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Our own worst enemies – the chase for global rankings

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Next year will be the 20th anniversary of the *African Journal of Business Ethics*. As a journal, our focus is, and always has been, publishing scholarly research about business ethics *in Africa*. In this regard, unlike many of our so-called 'international' counterparts, we will never reject a manuscript which presents findings from some part of Africa with the line: 'Unfortunately, your results lack global relevance'. As Eccles (2021:7) put it:

> …we will be a journal that absolutely celebrates stories from Africa, about Africa, and about Africa in relation to the rest of the world. We will do this for no other reason than that we are infinitely curious about the richness of experience inherent in the diversity of our continent and her people.

In this regard, we have taken the conscious decision to politely refuse the pressures of internationalisation which often compel journals in "selecting manuscripts oriented to debates of interest to the academic communities of Europe and the USA" (Collyer, 2018:63). In spite of this, the Journal is listed on the International Bibliography of the Social Sciences (IBSS). And to add benefits onto benefits, we are an open access journal which doesn't really charge any significant page fees. We are able to avoid the author-pays *and* the reader-pays traps because the journal owner, the Business Ethics Network of Africa, has to date covered the publication fees for the journal. However, despite all of these virtues, as we approach our 20th anniversary, we find ourselves facing a challenge. We are struggling to get enough high-quality manuscripts. Really struggling! In fact, over the past year, we received just 65 submissions and we had an 88% rejection rate. The arithmetic of this is not good.

1. Article quality?

But why is this? Well, we could zoom in on the low quality of manuscripts submitted. This would, technically, not be incorrect. We do indeed face all of the usual quality issues. For instance, it is a relatively common occurrence to receive manuscripts from authors who simply do not bother to check the journal scope before submitting. We are really never going to publish general surgery manuscripts or manuscripts considering general HR or marketing strategies in the USA or Bangladesh. There is also the latest scourge: manuscripts generated by artificial intelligence (AI). Up until this year, we had been going along minding our own business, blissfully ignorant of this looming crisis in human evolution (or regression). Then, all at once, we were 'bombed' with six papers from a single author. All of the paragraphs in all of the papers were the same length. There were no typos. They all, more or less, regurgitated "common sense" (Chomsky & Waterstone, 2021:1). So, of course, it was inevitable that when we pushed them through an AI detection app, they came back as almost completely AI generated.

Once we move into the terrain of 'legitimate' submissions (in terms of scope and authenticity), the biggest chunk of submissions that we receive tend to be, what we refer to internally, as the mini-dissertation papers. These papers have all of the hallmarks of mini-dissertations from coursework, master's degrees, or possibly even honours research projects. How can we tell? Well, the biggest clue lies in the introductory parts of the manuscripts preceding the methods. Now, the norm in many academic fields is that the introductory section in a paper will comprise a single reasonably compact 'Introduction', which really includes just enough coverage of the literature to justify the study and to outline any theoretical frameworks upon which the study rests. In some instances, there might be a tendency to split this into sections, namely an introduction and a section on the theoretical grounding of the paper. In contrast, mini-dissertations tend to have two whole introductory chapters, an 'Introduction' and a 'Literature Review'. In turn, each of these tend to be divided into a series of sub-sections.

So, when we receive a manuscript which has an Introduction, Background, Problem Statement, Aims, Objectives, Research Questions, Hypotheses, Limitations, Literature Review, and Theoretical Review, and where these sections take up 25 pages of a 30-page manuscript, we have a mini dissertation manuscript. And 97 times out of 100, the quality of these manuscripts and the underlying work mirrors the fact that the authors have simply not read enough academic literature to know the difference between a mini-dissertation and an academic article.

Of course, we never just reject these mini-dissertation manuscripts outright. Where there is any glimmer, whatsoever, of a potentially interesting paper in these, we will as editors always dedicate a significant amount of time to provide detailed guidance to the authors and invite them to revise and resubmit. This is our developmental contribution. Unfortunately, our 88% rejection rate is in spite of these developmental efforts. In short, it is really a very rare pleasure that we read a manuscript and think, "Wow! Getting this one into a volume is going to be a walk in the park". With all of this being said, we have come to realise that focusing on these manuscript quality issues is actually focusing on symptoms rather than structural causes. The question we need to ask ourselves is why the *African Journal of Business Ethics*, which, as already discussed, has so much going for it, receives so few manuscripts? Particularly, why do so few of the manuscripts we receive come from experienced emerging scholars, established scholars, or the rock-star scholars of this continent?

2. 'Top' journals (Collyer, 2018:59)

The first layer of the answer to this is quite simple, really. Experienced emerging scholars, established scholars, and rock-star scholars from Africa writing about business ethics will, for the most part, first try their luck publishing their work in 'renowned' journals with high impact factors. So, journals such as the *Journal of Business Ethics*, with its 'impressive' impact factor of 5.9 and an even more 'impressive' five-year impact factor of 8.0, tends to be the first port of call for many.

If their manuscripts are rejected by these, they will systematically move down through the journal citation ranks, focusing on so-called 'international journals' until they eventually reach the *African Journal of Business Ethics*. That is if they reach us at all. Many will simply cut their losses on manuscripts rejected by 'renowned' journals and move on to the next manuscript in the pipeline which promises some prospect of getting into one of the 'renowned' journals. How do we know this? For starters, we have played this very game ourselves in the past. But besides this, the phenomenon has been documented. For example, Zell (2024:1) has noted that African journals, and generally journals in the developing world, "face many challenges in becoming known and respected in the international research landscape". Or as Collyer (2018:59) put it, academic progress "requires publishing in the 'top' journals".

Of course, publishing in these 'international' journals has implications in terms of the type of research that gets done by African scholars. One needs to look no further than the countries in which the editors-in-chief and section editors of the *Journal of Business Ethics* reside (Table 1) to appreciate which 'international' curiosities are likely to prevail. At the time that this editorial was published, only six out of 76 editors came from the Global South. Not a single one came from Africa. In the 115-member editorial board, there were just two Africans, both from South Africa.

Table 1: Country of origin of editors-in-chief and section editors for the *Journal of Business Ethics*

Country	Editors
Canada	12
UK	12
USA	11
Australia*	7
France	7
Netherlands	6
Spain	4

Country	Editors
India	3
China	2
Denmark	2
Germany	2
Switzerland	2
Austria	1
Iran	1
Lebanon	1
Norway	1
Singapore	1
Sweden	1
Total Global North	70
Total Global South	6
* We have labelled Australia as part of the Global North based on its developmental status despite its geographic location.	

3. Chasing fame?

But there are more layers of 'why?' to this problem. The next layer is concerned with why it is that African scholars will prefer to run the gauntlet of the Global North curiosity, and often suffer the indignity of having their work branded as parochial or not 'globally relevant' when there are African journals that *want to* publish African scholarly work. This is, in part, no doubt driven precisely by the 'impressive' impact factors of the so-called 'international' journals and the ambitions of academics themselves to achieve scholarly fame that is, largely, accomplished through the accrual of citations. Under the positivist obsession with measuring everything, this fame is quantified in all sorts of indices – h-index, i10-index, etc.

This does introduce a bit of a vicious, or positive feedback, cycle. To pander to the curiosities of the Global North in pursuit of fame, African scholars will inevitably tend to read the so-called 'international' journals in search of scholarly (or is it hegemonic?) guidance. From this, it follows that they will then tend to cite papers from these so-called 'international' journals. Which means that the journal impact factors of these journals will become even more 'impressive' through a subsidy from African scholars and Global South scholars. Collyer (2018) also noted this citation bias.

4. Our own worst enemies – university rankings

But still, there is more to this story than the individual pursuit of personal scholarly fame. Firstly, fame is a socially constructed state. Secondly, fame's twin is fortune, and fortune is granted through institutional arrangements of incentives. This really brings us to the main axe that we want to grind in this little editorial – our intense dislike of university rankings. These were not mentioned in Collyer's (2018) study of north/south publishing patterns. But in our experience, their influence cannot be overlooked.

Here is how this plays out. Under the neo-liberal competitive impulse which has engulfed the world, African universities have been swept up in a university ranking and rating frenzy. Certainly, in the universities which we have contact with, seldom will a university council or senate meeting or university news update go by without the university celebrating improving by two places here or bemoaning deteriorating by five places there in some or other 'global' ranking system (Figure 1). This wild ranking frenzy is complete with all manner of manipulations and misrepresentations. One will commonly hear universities shouting that they have been "RANKED 2ND IN XYZ RANKING" with a tiny subtext "second in Africa". If the subtext appears at all.

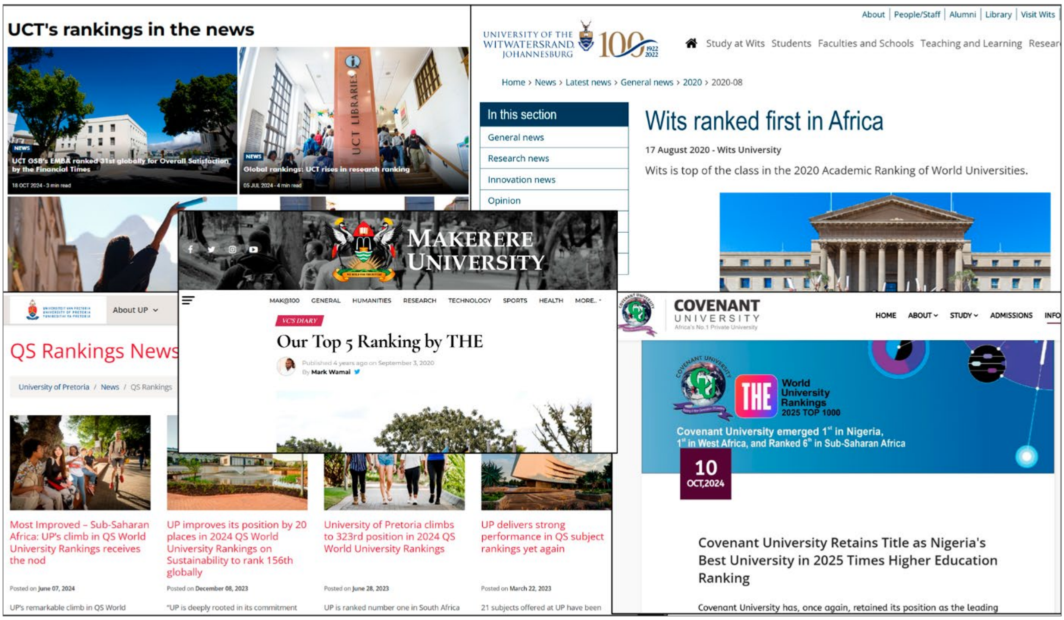

Figure 1: Collage of university ranking news flashes from a few African universities

It seems that the minds of otherwise brilliant and critical people who lead and manage Africa's universities are absolutely defenceless in the face of the stupid 'rationality' that these rankings are based on. Yes, we said it. This really is stupidity. And here is why. Just look at Tables 2 and 3 below. Table 2 shows the top 10 universities in the 2025 Times Higher Education (THE) ranking together with a selection of some of the more famous sub-Saharan African universities. To this, we added the latest reported annual expenditures that we could find for each of these universities for a little perspective.

