

## **TIMBALAN PERDANA MENTERI**

### **YAB DATO' SERI DR WAN AZIZAH BINTI WAN ISMAIL**

ASEAN CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT SUMMIT 2018

#### **Tempat:**

SUNWAY RESORT HOTEL AND SPA

#### **Tarikh:**

Monday, June 25, 2018

#### **LEADING WITH CONSCIENCE AS THE PREREQUISITE FOR ACHIEVING SUSTAINABLE DEVELOPMENT GOALS**

Assalamu`alaikum dan salam sejahtera kepada Dato-datin serta Tan Sri-Puan Seri dan para tetamu sekalian. Terima kasih di atas jemputan untuk saya berucap di persidangan ini. Memandangkan inilah persidangan antarabangsa, izinkan saya menyambung ucapan saya dalam Bahasa Inggeris.

Ladies and gentlemen,

Peace be upon you and a very good morning. I am very happy to be at this conference that will be discussing issues related to corporate responsibility and sustainable development. It is indeed an honour to be in the midst of such a distinguished group of people. Thank you for inviting me to address this summit. And it is probably still not too late for me to wish Eidul Fitri Mubarak to all of you.

#### **1. Introduction**

The world has seen many crises and scandals that show the disastrous consequences of leadership failure. In the US, we had the Enron fiasco, the subprime crisis and close to home we have the 1MDB scandal. In all of these failures, there were regulations in place, governance mechanisms and reporting systems. Yet, they all failed because all of those individuals behind these crises stopped listening to their conscience and succumbed to greed.

The same can be said with regard to the destruction of the environment. The Deepwater Horizon incident in the Gulf of Mexico shows the disastrous impact on the environment due to leadership failure in modern organisations. All these failures happened because someone at the top decided to pursue profit without due regard to the safety of others and the environment.

## 1. Leadership Failure

We expect our leaders to do good and help us achieve more. Instead we often see instances where our leaders fail us. These are leaders who put profit over everything else. They ravage our environment and make life difficult to sustain and leave us with disasters such as floods and pollution. They allow their personal interest to override common interest and they use their wealth to buy influence. Unfortunately, there are some among us who become willing followers of these bad leaders. **Why have we, as a society, failed to produce better leaders?**

Many of the mechanisms society has put in place ignore a fundamental issue. Wicked individuals can be creative and will try to circumvent these mechanisms. We can build the safest car in the world but it will still cause accidents if the car is driven by a reckless driver. Likewise, we have seen too many instances of organisations and nations being led by leaders who have **no moral compass**.

As we contemplate the journey towards realising the Sustainable Development Goals set by the UN, we have to ask **whether we have the kind of leaders who are really committed to it**. We need leaders who lead with conscience who are really committed to the SDGs.

It cannot be treated as just another fad that has to be included in company activities to be seen as socially responsible. It definitely cannot be seen as just another opportunity to create business opportunities for cronies and family members. Leaders have to be committed to it and not merely be involved in it.

Pursuing the SDGs is **a cause and striving for a cause requires commitment**. It takes a certain mindset to be committed to a long-term cause such as sustainable development. It requires leaders who lead with their conscience.

Leading with conscience is about leading while being constantly **guided by our moral compass**. It is rather unfortunate to see that the pursuit of KPIs often create managers and officials who are myopic. They are only concerned about meeting their KPIs and anything that is not included in their KPIs is seen as irrelevant and is of little interest to them.

Given that the primary concern of these KPIs are economic value creation, it sometimes ignores other dimensions of achievement and of our existence. How often do we see ethical

conduct and commitment to the goals envisioned in the SDGs being incorporated into the KPIs of organisations? If there are any, they are usually in the form of KPIs related to CSR activities. Unfortunately, many of these CSR activities are once a year events that have little sustainable impact. We can do better.

The obsession with meeting KPIs has also **altered our view of knowledge and education**. Knowledge is increasingly seen mainly as an **economic instrument instead of an instrument for enlightenment**. As such, learning has become primarily about earning paper qualifications and gaining employment. It has become less about gaining insight and developing wisdom. T. S. Elliot lamented this when he said:

*“Where is the life we have lost in living? Where is the wisdom we have lost in knowledge? And where is the knowledge we have lost in data?”*

Committing ourselves to sustainable development goals requires more than just lip service. It requires leadership by those who are truly committed to it. In highlighting this, it is very important to reflect on the need to develop leaders with conscience. All traditions talk about the role of conscience in human development.

In the religious as well as secular traditions, conscience is seen as the **anchoring point of moral conduct**. Yet, we fail to cultivate it. In our haste to fulfil KPIs, leaders typically do not emphasise leading with conscience. Our business schools teach our managers about how to achieve more efficiency, how to generate better ROIs and the net present value of investments. But they give less attention to the role of conscience in leadership and decision making.

### 1. Defining conscience

Conscience can be broadly defined as **human knowledge of right and wrong and includes our moral consciousness and our use of moral reasoning** in decision making. It is a mental awareness that prompts us to distinguish between right and wrong. In Buddhism, conscience is said to be **“a self-luminous spark of thought”** that is revealed at the inner core of ourselves.

