

## FRANK REFLECTIONS ON ENHANCING ORGANISATIONAL CULTURE

“No one wakes up in the morning excited to go to work and look ignorant, incompetent or disruptive. In fact, most of us want to look smart, capable or helpful in the eyes of others.” But then, what if the organisational culture does not encourage you to freely express your ideas, question traditional or deep-rooted views or be open about your mistakes, with no fear of retribution?

“The problem with sitting on our hands and staying within the lines rather than speaking up is that although these behaviours keep us personally safe, they can make us underperform and become dissatisfied. They can also put the organisation at risk.” In fact, such an environment is more likely to lead to dangerous silence, which is when people who can foresee impending risks choose not to speak up because of fear that they might be called out or punished.

These observations are from a book titled *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth* by Amy C Edmondson. This is a book that Dr Ngao Motsei, a leadership and psychological safety consultant, referenced during her presentation at the beginning of the Culture Cultivated: Ethics, Leadership and Workplace Wellbeing webinar hosted by the Independent Regulatory Board for Auditors in August 2025. She was speaking on why psychological safety and leader behaviour matter within organisations.

“Psychological safety is a shared belief that it is safe for everybody to speak up and even criticise without fear of repercussions. If that environment exists, it enables candour, learning and intelligent risk-taking,” she explained. What needs to be noted, though, is that this is not about being “nice” and lowering the standards. People still have to be held accountable, but the difference is the manner in which that is done because psychological safety champions high standards, high respect and caring personally. Research has actually found that where psychological safety exists, there are high performing teams.



IF STRATEGY IS THE  
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TERRAIN THAT YOU  
WALK ON. THIS IS WHY  
IT MATTERS.

Dr Motsei

“There is nothing as discouraging as saying people must speak up and when they do, you do not do anything about whatever issues they raised,” she emphasised. That type of environment becomes fertile breeding ground for absolute silence because people find that easy to manage.

Clearly, psychological safety is critical for nurturing a culture of wellbeing, high performance, innovation, faster learning, problem solving and inclusive decision-making. Its other benefits are better engagement and the retention of not just key talent within the organisation, but also clients.

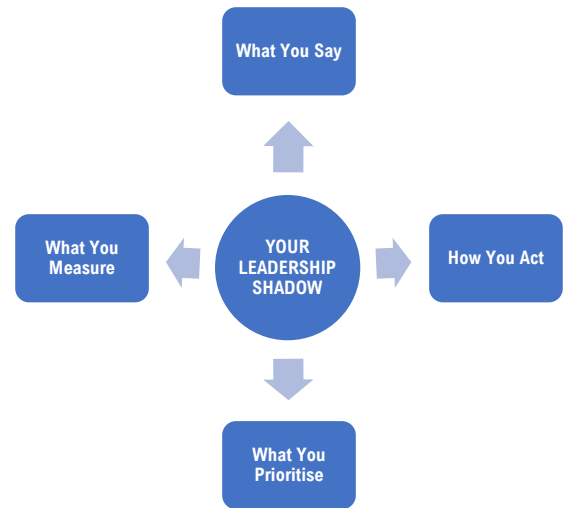
### Purposeful Leadership

While transparency and accountability are key determiners of ethical leadership, another crucial factor that leaders have to be cognisant of is the need to appreciate the impact of their decisions and actions on others. “That maybe your colleague sitting next to you, a client or broader society. So, where you see a negative impact [of your decisions or actions], take active steps to mitigate that,” Dr Johan Erasmus, Chief Ethics Officer at Deloitte Africa, advised.

When a leader proactively works on making the identified negative impact as small as possible, that demonstrates ethical leadership. “If you lead ethically, you lead with purpose; and purpose culminates into meaningful work – and if we do meaningful work, we create balance and wellbeing,” he indicated.

Another major factor when it comes to establishing ethical leadership is leading by example and equipping others to be intentional about contributing towards building a stronger and ethical organisational culture. But how do you lay the foundation?

“There are lots of little decisions that come up daily in various interactions and it is in those [situations] that we decide to do the right thing. The lowest level of ethical conduct that you do sets the bar,” Helouise Burger, Country Risk Manager at Forvis Mazars South Africa, pointed out. Essentially, when it comes to leadership, role-modelling becomes a non-negotiable because people tend to copy what leaders do, not just what they say – a concept that Dr Motsei referred to as casting a leadership shadow.