Table 2: Times Higher Education (THE) top ten universities plus a few notable sub-Saharan African universities

THE rank	Name	Operating expenses (USD billion)*	No. of FTE students	THE estimated overall score**	Score per dollar
1	University of Oxford	3.35	22 095	98.5	29.4
2	Massachusetts Institute of Technology	4.09	11 836	98.0	24.0
3	Harvard University	5.91	22 584	97.9	16.6
4	Princeton University	2.50	8 378	97.5	39.0
5	University of Cambridge	2.99	20 980	97.5	32.6
6	Stanford University	16.05***	16 963	97.2	6.1
7	California Institute of Technology	3.30	2 397	96.2	29.2
8	University of California, Berkeley	3.80	42 423	94.5	24.9
9	Imperial College London	3.80	21 000	94.5	24.9
10	Yale University	5.42	14 401	94.3	17.4
180	University of Cape Town	0.47	21 021	59.1	125.8
301-350	University of the Witwatersrand	0.60	27 765	51.9	86.4
601-800	University of Pretoria	0.45	41 583	42.4	94.2
801-1000	Covenant University	0.04	8 362	34.6	961.6
1201-1500	Makerere University	0.10	33 788	27.3	272.8
1501+	Muhimbili University of Health and Allied Sciences	0.03	4 157	22.4	748.3

* Operating expenses were extracted from the latest available financial statements for the respective universities. For the most part, these were 2023 figures.

** The THE scores were estimated based on the weightings of Teaching 30 : Research environment 30 : Research quality 30 : Industry 2.5 : International outlook 7.5. This was done because the overall scores were not available from most of the African universities. Only slight variations existed between actual scores where these existed and estimated scores.

*** The operating expenses for Stanford University seemed unusually high. However, this was double-checked.

In Table 3, we re-ranked the universities from Table 2 using the THE score adjusted to compensate for differences in annual expenditure. In effect, we suppose that this is an economic efficiency measure. What we see here is a complete inversion of the ranking. And not surprisingly so. Looking at this from a different perspective, South Africa, which at the time of writing was once again the largest economy in Africa, had a state higher education budget of ZAR137.5 billion or about US$7.8 billion in 2024 (Republic of South Africa, 2024). This national higher education budget supports 26 public universities and about 50 technical and vocational training colleges. The total budget is only slightly higher than the average annual expenditure for each of the top 10 THE ranked universities, which sat at US $5.1 billion. In Nigeria, sub-Saharan Africa's second-biggest economy at the time of writing, the situation is even worse. Education *as a whole* was allocated 7.9% of the country's ₦27.5 trillion budget. This translates to about US$1.3 billion, significantly less than any of the annual expenditures for any of the top 10 THE ranked universities. And this budget covers both basic and higher education!

Based on the assumption that expenditure translates into resources, it is very unclear to us why any reasonable person or institution would actively embrace participation in a 'competition' where the game is as heavily stacked against you as they are in the university rankings game. The annual expenditures of the top-ranked universities in the world are just so far in excess of those of African universities that comparing their performance is, well, unintelligent.[1]

Table 3: New Times Higher Education (THE) university rankings adjusted for annual operating expenses

THE Rank	Name	Operating expenses (USD billion)*	No. of FTE Students	THE Estimated overall score**	Score per dollar
801-1000	Covenant University	0.04	8 362	34.6	961.6
1501+	Muhimbili University of Health and Allied Sciences	0.03	4 157	22.4	748.3
1201-1500	Makerere University	0.10	33 788	27.3	272.8
180	University of Cape Town	0.47	21 021	59.1	125.8
601-800	University of Pretoria	0.45	41 583	42.4	94.2
301-350	University of the Witwatersrand	0.60	27 765	51.9	86.4
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1	University of Oxford	3.35	22 095	98.5	29.4
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9	Imperial College London	3.80	21 000	94.5	24.9
2	Massachusetts Institute of Technology	4.09	11 836	98.0	24.0
10	Yale University	5.42	14 401	94.3	17.4

1 One final indication of how nonsensical these rankings are. Try and find a Cuban university in these rankings. If you find any below the 1500+ category in any of the major rankings, we will be very surprised. Then go and count the number of doctors trained in Cuban universities who are treating people across Africa. You can compare this to the number of doctors from, for example, the top 21 ranked universities in the world. There are apparently 21 medical schools in Cuba.

THE Rank	Name	Operating expenses (USD billion)*	No. of FTE Students	THE Estimated overall score**	Score per dollar
3	Harvard University	5.91	22 584	97.9	16.6
6	Stanford University	16.05***	16 963	97.2	6.1

* Operating expenses were extracted from the latest available financial statements for the respective universities. For the most part these were 2023 figures.

** The THE scores were estimated based on the weightings of Teaching 30: Research environment 30: Research quality 30: Industry 2.5: International outlook 7.5. This was done because the overall scores were not available from most of the African universities.

*** The operating expenses for Stanford University seemed unusually high. This was, yet again, double-checked.

Of course, we are not the first ones to draw attention to the lack of logic pervading this game. In the South African context, one public university – Rhodes University – has offered some leadership in this regard, formally refusing to participate in any such rankings.[2] Besides emphasising the poor science involved in the assembly of all of the ranking systems (including those that purportedly focus on emerging economies or sub-Saharan Africa), Mckenna (2022) and Mjekula (2024) also note the profoundly neo-colonial impact of these rankings. Specifically, they have emphasised how these global rankings encourage publication "by publishing houses in the Global North" (Mjekula, 2024).

This is a key element of our little problem as the *African Journal of Business Ethics.* Here is the whole argument:

> **P1:** African universities appear to have lost good sense where university rankings are concerned, and pursue improved positions with irrational fervour.
>
> **P2:** 'Research quality' or 'research impact', typically measured on the basis of citations, is a key variable in all university rankings.
>
> **Conclusion:** Therefore, African universities zealously incentivise publication in 'international journals' with 'impressive' impact factors.

The corollary to this is that African journals, which one hopes treat African scholars and their work with appropriate respect, are relegated to places where junior postgraduate students submit their mini-dissertations (now that submitting a paper to a journal has become one of the key criteria for graduation, for several qualifications). It is, really, just as simple as that.

2 https://www.ru.ac.za/latestnews/rhodesuniversityreaffirmsitsrejectionofscientificallydubiousuniversityr-1.html

5. So where does this leave us?

Well, as far as the *African Journal of Business Ethics* is concerned, it really leaves us with an appeal more than anything to vice-chancellors and deputy vice-chancellors responsible for research in African universities: please stop selling our continent into intellectual slavery by incentivising the continent's best scholars to publish in 'international' journals simply because this is what university rankings (that are in desperate need of reformulation, or inversion at the very least) measure. Please, can we stop being our own worst enemies? Beyond this, all we can say is that we will continue to do what we do. We will continue to publish papers considering any aspect of business ethics, broadly defined, and related, in some way, to Africa. We will also continue to uphold high scholarly standards even if this means that we sustain an 88% rejection rate or, if need be, an even higher rejection rate.

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The role of workplace spirituality and spiritual leadership in promoting ethical behaviour in the South African small business environment

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Abstract

The rise of unethical leadership practices suggests a need to emphasise value-based workplaces and leadership, encompassing workplace spirituality and spiritual leadership. Most previous research focusing on ethical behaviour in the work context has been conducted with larger organisations. This study examines the influence of workplace spirituality and spiritual leadership on ethical behaviour within the small business context. A quantitative survey research design was employed. The final sample consisted of 385 employees of small, medium, and micro enterprises (SMMEs) in various industries in a central district of South Africa. Structural equation modelling was utilised during the data analysis process. The study revealed that workplace spirituality and spiritual leadership had a positive and statistically significant influence on ethical behaviour in SMMEs, and workplace spirituality mediates the relationship between spiritual leadership and ethical behaviour. The study extends on existing literature as this relationship has previously not been investigated in the African small business context. Also, the findings hold practical significance for small businesses struggling with unethical behaviours and leadership. The findings of the study imply that a culture of spirituality in the workplace enhances the impact of spiritual leadership in promoting ethical behaviour in the small business environment.

1. Introduction

Corporate scandals, unethical behaviour, and corruption of business leaders represent a global pandemic (Antunez et al., 2024; Manara et al., 2020). These concerns have also been observed in South Africa among business and political leaders (Scherrer, 2019). African business leaders often find themselves in challenging situations where unethical practices, such as nepotism, disregard for punctuality and appointments, cults of leadership, complacency, bribery, fraud, and kickbacks, are regarded as cultural elements ingrained in the value system (Agbim et al., 2013). These deviant leadership behaviours are experienced and observed by employees, shaping their perception of organisational functioning and ultimately influencing their own behaviour (Koys & DeCotiis, 1991). Furthermore, the perception of positive leadership behaviour is crucial for creating empowering work environments for employees (Bester et al., 2015). The question that arises is whether this is true in a small business environment as most of the previous research has focused on large corporations.