In Catholic tradition, Saint Augustine defines conscience as the **voice of God** whispering to us. In secular tradition, Piaget considers conscience as the cognitive ability to engage in moral reasoning.

The notion of conscience in Islam is tied to two key concepts i.e. **taqwa** and **ehsan**. Loosely translated, *taqwa* means the fear of God. However, a more precise definition of *taqwa* explains it as the state of mindfulness in observing the boundaries of behaviour. *Ehsan* is a state where a person feels God’s presence in his life as though he can

see Him. Islam sees the convergence of these two concepts as creating a sense of awareness of God's presence that motivates people to live within the proper boundaries of behaviour. One's behaviour is defined not by self-interest but by the desire to seek His pleasure.

Having conscience is more than just about knowledge of what is right and wrong. People with conscience are able to **integrate moral reasoning into their thinking and decision making**. They are able to assess ambiguous situations and new moral dilemmas and reason out their stance and actions. Leaders with a high level of conscience exhibit the following behaviours:

1. They are driven by a higher sense of purpose:

Being driven by a higher sense of purpose is one of the qualities of leaders with conscience. To these leaders, leadership is not just about power and personal interest. It is more about making a difference in bringing some benefit to others. For those leading businesses, profit is the reward for doing something good and beneficial. As the late Anita Roderick, the founder of Body Shop said, "*Being good is good for business*". This sense of purpose forms the basis of their sincere intention. Leaders can sometime get misguided with their intentions. They let greed, hubris and ambition define their intention. For leaders with conscience, sincerity is about being guided by a higher sense of purpose.

1. Leaders with conscience are motivated by altruistic motives:

The sense of purpose that leaders with conscience hold to is driven by the desire to do good. Griffin and Hesketh point out that this involves having proactive and inhibitive motivations. Proactive motivation is the desire and motivation to do good on one's own initiative. Inhibitive motivation is the desire to avoid causing harm to others and accepting responsibility for one's action.

1. Leaders with conscience show a concern for others:

Leaders with conscience are mindful of how their behaviour affects others. They think of the interest of others and are considerate towards those they deal with. This behaviour is an extension of their concern for doing what is right and behaving fairly. Among the manifestation of this conscience is the considerate way they treat others.

1. These leaders possess conscience-based sensitivity:

Volling and colleagues point out that leaders with conscience have a sense of moral and emphatic emotion. They are sensitive to anything that comes near the boundary between right and wrong and are able to sense the ethical dilemma that it may present. Moral emotion means that they develop emotional reaction to wrongdoings. Emphatic emotion

means that they are able to understand the emotion of others, especially the impact of their action on others. This makes these leaders mindful of the consequence of their action on others.

1. These leaders are able to exercise moral judgment:

Related to the previous point is the ability to use *logical reasoning* to determine right and wrong. Leaders with conscience do not let their emotions and prejudice cloud their judgment. Having a sense of moral judgment is also about understanding that diversity and differences of opinion is a part of the realities of life. Thus, leaders with conscience accept that respecting those who differ from them is a part of the moral standard that they adhere to.

1. These leaders exhibit moral courage:

Leaders with conscience do not just have a sense of what is right and wrong. They also have the courage to stand for their beliefs. They do not bow easily to pressure and compromise their commitment to doing the right thing and shunning the wrong. They do not succumb to temptations that require them to abandon their principles.

1. How to Cultivate Conscience

A key starting point in ensuring that we are always guided by our conscience is to constantly **assess our thoughts, perceptions, ideas and emotions**. Necsoi and colleagues argue that this can be done through developing a **self-reflective conscience**. The purpose of self-reflective conscience is to enable us to understand and adapt to our internal conditions, e.g. emotion and elation, as well as to external conditions. This involves making reflection a part of the process of maintaining and nurturing our conscience. Three elements need to be present during this self-reflection process. The first is being able to engage in **critical self-assessment**. The second is **curiosity**. The third is acceptance of **uncertainty**.

Critical self-assessment is necessary to enable us to understand ourselves. It involves reflecting on our strengths, limitations, vulnerabilities and accepting that we may sometimes not understand an issue well enough. **Critical self-assessment** prompts us to think and question ourselves. People do this to understand their own thinking and emotions. Accounts of various prophets in the Bible and the Quran show that even prophets were engaged in critical self-assessment. Sometimes this critical self-assessment involves facing one's own doubts and uncertainties.

The Bible mentions how Moses was told to throw his staff during his confrontation with Pharaoh. The staff turned into a serpent and attacked the snake thrown by Pharaoh's

sorcerers. In spite of knowing that it was God's power that turned the staff into a serpent, Moses was mentioned in the book of Exodus as having retreated backward because he was shaken by what he saw. Moses had his doubts in spite of his stature as a prophet.

