelling. They incorporated the alternative scenarios into their corporate strategies. They not only invested

in educating their workforce but changed their people-management philosophies and leadership styles, following some of the most advanced approaches in the world. They invested in themselves and their teams to implement new, more participative relationships. They launched what we would today see as high stakes diversity, equity, and inclusion initiatives, and participated in these themselves. They went beyond the letter of new labor laws to draw union leaders and shop stewards into decisions affecting the workforce and broader business operations.

They did these things before it was clear that Apartheid would fall and under tight financial conditions created by international competition and sanctions. Yes, some of the actions listed above were internal to their businesses. But in many cases, they were consciously implemented as part of larger investment by businesses in the socio-political changes occurring around them. In complex systemic changes, what every part of the system does influences every other part. These courageous business leaders realized this and acted holistically to help their own firms, and their nation avert catastrophe and thrive in the emerging global economy.

Also, even though the most foresightful leaders came into their more overt and political change roles relatively late, they drew their power and authority from their work in a well-developed economic system. The time was right for them to act.

The Personal Struggles of Three Key Business Leaders

No one can play a role in consequential change without internalizing the change in some way. Forces that rock society and business also rock its leaders, providing the gift of an opportunity for personal growth. Some business leaders who acted when the future looked grim, and society was highly polarized, took advantage of that gift. They dealt with their own internal polarization and even their personal identity confusions, emerging as more respected and effective leaders. Some of the top-executive clients with whom I had conversations during these uncertain times shared their inner conflicts with me. Should they take the easy path and, in Graham Mackay's words, "batten down the hatches: full speed ahead?" Or should they take risks, using their considerable influence to help the country out of its political mess? They made conscious choices to move ahead.

Three examples, two from the private sector and one from a large parastatal organization, illustrate the striking transformations in personal leadership styles that occurred as South Africa made its shift to a nonracial democratic government.[9]

South African Breweries' Graham Mackay: The most respected company

After starting work in South Africa in the early 1980s, it became my custom to meet with client CEOs individually to discuss the details of their concerns in planning for transformation of their businesses. Unlike the one-on-ones I had had with executives in Europe and the US, conversations with these South African leaders often took several hours. We would sit face to face or diagonally, or even (in the case of South African Breweries) over a beer. Early on it became clear that the best role I could take was to be a sounding board for their internal struggles. This was in the mid-1980s when pressures on business were

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[9] Both the late Graham Mackay and the late John Maree gave me permission to share their personal change stories. Neal Chapman is still an active business influencer, and his comments to me were widely known.

escalating, and these leaders were beginning to explore a more proactive role. There was a deep process going on inside them, but they had few outlets for musing about non-traditional or extreme options or discussing personal dilemmas.

Graham Mackay, then the CEO of the most respected company in South Africa, South African Breweries, used our sessions to explore pros and cons of many strategic moves. We discussed how to deal with competition from emerging black breweries ("We are so dominant, we could price them out of the market, or …"). He talked about the visibility of his company in society and whether they had an obligation to consider the socio-political situation in decisions like rapidly upskilling the labor force, selling delivery trucks to black drivers and supporting and training them to be owner-drivers. He considered the pros and cons of creating a more participative culture in his own business to match what he foresaw would be the new culture in society and politics at large. Like Tevye in *Fidler on the Roof*, Graham frequently took an approach of "on the one hand we could ... but on the other hand …" The conversations often had a one-way character in which he rolled around alternatives and their potential consequences as a sort of spoken self-talk. Like South Africa, he was coming to terms with polarization – but in this case, the struggle was within.

Eskom's John Maree: A national leader and a parastatal with a social mission

"Look at all those people coming to work late, Pat. I am thinking about putting cameras at the entrance and penalizing them for wasting company time. What do you think about that?" This was the opening salvo of John Maree, Chairman of Eskom, in one of our meetings in his large top floor corner office. He was looking out at a multi-racial crowd coming to work. It was about 1986 and Eskom, the national utility, was in the middle of a major strategy shift driven by increased electricity demand from black townships and burgeoning industry. We were working to create systems and processes to support a more rigorous, open, and participative culture. I took his comment as a way to test his own assumptions about the culture he wanted to build for the company.

Maree had been appointed to head Eskom by the State President P.W. Botha. Maree was the epitome of an Afrikaans business leader and long a staunch voice for Apartheid. He came to the utility from the armaments industry and eventually chaired the Nuclear Energy Commission. He was a personal friend and neighbor of Botha, respected by hardline government officials, and expected to bring discipline to this critical link in the South African economy.