With the rise of unethical leadership practices, respect and trust in corporate governance have declined (Antunez et al., 2024), leading to increased scrutiny of contemporary leadership legitimacy. Unethical behaviour often stems from self-centredness, greed, egocentrism, and selfish motivations (Pawar, 2009), which promote unethical behaviour (Belle & Cantarelli, 2017). To counteract such behaviour, it is suggested that spiritually infused workplaces should be created in which leadership upholds spiritual values, such as meaningful work, interconnectedness, respect, trust, and benevolence (Mhatre & Mehta, 2023). Furthermore, organisations are becoming more concerned with value-based and spiritual leadership to address issues such as trust, moral ambiguity, and workplace inclusivity (Oh & Wang, 2020). Therefore, it is argued that spiritual workplaces, created through spiritual leadership, have the potential to mitigate unethical behaviour to a significant extent (Van der Walt, 2019). However, despite this argument, this relationship in the context of African small business has not previously been established in empirical research.

While large organisations often receive the most attention regarding unethical behaviour, it is worth noting that smaller enterprises are particularly vulnerable to ethical misconduct due to their lack of necessary skills, professional advice, handling of funds, strategic information, business relationships, and networks to implement ethical practices (Turyakira, 2018). This is concerning considering the pivotal role that small, medium, and macro enterprises (SMMEs) play in driving economic growth and job creation in developing countries such as South Africa (Dhanah, 2016). It is estimated that South African SMMEs employ 47% of the workforce, pay 6% of corporate tax, and contribute 20% to the country’s GDP (Liedtke, 2019). Despite the national importance of SMMEs, many challenges inhibit their effectiveness and growth, such as inadequate business support services, selective implementation of regulations, corruption, human resources issues, and financial resources (Nkwinika & Muzhedzi, 2016). These and other challenges are directly and indirectly affecting employees and as a result, employees have become dispirited, as is evidenced in rising absenteeism, low morale, and average performance, which makes it more difficult for organisations to reach a competitive edge in this dynamic global marketplace (Naidoo, 2014). This statement is confirmed by Trevino (2018), who regards dispirited employees as an organisational risk since they may be prone to engage in unethical behaviour.

Several empirical studies have been conducted on workplace spirituality and spiritual leadership and they have found it is significantly related to organisational effectiveness (Karakas, 2010), commitment (Garg, 2018; Scott & Tweed, 2016), satisfaction (Hassan et al., 2016; Van der Walt & De Klerk, 2014), employee performance (Malik et al., 2017), ethical and spiritual motivation (Guillen et al., 2015), and productivity (Scott & Tweed, 2016).

However, as far as it could be established, these mentioned empirical studies have not been conducted within the small business context. They also have not considered the role of spiritual leadership in promoting ethical behaviour within the South African context. In addition, there is a call for more empirical research on behaviour outcomes, as most previous studies investigated spiritual leadership in relation to attitudinal outcomes (Oh & Wang, 2020). Anane (2015) and Fry and Cohen (2009) assert that further scholarly research regarding spiritual leadership is needed.

Demoralised workers often engage in toxic and unethical behaviour. Therefore, to promote ethical behaviour in the workplace, it might be necessary to consider creating spiritually-based organisations that focus on the work experience rather than solely on work outcomes (Van der Walt, 2018). The need for further academic investigation of ethics in the context of SMMEs is noted by various scholars (Dutta & Banerjee, 2011; Rambe & Ndofirepi, 2017; Van Wyk & Venter, 2022). Furthermore, the scarcity of organisational perspectives on workplace spirituality within the context of SMMEs is noted (Van Der Walt, 2018). Therefore, the purpose of this research study is to examine the influence of workplace spirituality and spiritual leadership on ethical behaviour within the small business context. This was established by conducting quantitative research and employing structural equation modelling.

2. Literature review

2.1 Theoretical framework

Positive psychology theory guides the theoretical approach of this study. 'Positive psychology' is viewed as an umbrella term for research in three areas: (i) positive organisational psychology, (ii) positive organisational behaviour, and (iii) positive organisational scholarship (Donaldson et al., 2019). This study is mainly concerned with positive organisational psychology, which is defined as "the scientific study of positive subjective experiences and traits in the workplace and positive organizations, and its application to improve the effectiveness and quality of life in organizations" (Donaldson & Ko, 2010:178). Workplace spirituality is regarded as an emerging domain in the field of positive psychology because of the effect and influence it has on positive organisational outcomes (Binu Raj et al., 2023). Furthermore, research found that individual and organisational factors promote ethical behaviour (Geeta et al., 2016). Thus, it seems appropriate to establish the influence of workplace spirituality (i.e., an organisational factor) and spiritual leadership (i.e., an individual factor) on ethical behaviour to confirm and extend previous findings using this theoretical framework.

2.2 Ethical behaviour

The concept of ethics includes rules and principles that guide the conduct one has to observe within society and the philosophy thereof (Halis et al., 2007). In a diverse society such as South Africa, it is essential to acknowledge individual perceptual differences regarding what is ethical. This requires that various theories of ethics, such as consequentialism, deontology, justice ethics, and virtual ethics (Boshoff et al., 2014; Kaptein & Wempe, 2011), should be considered. For the purpose of this study, the focus is on business ethics (Ferrell et al., 2013).

Business ethics is considered from a normative perspective which relates to principles, values, and norms which guide organisational behaviour and decisions (Ferrell et al., 2019). The theory of normative ethics is concerned with whether actions are good or bad, right or wrong, virtuous or vicious, worthy of praise or blame, or worthy of a reward or punishment (Smith & Hasnas, 1999). Thus, normative ethics deals with what actions one ought to or ought not to perform (Morris et al., 2002). The theory of normative ethics relates to the moral standards and rules that govern employees' conduct in the internal (i.e., with their managers/owners and peers) and external world (i.e., customers, suppliers, investors, and government agencies) (Rambe & Ndofirepi, 2017). The scholars mention that the range includes among others, the safety of employees and stakeholders in the business context, honesty and trustworthiness in the distribution chain (from sourcing of raw materials to final disposal of product), socially acceptable marketing practices, and fair pricing to refrain from misrepresentation of the contents of products or constitution of services. Ethical conduct such as patience, courtesy, and humility towards customers and suppliers could be fundamental to effective SMME relationships with their stakeholders, particularly given the intimate and personal relations between them (Rambe & Ndofirepi, 2017).

2.3 Spiritual leadership

The leading expert and prominent researcher in the field of spiritual leadership theory is L.W. Fry (2003, 2005) (Vedula & Agrawal, 2024). The scholars noted that Fry (2003, 2005) made a commendable contribution to spiritual leadership theory and has gained significant attention among leadership researchers. Fry (2003) defines spiritual leadership as the beliefs, perspectives, and behaviours necessary to genuinely inspire oneself and others so that they feel they have a mission and community to which they belong. Furthermore, spiritual leadership implies the creation of a social/organisational culture based on unselfish love whereby leaders and staff members demonstrate genuine concern, love, and respect while developing a sense of belonging, understanding, and appreciation (Fry, 2003).

For the purpose of this study, spiritual leadership is operationally defined as "the values, attitudes, and behaviors that are necessary to intrinsically motivate one's self and others so they have a sense of spiritual survival through calling and membership" (Fry et al., 2005:838). The scholars propose spiritual leadership as a multi-dimensional construct consisting of dimensions such as vision, hope/faith, and altruistic love, which are related to the spiritual leader's attitude, values, and behaviours; meaning/calling and membership, which are related to followers' need for spiritual survival; and organisational commitment and productivity, which are regarded as organisational outcomes.

2.4 Workplace spirituality

Workplace spirituality is described as

> the spiritual nature of the organisation itself evidenced by spiritual organisational values and a culture that facilitates employees' experience and sense of being connected to others in a way that provides feelings of completeness and joy with the recognition of an inner life that nourishes and is nourished by meaningful work in the context of the work community. (Van der Walt & De Klerk, 2014:381)

This study adopted the operational definition of workplace spirituality as suggested by Ashmos and Duchon (2000:137), which states that workplace spirituality is"the recognition that employees have an inner life that nourishes and is nourished by meaningful work that takes place in the context of community". As suggested by this definition of workplace spirituality, the construct is multi-dimensional in nature consisting of dimensions such as meaning at work, inner life/self, and community or connectedness. Thus, workplace spirituality is considered from an individual and organisational perspective.

2.5 Hypothesis development

2.5.1 Spiritual leadership and workplace spirituality

The success of leadership is to a large extent dependent on the organisational culture that they create (Arif et al., 2019). The scholars refer to organisational culture as inclusive of patterns of beliefs and values. Spiritual leadership has a positive and significant influence on meaningful work, which is a core component of workplace spirituality (Widodo & Suryosukmono, 2021). Afsar and Rehman (2015) found a positive relationship between spiritual leadership and workplace spirituality for an Asian sample. Furthermore, Afsar and Rehman (2015) and Jufrizen et al. (2019) confirm that spiritual leadership has a positive and significant impact on workplace spirituality. Against this background, the following hypothesis (H) is formulated:

***H_1*: There is a positive statistically significant relationship between spiritual leadership and workplace spirituality in the small business setting.**

2.5.2 Spiritual leadership and ethical behaviour

A study conducted by Pio and Lengkong (2020) found that spiritual leadership has a statistically significant influence on ethical behaviour. An ethical, caring climate positively moderates the relationship between spiritual leadership and the autonomous motivation of employees (Zhu et al., 2022). The scholars state that the creation of an ethical, caring climate is important to positively influence employees' behaviour decisions, which is aligned with the notion of spiritual leadership which makes employees more receptive to their leaders' management and guidance.