The Quran mentions in the chapter Al Baqarah verse 260 of an incident where the prophet Abraham asked God how He creates life and death. God then asks Abraham whether he does not have faith. Abraham answered that he asked the question in order to make his faith stronger. Both Moses and Abraham did not let their high status as prophets inflate their ego and prevent them from thinking about their shortcomings and limitations. They were **critical of themselves**.

The writer Leslie Hazelton made a similar observation about how Prophet Muhammad reacted after receiving revelation. Instead of feeling jubilant and euphoric, the Prophet was overcome with fear and uncertainty. Hazelton's account is consistent with the account given by Muslim historians about Prophet Muhammad's condition after revelation. Prophet Muhammad had to be assured by his wife Khadijah that he had just been chosen by God. It shows that it is normal to feel unsure as one reflects on the unusual situation one faces. This is because critical self-assessment inevitably involves asking whether one can be mistaken. On the other hand, blind certainty and overconfidence can easily develop into **hubris**. And hubris can cause us to lead based on our ego instead of our conscience.

The exercise of leadership, especially at senior levels, involves dealing with problems that are complex. Good leaders understand that decision making is a learning process. It often involves **incremental learning**. However, not everyone embraces learning easily. Learning happens when someone is **curious and has the desire to know more**. It is less likely to happen when someone believes she knows the answers to all problems.

Curiosity can drive someone to keep on striving for a better solution than the one already known. Nobel Prize winners like Nelson Mandela, Mohammad Yunus and Tawakkul Karman all believed that things can be better in their respective societies. That's what drove them to persist in their efforts. **They do not accept that poverty is an inevitable consequence of development or that destruction of the environment is necessary to sustain economic growth or that civil rights have to be compromised to maintain stability.**

Instead, their curiosity spurred them to look for solutions on how to have equitable development. The **voice in them** kept on telling them that there has to be a way to fight poverty, protect the environment and fight for civil rights and social justice. Maintaining things the way they were was not good enough for these leaders. **Their conscience wept at the tragedies around them and made them determined to lead change.**

Inevitably, dealing with problems with considerable novelty creates **uncertainty**. Solving complex problems are usually not a straightforward process. Leaders never have perfect information and the reality they face is not stagnant. Even when there is a lot of information available, our ability to accept and process this information is limited. This is a phenomenon cognitive theorist term as **bounded rationality**.

As a result, leaders may also face uncertainty when they explore alternative solutions. Leading with conscience requires accepting that **uncertainty is a part of the learning and decision making process**. Leaders have to be comfortable dealing with uncertainty for it is uncertainty that triggers curiosity and the search for creative answers. On the other hand, leaders who are overconfident and certain of themselves will not even stop to reflect and thus are more likely to make mistakes. We become better by accepting that we do not always know everything and that uncertainty is good in stimulating our curiosity.

The trinity of **critical self-assessment, curiosity** and **uncertainty** is what makes us learn continuously and keeps us **guided by our moral compass**. With critical self-assessment, we are more likely to reflect on our shortcomings. Coupled with curiosity, we are more likely to search for ideas for improving ourselves and others. This creative exercise will inevitably involve some uncertainty as we explore options and possibilities. Accepting uncertainty enables us to navigate through a myriad of ideas and consider each of them.

Having these three qualities will ensure that we constantly double check the bearing of our moral compass to ensure we do not get derailed. On the other hand, managerial hubris happens when leaders become overconfident with their decisions and close their minds to the possibility that they may be wrong. This applies to decisions about business opportunities, about a person's abilities and on the appropriate thing to do during challenging situations. Leaders start believing in their own invincibility and that they have absolute power. The natural consequence of absolute power is absolute corruption.

## 1. Closing

Talking about being environmentally friendly and embracing sustainable goals can easily become platitudes that reflects the fad of the day in business. This is more likely to happen when leaders are more concerned with being politically correct or doing the socially desirable just for the sake of managing impressions. This is bound to happen when leaders are not guided by their conscience.

I am sure the distinguished audience before me here are truly committed to the ideas and ideals in pursuing sustainable development goals. This commitment must be reflected in how we lead and the signals we send to others, especially our own employees, about our commitment to sustainable development goals.

This commitment must be rooted in our conscience. Leading with conscience must be **cultivated into our persons and our collective identity, values and norms**. As the writer Lynn Serafin pointed out:

*“Leadership without values is tyranny”.*

When leaders are not guided by values, they will not have any compunction about trampling on the boundaries of decency.

We should not wait for regulations and rules from government to be coerced into action. After all, it is our children who will inherit this earth. How could anyone’s conscience be unaffected if they know they are leaving an **unliveable earth to their children and grandchildren?**

Let us **lead with conscience**, let us be **guided by our conscience**, let us listen to that **voice in our hearts** to do better.

I thank you for your patience in listening to this address. I end my speech this morning by declaring the ASEAN Corporate Responsibility And Sustainability Summit 2018 hereby officially open.

© Hak Cipta © 2018, Jabatan Perdana Menteri

Source: <http://tpm.jpm.gov.my/tpm/ms/node/57>