History doesn't speak kindly of Maree's earlier role in Apartheid. However, he was a practical leader with the foresight to see the need for change in his companies, and ultimately in society and himself. I was convinced that he spoke regularly to the State President about the direction of the country as well as his company. That was evident in the board discussions I participated in. My work was to be a partner with him and the top HR executive, George Lindeque, as they undertook major cultural and structural changes in this 60,000-employee parastatal.

Maree's way of processing options was unlike Mackay's. Maree's approach was to start an argument. As a result, our one-on-one conversations were often sparring sessions. He would start by presenting a hardline option and then verbally prod me to respond. I learned to throw the problem back to him to explore the consequences of his initial hardline option and the alternatives. Before one board meeting in the early 1990s, after years of working together, Maree made an important confession. "Six years ago," he said, "I would not have

believed that an old man like me could learn anything, but I have." He realized that along with South Africa, he was changing. It was a dramatic moment for both of us and a perspective that he then openly shared with the Eskom board.

Southern Life Insurance Company's Neal Chapman: A leader organizes direct involvement

Neal Chapman, then Chairman of the Southern Life Insurance Company, led a large company, but one that was less politically visible than either SA Breweries or Eskom. While our conversations dealt less with his decision processes, he did talk about his dual obligation to create a company suited to a new South Africa, while also actively participating in political change. In 1986, while the entire country was under a state of emergency, he was one of eight business leaders to publicly call for freeing Mandela from prison. The United Press International quoted him as saying, "There can be no meaningful decision on South Africa without Mandela's release and the unbanning of the ANC."

At one point, as we prepared to run a top management retreat on the southern coast, I remember him looking out at an angry sea saying something to this effect: "This country must change. It will change. And business must play a role." In 1988 he became one of the founders of the Consultative Business Movement, which, as described above, became a vehicle for bringing civil society, business, and government leaders together.

Action Lessons for US Business Leaders

Like South Africa in the late 1900's, the United States has reached a fork in the road. Since 1993, Gallup's Trust in Institutions Index shows that trust in all American institutions is at a historical low.[10] The Ipsos System is Broken Index reports that as of 2023, 65 percent of Americans agreed with the statement that "our society is broken," significantly more than the average of 57 percent for 28 countries surveyed.[11] US society is deeply polarized, a condition that the Edelman Trust Barometer describes as "a feeling of extreme division and hopelessness about changing it."[12] These attitudes are not conducive to solving increasingly complex socio-political problems. Talk of violence is now mainstream, fueled by increasingly sophisticated disinformation campaigns launched from both inside and outside of the US. The 2024 election thrust polarization into the open, but it will not mark the end of serious challenges to democratic institutions, nor to the commitment to free enterprise that fuels our way of life.

Businesses can't walk away from expanded engagement in political conversation. These times are a wakeup call to business leaders to understand their vested interests, check into their deeper values, and consider new ways to exercise their influence. This is already happening as government committees focus more attention on laws and investigations related to social media, AI, supply chains, the environment, changing demographics, and increasing wealth disparities. The challenge facing business leaders is one of how to engage effectively, responsibly and creatively, in way that takes advantage of the unique skills,

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[10] Gallup, "U.S. Confidence in Institutions Mostly Flat, but Police Up," 2024.

[11] Ipsos, "Why people think the system is broken in the U.S. and around the world," 2023.

[12] *Edelman Trust Barometer*, 2023. This report, based on a survey of 32,000 people in 28 countries, ranks the US as the third most polarized country in the world, after Argentina and Colombia and just ahead of Brazil and South Africa.

prestige, and foresight that they can bring to the table and acknowledges the reciprocal relationship between business and government.

Most companies are already engaged in some way. The most obvious ways include lobbying, advocacy, and contributions, but strategic choices about products, services, and locations also have political implications. In addition, some companies get involved in civic activities, providing paid time off to vote, disinvesting from platforms that spread political misinformation, or supporting civics education. But these are not enough in the face of the challenges we face.

Fortunately, resources are available to help business leaders think about the way forward. One source is the Erb Institute at the University of Michigan, which offers a set of Principles for Corporate Responsibility that emphasize legitimacy, accountability, responsibility, and transparency.[13] The Erb Principles and other emerging frameworks suggest that business has an interest, and a role, in upholding democratic institutions. Yet, as we saw in the most recent US election, business leaders have been hesitant to step into this role, in part because it is not clear what actions can be effective in such a polarized context.

But new times require breakthrough thinking. Spurred by the shock of crisis and the courage to try new things, South African business leaders in the 1980s and 1990s found creative pathways to political influence that were often outside the normal paradigm. Their actions show possible ways forward for their American counterparts today.

One important action of South African business leaders was to invest in upgrading communication skills and empowering their work force to participate a new democratic government. In the US, since civics education in the is no longer a staple for schools, businesses could pick up the pieces with everything from basic civics education to providing time off for voting.