However, both studies were conducted in an Asian context in large organisations, and as far as it could be established, this relationship has not been tested in an African small business setting. Against this background, the following hypothesis is formulated:

***H_2*: There is a positive statistically significant relationship between spiritual leadership and ethical behaviour in the small business setting.*

2.5.3 Workplace spirituality and ethical behaviour

Research has highlighted the connection between spirituality and ethics (Furnham, 1995; Gunther, 2001), with some authors contending that spirituality is an essential element of moral behaviour (Furnham, 1995; Gull & Doh, 2004). According to McGhee and Grant (2008), the relationship between spirituality and ethics is mediated by Aristotelian virtue. They contend that the aspects of spirituality, such as the inner life, sense of purpose, and sense of belonging to a community, serve as a model for norms (McGhee & Grant, 2008) which is the normative disposition that guides an individual's conduct and adjusts his or her motivation (Oakley & Cocking, 2001). Therefore, the following hypothesis is formulated:

***H_3*: Workplace spirituality has a positive statistically significant influence on ethical behaviour in the small business setting.*

2.5.4 Workplace spirituality, spiritual leadership, and ethical behaviour

Tecchio et al. (2016) assert that workplace spirituality includes values such as honesty, excellence orientation, and justice, which can also be regarded as moral and ethical values. Thus, if organisational leaders are spiritual and create spiritual workplaces, ethical behaviour will be influenced positively. Aligned with positive psychology theory, it is postulated that leaders could bring about positive employee behaviour through modelling. This implies that if spiritual leaders display spiritual values such as genuine concern, love, and respect, within an organisational context that is aligned with this type of leadership, positive employee behaviour, such as ethical behaviour, may be infused. Therefore, the following hypothesis is formulated:

***H_4*: Workplace spirituality mediates the relationship between spiritual leadership and ethical behaviour.*

Aligned with the developed hypotheses, the conceptual framework which guides the study is presented in Figure 1.

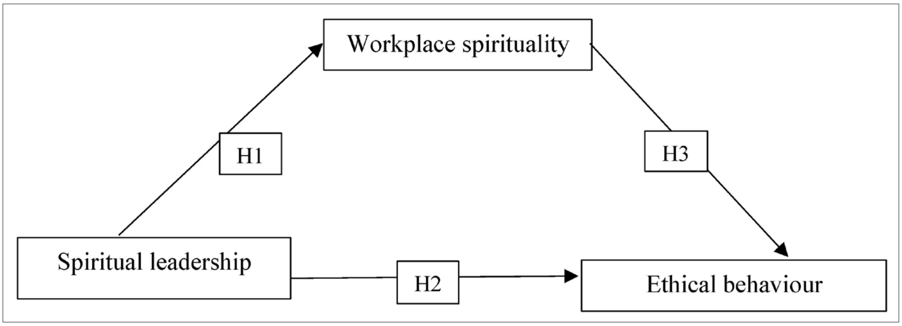

Figure 1: Conceptual framework of the study

3. Methodology

3.1 Method

A positivist research paradigm is adopted because the relationships between the constructs included in this study, namely workplace spirituality, spiritual leadership, and ethical behaviour, were measured objectively using quantitative research. The study evaluated whether workplace spirituality and spiritual leadership influence ethical behaviour in the work context of small businesses. As such, the study is descriptive and explanatory in nature (Saunders et al., 2016).

3.2 Data collection and sampling

The study was approved by the Faculty of Management Sciences Research and Innovation Committee at the Central University of Technology in South Africa, and ethical clearance was given to conduct the study. Entrepreneurs and small business owners were requested to participate in the study. Once permission was granted, ethical considerations such as informed consent, anonymity, and confidentiality were upheld.

A survey strategy that was cross-sectional in nature was deemed appropriate because this strategy is utilised when descriptive, explanatory, and causal research is undertaken (Babbie & Mouton, 2016; Saunders et al., 2016). Using convenience sampling, the final sample consisted of 385 individuals working at small businesses situated in the central region of South Africa. A total of 56% of the sample identified as men and 44% as women. In terms of age, the majority of the sample (60%), were 21 to 30 years old, followed by 22% of respondents in the age group 31 to 40 years, 12% were younger than 21 years, 4% between the ages of 41 and 50, and 2% were 51 years and older. Most of the respondents (72%) indicated that they had five years or less working experience, 19% had six to ten years of work experience, 8% had 11 to 15 years of work experience and 1% indicated that they had 16 years or more working experience. In terms of educational qualifications, most respondents indicated that they completed secondary school (54%) and the rest of the sample indicated that they studied further towards either a certificate, diploma, or degree qualification.

The study used a self-administered structured questionnaire to collect data. When constructing the questionnaire, the researcher ensured that questions were equally spread and that understandable language was used. The questionnaire was divided into four sections. In section A, demographical questions were posed to describe the sample. Section B consisted of 33 questions to measure spiritual leadership. The questions were developed using the Spiritual Leadership Questionnaire (SLQ) developed by Fry et al. (2005). A bibliometric analysis conducted by Vedula and Agrawal (2024) indicates that Fry's (2003, 2005) spiritual leadership theory is essential. Questions that were asked in this section are as follows: "I have faith in my organization's vision for its employees", "I always do my best in my work because I have faith in my organization and its leaders", and "The leaders in my organization walk the walk, and talk the talk".

In Section C, workplace spirituality was measured using an abridged version of the Spirituality At Work (SAW) questionnaire, developed by Ashmos and Duchon (2000). Similar to the SLQ, Ashmos and Duchon's (2000) article is regarded as essential in the field of workplace spirituality. The abridged version of the SAW questionnaire consisting of 21 questions was used. As was mentioned previously, workplace spirituality was only considered on individual and organisational levels, and as such an abridged version of the SAW was used. Questions that were asked in this section are as follows: "I believe others experience joy as a result of my work", "I see a connection between my work and the larger social good of my community", and "I consider myself a spiritual person".

In Section D, ethical behaviour was measured. An abridged version of an ethical behavioural scale developed by Van der Walt (2019) was used, consisting of ten questions. This questionnaire was chosen because it was usable in the South African context. Example questions included, "My decisions and actions are always in the best interest of society" and "I never share confidential information that has been entrusted to me". Statements were scored on a five-point Likert scale, with responses ranging from "strongly agree" (1) to "strongly disagree" (5).

Prior to distributing the final questionnaire, a pilot study was conducted to measure the initial reliability of the questionnaire and to ensure content validity. A total of 40 participants from the target population who were not included in the final sample were involved in the pilot project. Subject experts assessed whether the constructs included in the questionnaire were covered in a balanced manner, meaning that each component was adequately and similarly represented in the questions or items (Kumar, 2014). Data was collected once-off using a self-administered questionnaire. The research questionnaire was distributed electronically and manually to avoid the risk of low response rates associated with the electronic distribution of questionnaires (Saleh & Bista, 2017). For the manual completion of the questionnaire, the field workers visited small businesses that agreed to participate in the study. The owners and employees were requested to complete the research questionnaires. The field workers explained to the respondents what is expected of them, and then requested to collect the completed questionnaires three weeks after the distribution date at the central point. For online completion, a link was sent to business owners and employees who requested to complete the questionnaire online due to work and time constraints. Data collection was completed within a month.

3.3 Data analysis

SmartPLS version 4.0 (Ringle et al., 2024) was used to test the research hypotheses. SmartPLS is a variance-based structural equation modelling software that accounts for the total variance and uses the total variance to estimate parameters (Hair et al., 2019). To determine the impact of workplace spirituality and spiritual leadership on ethical behaviour, a multiple regression analysis was explicitly carried out. Multi-collinearity was considered to evaluate the mediated impact of workplace spirituality on the association between spiritual leadership and ethical behaviour (Hair Jr et al., 2016). The conceptual model tested in this study comprised two second-order reflective-reflective factors, and, as such, the model tested in this study can be described as a complex model as it comprises many constructs (Hair et al., 2019). According to Hair et al. (2019), PLS-SEM results are evaluated in two stages. Stage one evaluates the measurement model results and stage two evaluates the structural model results. In this study, the measurement model specification is reflective and not formative. In a reflective measurement model, the factors exist independently of the items and are not a combination of the items (Coltman et al., 2008).

The structural model comprised two second-order reflective-reflective constructs. To assess the reliability and validity of the second-order factors, the embedded two-stage process was used (Sarstedt et al., 2019). This process entails estimating latent variable scores by using the repeated indicator approach and then using the construct scores as indicators of the second-order factor. This process enables the assessment of the second-order factor measures using the principles outlined for assessing the first-order factors. After establishing that the measurement model is satisfactory, the PLS-SEM results were evaluated to assess the structural model. Based on Hair et al. (2019), the following PLS-SEM results were used to assess the structural model.

Firstly, Variance inflation factors (VIFs) were evaluated to assess the extent of collinearity biassing the regression results. The VIF should be close to 3.0 and lower. Secondly, R^2 of each endogenous construct was assessed to report the model's in-sample predictive accuracy. According to Kline (2015), a structural equation model (SEM), an endogenous construct, is a latent variable that is influenced by other variables in the model. The following guideline was used to interpret the R^2 values in a structural model – 0.75, 0.50 and 0.25 are considered substantial, moderate, and weak in-sample predictive power. Thirdly, the statistical significance and relevance of the path coefficient were assessed. In PLS-SEM, bootstrapping is used to calculate the *t*-statistic for the relationship, the p-value (two-tailed), and the confidence interval for the relationship. In this study, the bootstrap method was the percentile bootstrapping procedure, the bootstrap confidence interval was 95% and 10 000 subsamples were used (Guenther et al., 2023). The statistical significance of path coefficients was evaluated at $\alpha=0.05$ (two-tailed).

Mediation analysis using PLS-SEM entails assessing the statistical significance of each indirect effect and then the statistical significance between the exogenous and endogenous constructs using the 95% percentile confidence intervals using the bootstrapping routine (Mattews et al., 2018). Evidence of full mediation is when the direct effect is not statistically significant when including the mediation effect (also statistically significant). Partial mediation occurs when the direct effect is statistically significant when controlling for the mediation effect (also statistically significant).