Most times, however, people think of leaders as just those who are in top leadership, as Itumeleng Ramoganyaka, Chief Risk Officer at Zeda Limited and the panel moderator, pointed out. “We fail to recognise that every single person, at various levels, that leads people, an audit or any kind of assignment actually fulfils a leadership role.” That then makes creating an ethical culture a shared responsibility.

### Culture and Audit Quality

“What happens within audit, accounting and professional services firms matters. When accountants and auditors do their jobs well, society benefits. When they do their jobs badly, society pays the price,” Dr Schalk Engelbrecht, Chief Ethics Officer at KPMG South Africa, emphatically stated.

In fact, when auditors are called to task – as a profession, firms or individuals – it is often not about whether they are using the right effective tools or regarding the numbers on which they express their opinions, as Solly Segooa, Chief Risk Officer at the Auditor-General South Africa, observed. Rather, it is usually about whether they carried out the audit being questioned with the highest level of integrity, while displaying the ethical posture needed and expected of them.

“What is important with our profession is that the value that we bring is inextricably merged to the integrity and the ethics through which we carry ourselves. You cannot divorce the two. As soon as one is in question, we have no product to talk about,” he cautioned.



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Dr Engelbrecht

With that in mind, there are various ways in which leaders can be instrumental in driving an ethical culture and behaviour within their organisations, to help promote audit quality. These include leadership role-modelling; creating space that gives people the comfort to report; openness to new ideas and dissent; respectful treatment; and recognising ethical conduct.

In addition, research shows that there are parallels between a sound ethical culture and reduced audit quality acts, such as relying on a client’s control, not following up on questionable items and, in the worst cases, premature sign-off on an audit. A strong ethical culture also

supports moral courage, which then gives people the confidence to challenge clients and colleagues that are acting inappropriately.

## Navigating the Reality on the Ground

The dominance of commerciality in the current environment and how firms balance that with staying ethically responsible are some of the challenges that cannot be overlooked. Basically, the reality is that leaders have the greater responsibility of identifying means and ways that will ensure the sustainability of their organisations. But in doing so, they may have to contend with situations that include the following:

- Socio-economic conditions that can create a vulnerable environment, leading to pressure to look elsewhere to supplement income.
- Going for the big client, which may be an easy option for today, even if that could jeopardise the future.
- Pressure when it comes to issuing qualified opinions that might attract public attention.
- High demands on audit teams, with lots of work and strict deadlines, leading to stress and burnout.
- Stakeholders and a public with higher expectations, while regulations are also becoming more complex.

As such, there has to be greater awareness on what decisions and actions could compromise integrity and ethics. More importantly, it should always be remembered that sophisticated crimes thrive when there is a breakdown of ethics.

To add to the mix of challenges, the rapidly evolving world of technology has introduced a new set of realities when it comes to ethical behaviour. So, leaders need to not only understand and underscore these, but also set clear guidelines, as highlighted below, on how to ethically traverse this terrain.

- The workplace has been extended exponentially – it is no longer just the physical space, but a hybrid setting that now includes the virtual environment.
- How people use social media has an impact on the reputation of both the individual user and their firm.
- Personal capacity is no longer separate from organisational capacity. Individuals always represent their firms and the profession.
- Ethical codes extend beyond the professional space, meaning no one can choose when to, or not, be ethical.

In summary, fostering an environment of communication and support needs to be an organisational priority, as that gives people the confidence to execute on what they know is the right thing to do. Always keep in mind that nothing discourages people from doing the right thing as much as seeing someone who acted improperly get away with it.

A video recording of the webinar and the presenters' slides are available on the [IRBA website](#).

### PRACTICAL TAKEAWAYS

- Pressure is never a licence for unethical conduct.
- Do everything to guard against what might threaten your integrity.
- Ethics is doing the right thing, even when it is incredibly hard to do so.
- Doing the right thing is always the right thing to do; it is not a choice.
- It is the small behaviours that gradually culminate into a strong ethical culture.
- As a leader, accept that you will be scrutinised on a higher degree because people expect a certain level of behaviour from you.