To neutralize some of the polarization in their own firms, South African businesses engaged their entire workforce in deliberate values-sharing conversations. US businesses can do the same by reengaging in internal and external stakeholder conversations about the values platform for new ways of engaging politically. The Erb Principles – legitimacy, accountability, responsibility, and transparency are one potential framework for these conversations.

American business leaders, like their South African predecessors, can reach out beyond their own firms to provide venues and facilitators where diverse groups can meet and see each other as humans with shared futures. The South Africans had a word for this: "Ubuntu," an ancient African word meaning "recognizing our shared humanity." It is sometimes described as reminding us that 'I am what I am because of who we all are.'[14] Businesses are especially well-equipped to provide the advanced collaboration tools and support for creative exploration and problem-solving that are needed in fast-changing, complex, and polarized times.

Scenario development was another tool used to good advantage in South Africa. Scenarios can bring people from business, government, and civil society together to create and explore future stories that viscerally show the consequences of both continued adherence to the

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[13] The Erb Principles for Corporate Political Responsibility were developed by the Institute's Corporate Political Responsibility Taskforce in 2023. See the Taskforce website for a library of resources for business leaders.

[14] This source gives numerous definitions and references.

status quo and other futures. Businesses have fine-tuned methods of scenario development and foresight. These could be first put to use within a company and later offered as services to others, including multiple stakeholder and government groups.

Finally, the South African experience teaches that there is great socio-political power in being a business leader. We have seen how a few prominent South African executives ventured outside their safety zones to speak out both publicly and privately. Some business leaders may fear that doing so will expose their companies to inordinate risk. In such cases, they should remember that they, as citizens, have the right to make their views known without the explicit endorsement of their companies. If what they say displeases the powers that be, business leaders should take courage from the fact that in a free society, public officials cannot legally react other than verbally.

These are only some of the ways South Africa might inspire American businesses and leaders to help our country get through the polarization and conflict that we now face. South African business leaders figured out how to do it. It was difficult and often risky, but they helped the country avoid outright revolution and political chaos. Fortunately, while we will inevitably need new agreements and amendments to keep us relevant in this challenging era, we will not need an entirely new constitution as they did. But following their creative and courageous example can help us strengthen what we have. Like South Africa's Consultative Business Movement, our own leaders can recognize that business "participation in and integration with the forces of history, society and community is not an extra-mural activity but requires total immersion to secure survival for the future." [15]

Today, the United States needs equally courageous leaders who can help make sense out of the uncertainties, evoke hope across divides, and engage in political action to help all citizens work and dream together. With greater power goes greater responsibility. We live in a fast-changing global and national context and have experienced the most challenging and dangerous election cycle since the Civil War. How will American business leaders – that is, how will YOU – use your skills and powers in these troubled times?

Afterword: South Africa Today

South Africa today is not doing well. Corruption and crime are rampant. Many government institutions do not work or are riddled with corruption. The entire population experiences regular electricity outages. Although there are many black millionaires and business leaders, and although the black middle class has grown, too many talented people have left the country. The promise of high-road scenarios has not yet materialized.

None of this takes away from the successes that led to the election of Nelson Mandela and the new constitution or the fact that democratic structures do operate today. Nor does it diminish the power of the successful stories of business engagement told in earlier sections of this paper. But it does illustrate that giving birth to a major change is only the beginning. It takes time to realign and recreate all parts of a complex system, whether that system is a single firm or an entire society. It takes new skills, hard work, and lots of patience and resilience to deliver on the promises of the changing rules and values. In South Africa's case,

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[15] Christo Nel & Rosemary Grealy, "The Consultative Business Movement," *Indicator SA. Vol. 6, No. 1/2 Summer/Autumn 1989.* Pp.105-108

the long legacy of Apartheid, embedded deeply in attitudes, skills, systems, expectations, could not just disappear with one election.

South African business has been severely criticized for not devoting the needed resources and attention to the hard task of nurturing change. Yes, there were government mandates for diversity in employment and business ownership, and many businesses did comply. Yes, some businesses took extra steps to support their white and black workforces as relationships changed. But, as with many transformational changes, a new type of hard work emerges once the new system is set in motion.

Human beings have a hard time following through for extended periods. It is up to leaders in all sectors to keep the initial energy for change alive until what they promise becomes the norm. Focusing on business, how can we explain its failure of leaders, to follow through? Perhaps it was because the small groups of enlightened businesses that played active roles before 1994 did not do enough to create a critical mass of successors in support of ongoing change. Perhaps that failure of business to continue its role as an agent of change illustrates inadequate commitment to deeper values that transcend short-run expediency. Here again, commitments like those articulated in the Erb Principles of Corporate Political Responsibility and other values-based guidelines have a role – assuming they exist deeply inside the culture not just on a wall or in the annual report.

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