4. Findings

4.1 Assessment of the measurement model

As was mentioned, the measurement model specification is reflective and not formative. In a reflective measurement model, the factors exist independently of the items and are not a combination of the items (Coltman et al., 2008). The initial assessment results indicated that 26 items had loadings less than 0.708. Two items had a loading of less than 0.4, and as suggested by Hair Jr et al. (2017), these two items were excluded from the measurement model. The remaining outer loadings were all statistically significant. Furthermore, six items were additionally deleted to establish an AVE of 0.5 for all constructs in the measurement model. The results of the modified measurement model after deleting the items are presented in Table 1.

Table 1: Results of the refined measurement model

Item	Outer loading	p-value (two-tailed)	Cronbach's alpha	CR	AVE
AL1	0.620	0.000	0.801	0.857	0.502
AL2	0.805	0.000			
AL3	0.734	0.000			
AL4	0.744	0.000			
AL6	0.663	0.000			
AL7	0.672	0.000			
CC1	0.732	0.000	0.750	0.842	0.571
CC2	0.815	0.000			
CC3	0.736	0.000			
CC4	0.736	0.000			
EC1	0.780	0.000	0.754	0.835	0.506
EC2	0.819	0.000			
EC3	0.666	0.000			
EC9	0.678	0.000			
EC10	0.590	0.000			
FH1	0.682	0.000	0.802	0.863	0.559
FH2	0.768	0.000			
FH3	0.781	0.000			
FH4	0.810	0.000			

Item	Outer loading	p-value (two-tailed)	Cronbach's alpha	CR	AVE
FH5	0.688	0.000			
IL2	0.753	0.000	0.741	0.836	0.560
IL3	0.714	0.000			
IL4	0.755	0.000			
IL5	0.771	0.000			
MC1	0.768	0.000	0.837	0.891	0.671
MC2	0.870	0.000			
MC3	0.826	0.000			
MC4	0.810	0.000			
MEM1	0.780	0.000	0.836	0.882	0.601
MEM2	0.829	0.000			
MEM3	0.758	0.000			
MEM4	0.768	0.000			
MEM5	0.736	0.000			
MW1	0.826	0.000	0.733	0.830	0.552
MW2	0.751	0.000			
MW3	0.692	0.000			
MW4	0.694	0.000			
OC2	0.724	0.000	0.675	0.789	0.567
OC3	0.942	0.000			
OC4	0.539	0.000			
OV2	0.722	0.000	0.711	0.821	0.536
OV3	0.768	0.000			
OV4	0.777	0.000			
OV5	0.655	0.000			
PRO1	0.639	0.000	0.711	0.826	0.617
PRO2	0.823	0.000			
PRO3	0.875	0.000			
V2	0.694	0.000	0.750	0.843	0.573
V3	0.811	0.000			
V4	0.785	0.000			
V5	0.732	0.000			

Table 1 presents the results of the revised measurement model. Fourteen items had loadings of less than 0.708 but higher than 0.4. All items were statistically significant. More importantly, the loadings less than 0.708 did not threaten the internal consistency reliability of the measures or the validity. Though the Cronbach's Alpha for Organisational Commitment was 0.675, the CR values exceeded 0.7. For all other constructs, the Cronbach's Alpha value is close to 0.7 or exceeds 0.7, and all CR values exceed 0.7. Furthermore, the AVE of each construct was higher than 0.5.

Next, the discriminant validity of the first-order factors was assessed. The HTMT results are indicated in Table 2.

Table 2: HTMT results of the first-order factors

	AL	CC	EC	FH	IL	MC	MEM	MW	OC	OV	PRO
AL											
CC	0.532										
EC	0.528	0.783									
FH	0.728	0.500	0.559								
IL	0.397	0.679	0.675	0.476							
MC	0.701	0.596	0.588	0.712	0.462						
MEM	0.759	0.545	0.478	0.568	0.459	0.709					
MW	0.581	0.699	0.759	0.583	0.650	0.657	0.561				
OC	0.479	0.393	0.331	0.336	0.325	0.480	0.474	0.432			
OV	0.515	0.796	0.644	0.446	0.539	0.450	0.544	0.630	0.474		
PRO	0.395	0.417	0.315	0.225	0.355	0.320	0.445	0.410	0.707	0.524	
V	0.701	0.479	0.512	0.769	0.403	0.589	0.508	0.524	0.265	0.505	0.257

As reported in Table 2, the HTMT ratios of correlations between the first-order factors were less than 0.85. Thus, the first-order factors' measurement model also provides adequate evidence of discriminant validity.

Table 3: Results of the second-order factors

Second-order factor	Dimension	Outer loading	p-value (two-tailed)	Cronbach's alpha	CR	AVE
Spiritual leadership	AL	0.824	0.000	0.837	0.879	0.516
	FH	0.768	0.000			
	MC	0.812	0.000			
	MEM	0.784	0.000			
	OC	0.572	0.000			
	PRO	0.511	0.000			
	V	0.694	0.000			
Workplace spirituality	CC	0.840	0.000	0.797	0.868	0.622
	IL	0.751	0.000			
	MW	0.798	0.000			
	OV	0.760	0.000			

Table 3 presents the measurement model assessment of the second-order factors using the latent variable scores as indicators. Spiritual leadership comprises of dimensions such as altruistic love, faith/hope, meaning and calling, membership, organisational commitment, productivity, and vision. Workplace spirituality comprises of dimensions such as connectedness/community, inner life, meaning at work, and organisational values. The outer loading of vision, productivity, and organisation commitment was less than 0.708, but it did not threaten the reliability and validity of the spiritual leadership higher-order construct. As seen in Table 3, the measurement of the second-order factors shows adequate internal consistency and convergent validity. The Cronbach's Alpha and CR values for each second-order factor were higher than 0.7, and the AVE was higher than 0.5.

The second-order factors along with ethical behaviour were also tested for discriminant validity using the HTMT procedure.

Table 4: HTMT rations of correlations between the second-order factors and ethical conduct

	EB	SL
SL	0.598	
WS	0.784	0.823

The results reported in Table 4 show that the HTMT ratios of correlations between the second-order factors and ethical behaviour were lower than 0.85, which implies adequate evidence of discriminant validity.

After confirming adequate item reliability, internal consistency reliability, and discriminant validity of the first-order factors measurement model and the second-order factors measurement model, the structural model was assessed.

4.2 Assessment of the structural model

The structural model comprises two factors influencing ethical conduct. The VIF of the two factors was 1.829. Thus, collinearity did not threaten the validity of the results. Moreover, it can be argued that common-method bias did not influence the reliability and validity of the measurement model as the VIFs did not exceed 3.3 (Kock, 2015). The structural model results are presented in Figure 2.

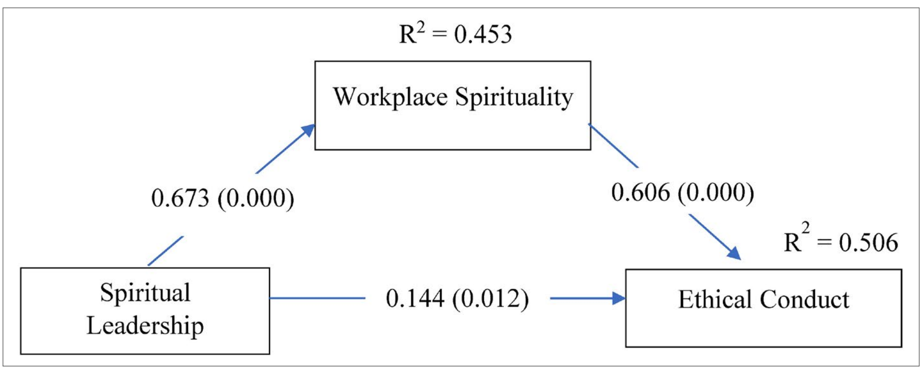

Figure 2: Structural model results

The in-sample predictive accuracy is moderate. From the results presented in Figure 2, it is evident that the model explained 45.3% of the variance in workplace spirituality and 50.6% of the variance in ethical behaviour. Spiritual leadership had a moderate to strong influence on workplace spirituality (0.673; p=0.000) and workplace spirituality exerted a moderate to strong influence on ethical behaviour (0.606; p=0.000). Controlling for the influence of workplace spirituality, the influence of spiritual leadership on ethical behaviour was significant but weak (0.144; p=0.015).

In Table 5, the mediation results of the study are presented.

Table 5: Mediation results of the study

Relationship	Original sample (O)	p-value (two-tailed)	95% percentile	
SL -> EB (total effect)	0.552	0.000	0.475	0.627
SL -> EB (direct effect)	0.144	0.012	0.032	0.259
SL -> WS -> EB (indirect effect)	0.408	0.000	0.329	0.489

Table 5 shows the test of the mediating effect of workplace spirituality that was conducted. The results of the test established that workplace spirituality partially mediated the influence of spiritual leadership on ethical behaviour.

5. Discussion

The first research objective was to establish whether there is a relationship between spiritual leadership and workplace spirituality. The results presented in Figure 2 indicate that spiritual leadership has a positive statistically significant influence on workplace spirituality. Therefore, H_1 is accepted. This finding is consistent with the findings of Hejazi et al. (2021) and Afrianty and Prasetya (2024), namely that there is a positive statistically significant relationship between spiritual leadership and workplace spirituality. These studies suggest that leaders who exhibit spiritual leadership behaviour, values, and attitudes should be able to create a work environment that encourages spirituality. Similarly, a study by Adelusi et al. (2021) found a positive statistically significant relationship between spiritual leadership and workplace spirituality for an African sample. The study suggests that spiritual leadership can be an effective means of promoting workplace spirituality among employees in Nigerian organisations. The study also highlights the need for organisations to develop spiritual leadership practices to foster a spiritual work environment that promotes workplace spirituality among employees. It is evident from the findings that it is possible to promote workplace spirituality by developing spiritual leadership practices among leaders, irrespective of the context.

The second research objective was to establish whether there is a relationship between spiritual leadership and ethical behaviour. The results presented in Figure 2 indicate that spiritual leadership has a positive statistically significant influence on ethical behaviour. Therefore, H_2 is accepted. This finding is aligned with the findings of Pio and Lengkong (2020), namely that spiritual leadership has a significant influence on ethical behaviour. Similarly, a study by Kim and Yoon (2021) found that spiritual leadership has a significant influence on ethical behaviour in small businesses in South Korea. The study suggests that leaders who exhibit spiritual leadership practices can create a work environment that promotes ethical behaviour among employees.

