WC 10 Governance and Accountability

There is an increasing concern in society that unless businesses consider Social Ethical Environmental (SEE) problems in their business decisions, potential social welfare will be jeopardized. Serious consequences of socially reckless behavior have demonstrated the importance of paying attention to and influencing the acts of corporations (Solomon, 2013).

Lobbyists have promoted corporate social responsibility by putting pressure on businesses to boost their performance in fields such as the environment and human rights. They have also placed pressure on shareholders, especially institutional investors, to become more active in their investees' SEE-related behavior. However, it is not just external pressure that has caused businesses to adopt a more stakeholder-focused mindset. Companies have suffered significant financial losses as a result of SEE related issues and misfortunes in the past. The credibility risk associated with SEE events is enormous, with share prices dropping almost instantly in response to bad SEE news (Howell & Sorour, 2016; Solomon, 2013).

I learn from this that is it’s very important to be consistently mindful of the things we do and say as company leaders, investors and investees. In one example, if the Executive Director of the NSSF in Uganda was caught in a scandal, the impact is not just is his shame but the share prices on the securities exchange. With that in mind, as I pursue a position of leadership, it is key to always keep my hands clean and conscience clear.

References

Howell, K. E., & Sorour, M. K. (2016). *Corporate Governance in Africa: Assessing implementation and ethical perspectives*. London: Palgrave MacMillan.

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