Thus, through the creation of an ethical, caring climate, employees' behavioural decisions could be positively influenced, which is aligned with the notion of spiritual leadership which makes employees more receptive to their leaders' management and guidance. Small business owners or managers should, therefore, focus on developing their spiritual leadership and spiritual leadership practices, which may promote the ethical behaviour of employees, which is much needed in the small business environment.

The third research objective was to establish whether there is a relationship between workplace spirituality and ethical behaviour. The findings of the study indicate that workplace spirituality has a positive and statistically significant influence on ethical behaviour. Therefore, H_3 is accepted. This finding is supportive of Sharma and Singh's (2020) argument that workplace spirituality positively affects the ethical behaviour of employees by promoting a sense of purpose, values, and empathy towards others. Furthermore, this study also found that employees who perceive their workplace as spiritual are more likely to behave ethically in their work activities. Petchsawang and Duchon (2012) also found that workplace spirituality influences ethical behaviour by providing a framework for employees to integrate their personal values and beliefs with their work activities. In other words, employees who perceive their workplace as spiritual may be more inclined to view their work as meaningful and a means of serving others. As a result, these employees are more likely to exhibit ethical behaviour. Therefore, it is possible that small business owners or managers could improve the ethical behaviour of employees by developing spiritual workplaces. The findings show that the relationship between spiritual leadership and ethical behaviour was statistically significant, but weak. Therefore, in the South African small business context, creating an organisational culture that is spiritually infused is likely to exert a more significant influence on ethical behaviour than focusing only on spiritual leadership.

The fourth research objective was to establish whether workplace spirituality mediates the relationship between spiritual leadership and ethical behaviour. The findings showed that workplace spirituality partially mediates the relationship between spiritual leadership and ethical behaviour. Therefore, H_4 is accepted. This finding emphasises that the application of spiritual leadership requires the development of workplace spirituality, which is also suggested by Sapta et al. (2021), to bring about positive outcomes such as ethical behaviour. Small businesses should, therefore, focus on developing spiritual workplaces through spiritual leadership to enhance ethical behaviour among their employees. This could involve the creation of a spiritually conducive environment, leadership development opportunities, and the promotion of spiritual values and beliefs in the workplace. By doing so, small businesses can enhance ethical behaviour among their employees, which may potentially increase profitability, reduce employee turnover, and improve organisational performance.

6. Conclusion and implications

The study extended the limited body of business ethics research in developing countries and SMMEs (Van Wyk & Venter, 2022). The study found that workplace spirituality and spiritual leadership have a significant impact on ethical behaviour in SMMEs. By incorporating spiritual values and principles such as compassion, honesty, and integrity into the organisational culture, business leaders may possibly foster a sense of purpose and meaning among employees, leading to improved ethical behaviour in their respective businesses. However, it is important to note that the implementation of spirituality in the workplace must be done in a thoughtful and inclusive manner, taking into account the diverse beliefs and values of employees.

Overall, the evidence suggests that spirituality can be a valuable tool for promoting ethical behaviour in the workplace, contributing to a more just and harmonious business environment. Spiritual leadership and workplace spirituality may emerge as a potential solution for ethical behavioural challenges faced by SMMEs, as they encourage and focus on empowering and inspiring employees by promoting spiritual values and integrating spiritual practices and values into the workplace. By embracing spiritual values and cultivating a positive work environment, small businesses can promote organisational success in challenging conditions (Van der Walt, 2024). It is therefore imperative that SMMEs focus on developing spiritual workplaces and spiritual leaders to enhance ethical behaviour among their employees.

7. Limitations and recommendations

Despite the notable findings of the study, it has a few limitations that need to be noted. Due to the time horizon for this study, cross-sectional data was collected which provides a narrow view of the relationship between spiritual leadership and ethical behaviour as mediated by workplace spirituality because data was collected once-off. Thus, in the future, researchers can conduct longitudinal research to confirm the causality between the variables in the study. Furthermore, the measurement instrument was found to be valid and reliable in the context of this study. However, because of the lack of consensus in defining workplace spirituality, researchers and participants might be left to their own interpretation, leaving them to assume spirituality is inclusive of religion. However, researchers should keep on operationalising the construct for their studies until more consensus is reached.

The current study has demonstrated the significance of encouraging workplace spirituality in the small business context. Unfortunately, previous research studies on workplace spirituality and spiritual leadership have not been extensive in this area of interest, and thus more empirical studies are required to confirm the importance of promoting workplace spirituality in a small business environment. More research is also recommended to confirm the relationship between spiritual leadership, workplace spirituality, and ethical behaviour as this will assist organisations in dealing with unethical behaviour. It is also vital to explore whether spiritual leadership, workplace spirituality, and ethical behaviour are conceptualised differently in the African context. Given that the concept of workplace spirituality originated in Westernised countries, it is possible that it has different dimensions and a different meaning for Africans and those living in nations that are less developed. A qualitative approach is also recommended to gain a thorough grasp of the effect of workplace spirituality and spiritual leadership on ethical behaviour.

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An empirical study of regulatory compliance in South African banks

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Abstract

Event studies are vital analytical tools used to gauge if unusual investment returns result from events within defined time frames. This article explores events marked by the disclosure of administrative penalties imposed on South African publicly traded financial institutions between 2011 to 2021 due to non-compliance with regulations. Results reveal statistically significant abnormal returns occur in at least 70% of cases, with negative events like fines correlating with negative returns. The findings emphasise the impact of regulatory fines on the performance of listed financial institutions. Banks are advised to monitor and manage conduct risk systematically and carefully.

1. Introduction

There seems to be little agreement about the financial market regulations' ability and central role in maintaining soundness and stability in the financial sector (Buss et al., 2016). Debates range widely between a need to focus on consumer protection and safety (Goodhart et al., 2013) and, inversely, others who advocate self-regulation (Omarova, 2010). The consequences of non-compliance with financial regulations are also a point of disagreement, with some emphasising the importance of fines and penalties, while others believe they have limited effectiveness (Macartney & Calcagno, 2019). The financial crisis has intensified these debates as many believe that financial regulations were not stringent enough to prevent or mitigate it. As a result, there have been calls for greater regulation of the financial system globally, and indeed, financial regulations have been tightened and a multitude of fines have been issued since then (Breznik, 2022).

Given this background, it remains a fact that non-compliance with regulatory requirements exists in the financial sector despite efforts by regulatory bodies (Mills & Haines, 2015). There are various consequences as non-compliance can damage confidence and create uncertainty in the financial system, as the financial sector is built on trust. Furthermore, non-compliance with financial regulations imposes financial costs on the firm (Mohamed, 2020). When non-compliance is investigated and announced, banks can face severe penalties that can result in reduced profits or even losses, and financial turmoil based on reputational effects. These outcomes are not only concerning for shareholders but for all stakeholders of the organisation (Feng & Li, 2016).

Previous studies have focused on the share price reaction to negative and relevant information around topics such as fraud, financial irregularities, conduct issues in different industries, and unsuitable financial products sold to consumers to reach revenue targets (Ryan & Taffler, 2004; Karpoff & Lou, 2010; Neuhierl et al., 2013; Mpiana, 2017; Carberry et al., 2018). Research on commercial banks' share price reaction to non-compliance penalties (fines) is still limited (Tilley et al., 2017), especially for developing markets. Stakeholders are at a point where they need clarity about how to navigate this complex and controversial environment (Svetiev, 2023; Malik, 2024). Therefore, the aim of this article is to answer the question of whether previous and future fines should matter to the relevant stakeholders of banks in a developing country, with an empirical approach focused on shareholders as one of the groups of stakeholders. The case example used for a developing country is South Africa.

The article is organised as follows: first, more facts and evidence are given about the disagreements on financial regulation and how markets react to negative news in general. Second, the chosen research methodology in the form of the event study methodology is described as examining any changes in share prices and how it relates to a given event. Next, the possible abnormal returns for selected commercial banks generated by an announcement of financial penalties are analysed and discussed in the results. Finally, conclusions, contributions, and guidance to various stakeholders are provided.

2. Literature review

2.1 Financial regulation, non-compliance, and consequence management

Financial regulation, non-compliance, and consequence management have been debated expansively since the early days of finance (Mohamed, 2020). Over time, many studies have claimed that stringent regulation is instrumental in stabilising the financial system, protecting consumers, preventing systemic risk, enhancing market confidence, promoting fairness and equity, and encouraging long-term stability and sustainable growth (Diamond & Dybvig, 1983; Llewellyn, 1999). These calls became louder especially after the global financial crisis of 2008/9 (Rajan, 2011; Stiglitz, 2012; Claessens & Kodres, 2014; Breznik, 2022).

At the same time, other perspectives exist. Firstly, stricter regulation may benefit bank stability, but it can affect bank efficiency negatively (Lee & Chih, 2013). Secondly, a more flexible and practical approach to financial regulation might be necessary to foster financial inclusion, literacy, and sustainable growth, especially in developing countries (Jungo et al, 2022). Thirdly, the time might be right for a possibly much simpler, more effective, less costly, and more respectable approach to financial regulation since many abuses of the rule of law have politicised regulation dramatically (Calomiris, 2017; Borio et al., 2020).

2.2 Do fines matter?

Fines and penalties are one of the consequences that regulators around the world regularly use for non-compliance of financial institutions, even though there is controversy around whether the approach is effective (Chaikovska, 2019). The argument that 'fines do not matter' fits in with the fact that many deposit money banks have started considering penalties as operational expenses, and even transferred these costs to customers (Yusuf & Ekundayo, 2018). Banks also have an interest in keeping a positive relationship with the regulator, so they will not appeal a fine, even if they disagree with it (Khan et al., 2020). Lastly, the benefits of illicit financial activity often outweigh the costs (Klimcak et al., 2021).

The argument that 'fines do matter' is supported by the fact that announcements of regulatory fines and penalties will likely create negative reputational effects for the firm in question (Karpoff & Lott, 1993). Because the impact of fines is difficult to measure directly, it makes sense to use a firm's share value as a "proxy" (Sampath et al., 2018). What can then be measured is how the share price (as a measure of the market value) reacts to the fines.

Whether firms are deterred from non-complying with regulation after experiencing reputational losses is unclear (Feng & Li, 2016). What is clear though is that reputational losses affect a firm's management negatively, including increases in the cost of capital (Karpoff, 2012; Li & Malone, 2016).

2.3 Share price reactions to negative news

Extensive academic research has been conducted on the effect of various negative news items on share prices. Generally, reported information events significantly drive share price changes and trading volume (Ryan & Taffler, 2004). Research completed before and during the turmoil of the 2008/9 financial crisis might require interpretation in a different light. Some of those 'older' studies showed negative abnormal returns on the days that financial non-compliance was publicly revealed by the regulator and, in fact, short sellers were able to take advantage of the situation (Karpoff & Lou, 2010).

For those studies completed after the crisis, detailed results have been mostly inconclusive. Looking at market reactions to various European companies' corporate press releases that are categorised according to themes, it turns out that certain types of negative news are highly value relevant (Clapham et al., 2021). Examining the list of different news items, it is difficult to find a combination of an abnormal return with statistical significance (Neuhierl et al., 2013). Similarly, when investigating the effect of corporate scandals on stock exchange-listed firms' share prices, for some firms the effect was negligible and for others it was negative (Mpiana, 2017). One study found significant negative abnormal returns when the media announced an investigation or a potential settlement with the regulator (Tilley et al., 2017).

2.4 From non-compliance to misconduct: Longer-term effects

Non-compliance with financial regulation could come about for various reasons. It could result from a misunderstanding or procedural mistakes. It could also materialise out of a risk appetite that is too high (Centre for Banking Research, 2020) The reasons are multi-faceted. For example, it can be concluded that gender diversity influences the attitudes of managers towards business ethics by encouraging the stronger consideration of ethical principles in decision-making but also risk-taking, leading to a more cautious approach in diverse teams (Arnaboldi et al., 2021).

When banks are seen to attract fines because of alleged purposeful misconduct, stakes are high. Investors tend to react "negatively when the media presents clear and credible information that misconduct occurred, that the firm was responsible for it, and that the misconduct was the result of deeper organizational problems" (Carberry et al., 2018:1). As such, it seems that the content of media statements negatively influences shareholders' reactions in a case where a corporation is found guilty, as opposed to certain individuals within the corporation. It is also found that investors are willing to rethink their positions to become more positive if information about the restorative capacity of the respective firm is released (Carberry et al., 2018).

2.5 Future thinking: Resolving the dilemma

Even if the share price is not immediately reacting negatively and consistently to an announcement of a penalty, and it is treated as a non-event in the short-term, real problems within the company linked to misconduct will not be ignored by stakeholders. This seems to suggest that banks cannot ignore serious regulatory issues. (Carberry et al., 2018).

Balancing the interests of all stakeholders while creating a sustainable positive financial result should be possible for banks. One of the drivers for this outcome would be for regulation to be protective but cost-effective and simple to implement (Calomiris, 2017). Furthermore, it needs to be recognised that banks in developing markets, where the expectation is that they are part of the solution for financial inclusion, are in a more difficult position (Jungo et al., 2022).

3. Methodology

3.1 Event study methodology

Event study methodology (ESM) is used in finance research to quantify the impact of an event on a firm's share prices (El Ghoul et al., 2023). For this study, ESM was used to measure abnormal returns attributed to an event such as the announcement of fines/ penalties for non-compliance with financial regulation. The ESM enables scholars to examine how share prices react to an event relevant to a specific firm (MacKinlay, 1997). The analysis is completed by comparing the return of a single stock to a relevant index or to its own mean return using various time periods.

Existing event studies offer differing approaches to "how to measure what usual returns are for a firm, how to summarize returns during an event-period, how to control for market-wide effects" (Cram, n.d.:1). The significance of the analytical ESM depends on methodological assumptions, which this study prescribes to (Brown & Warner, 1985):

- Markets are efficient.
- The event was unanticipated and not yet factored into the share price.
- There were no confounding effects during the event window.

Table 1 reviews selected questions from the methodological assumptions that need to be tested before embarking on an event study (Schimmer et al., 2015):

Table 1: Selected event study methodology assumptions and questions

Questions	Answers
Is the stock of the analysed firm frequently traded?	Yes, all listed South African banks are frequently traded.
Is the capital market represented by the reference index liquid and shows sufficient trading volume?	Yes, highly liquid index.
Are price time series between stock and reference matching?	Yes, true for the time series.
Has information leakage taken place prior to the event?	Cannot be certain.
Is the chosen reference index the best correlate to the firm's stock price?	Yes.

If these assumptions are violated, the empirical results may be biased and interpreted incorrectly (McWilliams & Siegel, 2017). This study follows a quantitative and explanatory research approach. It is longitudinal in that it looks at various time horizons during the announcement of non-compliance (Goddard & Melville, 2001).

3.2 Data collection

The data comprise share prices of selected listed commercial banks in South Africa from 2011 to 2021. The secondary data regarding fines and penalties were collected from the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA). Only those banks with a fine imposed were taken into the sample. In line with the ESM, data for the JSE All Share Index (ALSI) were also collected for comparison purposes, as this index is representative of the full South African equity market. Using the bank index as opposed to the JSE All Share Index was considered. It was assumed that arbitrage would arise through an investment into a bank versus the whole market, and not an investment into one bank over another, especially given that non-compliance in the banking sector could affect all banks' share prices, not only one.

Table 2 lists the financial service providers that received a penalty from the financial regulators between 2011 to 2021.

Table 2: Commercial bank sampling

SARB analysis		FSCA analysis
SA banks	SA subsidiaries of foreign banks	SA financial services companies
• Absa • FirstRand • Nedbank • Standard Bank • Capitec • Investec • Bidvest • Sasfin	• Deutsche Bank AG • Standard Chartered Johannesburg • Société Générale Johannesburg • China Construction Bank Johannesburg • HSBC Bank Johannesburg • Bank of Baroda, South Africa • Bank of China	• Absa • Absa Asset Management • Absa Investment Management Services • Standard Bank Insurance Brokers

In the financial sector, there were 29 penalties for non-compliance from the SARB and FSCA between 2011 to 2021. The results for the six non-listed companies were not reported since there is no share price that could be used in the analysis. The analysis examined the events of the listed companies. Furthermore, the analysis examined statistically significant cases to imply abnormal returns linked to the announcement of non-compliance.

Event studies employ time as a dependent variable to determine if abnormal returns are generated by an event. It has been empirically proven that a shorter time window captures the effect of an event more significantly, as it is more difficult to control for confounding effects when long windows are used (Ryngaert & Netter, 1990; McWilliams & Siegel, 2017). The time horizons for this event study are shown in Figure 1.

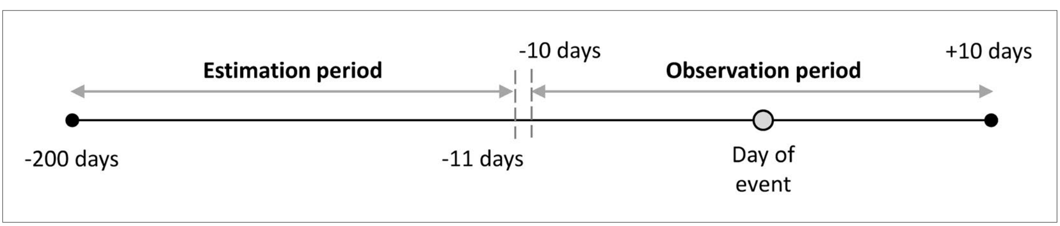

Figure 1: Event study time horizons; days

The data covered the period 1-Jan-11 to 31-May-21 because during this period announcements of non-compliance for listed South African banks started to materialise, and information about those is available in a suitable and reliable format from the regulators.

Existing event studies follow various time horizons. Based on this, the authors considered 21 days to be a reasonable event window and that using data for the 200 previous days would allow for the estimation period to be long enough to make the data reliable.

3.3 Data analysis

Based on the discussion above, the research objective was to test the following hypotheses:

H_0*: *Announcements of fines for non-compliance of commercial banks or their subsidiaries issued by the SARB or FSCA have no impact on short-term abnormal returns.

H_1*: *Announcements of fines for non-compliance of commercial banks or their subsidiaries issued by the SARB or FSCA result in short-term abnormal returns.

To test the hypothesis with statistical significance, a comparison of means test was performed. The test compares the mean return before the event and the mean return after the event for all events. It is assumed that where the means are different, the share price reaction to the event is of statistical significance. The following common event study definitions were used to analyse the data:

$$AR_{it} = R_{it} - E(X_t) \qquad (1)$$

where is the abnormal return for firm on day. The return is and is the expected return with conditional information for the predictive model

$$AR_{it} = R_{it} - \hat{\alpha}_i - \hat{\beta}_i \cdot R_{mt} \qquad (2)$$

where days' return on market portfolio is and the coefficients/OLS estimates from the regression of the firms' daily returns on market returns over the 200 days prior to the event window are

$$CAR_{it} = \frac{1}{21} \sum_{\tau=t-10}^{t+10} AR_{i\tau} \qquad (3)$$

where the average daily abnormal return is CAR for a media announcement on day and for an observation period 10 days before and 10 days after the announcement.

The abnormal returns calculated by (1)–(3) are assumed to reflect the reaction to an event on share prices. The significance of the abnormal return allows the researcher to imply that the event had an impact on the value of the firm's share prices (McWilliams & Siegel, 2017). The statistically significant events were also measured for abnormal returns by using:

(i) MAR (mean adjusted returns model) – the mean return over the estimation period is deducted from the daily returns;

(ii) MKAR (market adjusted returns model) – the JSE ALSI daily return is deducted from the bank's daily return; and

(iii) RAR (risk-adjusted returns model) – adjusted return calculated using beta and intercept over estimation period is deducted from the bank's daily return.

The study did not examine the magnitude of the abnormal returns in question: when the return was not zero, it was deemed an abnormal return.

3.4 Limitations

The limitations of this study link mainly to the methodological challenges faced by the researchers when categorising regulatory fines in studies involving smaller datasets.

When examining the impact of regulatory fines for this study, the researchers could not categorise the fines based on various factors such as the amount of the fine or the type of non-compliance involved. The small dataset used contained an insufficient number of observations across different categories to conduct meaningful analyses. The situation was approached by opting for more aggregated analyses that consider overall trends rather than detailed categorisation. Alternatively, focus could have been placed on qualitative analysis or case studies to gain deeper insights into the specific impact of fines on individual firms.

4. Results

The purpose of the article is to provide an empirical analysis and answer whether previous and future fines should matter to relevant stakeholders of banks in a developing country. Event data for fines and penalties were sourced from the two financial regulators: the SARB (resbank.co.za) and the FSCA (fsca.co.za).

Table 3 focuses on the fines imposed on, and abnormal returns achieved by, South African financial institutions since 2011. A variance of means test was completed to test for the significance of the event in the performance.

Table 3: Fines and abnormal returns achieved per date and financial institution

Announced	Bank	Regulator	Fine (ZAR)	Daily average from d to d (%)			Means
				MAR	MKAR	RAR	
29-Sep-11	Absa Investment Management Services	FSCA	170.7k	-0.16	-0.05	-0.16	Same
15-Dec-11	Standard Bank Insurance Brokers	FSCA	50k	-0.12	-0.26	0.00	Diff
23-Mar-12	Absa Investment Management Services	FSCA	100k	-0.09	-0.10	-0.04	Diff
12-Apr-12	Absa Asset Management	FSCA	10k	0.02	0.04	-0.01	Diff
16-Apr-14	Absa	SARB	10m	-0.17	-0.17	-0.12	Diff
16-Apr-14	First Rand Group	SARB	30m	-0.08	-0.17	-0.03	Diff
16-Apr-14	Nedbank	SARB	25m	-0.18	-0.17	-0.08	Diff
16-Apr-14	SBSA	SARB	60m	-0.35	-0.17	-0.29	Diff
20-Feb-15	Capitec Bank	SARB	5m	-0.03	-0.14	0.02	Diff

Announced	Bank	Regulator	Fine (ZAR)	Daily average from d to d (%)			Means
				MAR	MKAR	RAR	
20-Feb-15	Deutsche Bank	SARB	10m	-0.33	-0.16	-0.32	Diff
05-Aug-16	Investec	SARB	20m	-0.05	0.21	-0.05	Diff
05-Aug-16	Standard Chartered Bank – Jhb	SARB	10m	-0.22	0.19	-0.23	Diff
15-Dec-16	Société Générale Jhb	SARB	2m	0.23	0.28	0.21	Diff
15-Dec-16	Absa	SARB	10m	-0.01	0.28	-0.15	Diff
02-Feb-18	China Construction Bank Jhb	SARB	75m	-0.07	-0.16	-0.06	Diff
09-Nov-18	HSBC	SARB	15m	0.59	-0.03	0.61	Diff
15-Mar-19	Bidvest	SARB	5.25m	-0.41	-0.49	-0.18	Diff
30-Jul-19	Sasfin	SARB	500k	0.05	-0.40	0.06	Diff
06-Aug-19	Bank of Baroda, SA	SARB	400k	-0.15	-0.54	-0.04	Diff
20-Dec-19	SBSA	SARB	30m	0.24	0.12	0.21	Same
20-Dec-19	Bank of China	SARB	2m	0.14	0.01	0.14	Diff
04-May-21	Absa	FSCA	100k	-0.35	-0.12	-0.29	Diff

Table 3 lists 22 events of the 29 events between 2011 to 2021 (non-listed companies were excluded). Twenty out of the 22 events showed statistical significance. Two out of the 22 events (29-Sep-11 – ABSA) and (20-Dec-19 – SBSA) were statistically insignificant. Two out of the 22 events showed positive returns: Société Générale Jhb Branch and Bank of China, which were both subsidiaries of foreign banks. The biggest negative return occurred in March 2019 with Bidvest and the biggest fine was issued in February 2018 to China Construction Bank (Jhb Branch).

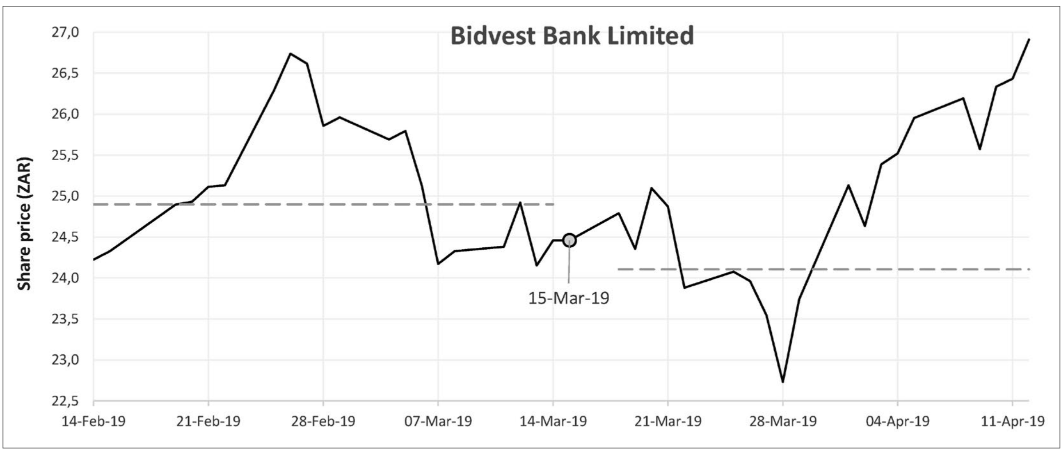

Figure 2: Bidvest Bank Limited share prices during the time window

Figure 2 shows the movement of Bidvest Bank Limited's share prices in the 21-day period, 10 days before the event and 10 days after the event. The comparison of the means test produced significance of the event during the time window. The event on 15 March 2019 produced negative abnormal returns of -0.41% (MAR), -0.49% (MKAR), and -0.18% (RAR).

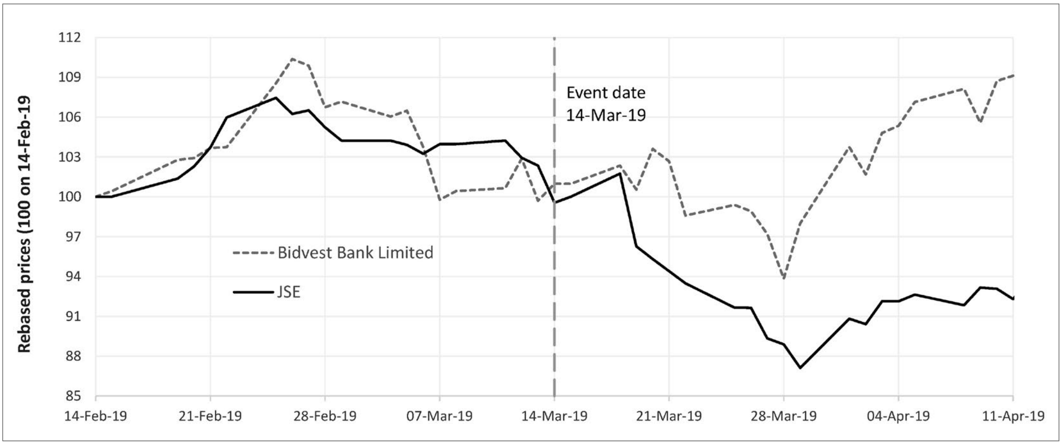

Figure 3: Comparison between JSE ALSI and Bidvest Bank Limited

Figure 3 shows the comparison between the JSE ALSI and Bidvest Bank Limited, with the cumulated abnormal returns earned on the average target company's stock for a 26-day event window. The price rally appears to begin some 16 days before the date of the announcement, earning investors cumulatively 9% (almost 10% if the JSE ALSI – solid line – is used as market proxy) by the time information is made public.

In terms of the number of fines received per bank, ABSA received six fines, while Standard Bank South Africa received two fines during this period. Each subsidiary foreign bank in the dataset received a single fine from the SARB, which alludes to seven out of 22 events. The FSCA issued lower fines during this period, with fines of ZAR100k resulting in negative abnormal returns. Fines issued from the SARB to commercial banks above ZAR25m resulted in negative abnormal returns in all three models. Most of the fines were issued in 2014 (four events) and 2019 (five events), with no events in 2013, 2017, and 2020. The more recent fines from 2014–2019 resulted in greater negative abnormal returns compared to fines before 2014. The biggest fine was observed in 2018 and resulted in a negative abnormal return, which stands in contrast with the lowest fine in 2012. The latter incurred a positive abnormal return in the MAR and MKAR, but a negative RAR.

Absa Investment Management Services received a fine from the FSCA in 2011 and again in 2012, with only the latter resulting in a different mean. ABSA incurred a penalty from SARB in 2014 and 2016 and from the FSCA in 2021, all resulting in different means. The SBSA received fines from SARB in 2014 and 2019: the second had the same mean. This raises the question of how much fines discourage banks from future non-compliance.

The results show eight out of the 20 significant events are inconclusive by illustrating a combination of positive and negative abnormal returns. These events are related to fines below ZAR20m. As illustrated in Table 3, abnormal returns (some negative and some positive) could have been achieved for all events.

Overall, the reaction of share prices to negative news resulted in 15 negative mean adjusted returns (75% of the events), 14 negative market adjusted returns (70% of the events), and 14 negative risk adjusted returns (70% of the events).

These findings emphasise the profound impact of regulatory fines on the performance of listed financial institutions, thereby rejecting H_0 and accepting H_1.

5. Conclusions

The literature review had revealed that since the impact of fines is difficult to measure directly, it makes sense to use a firm's share value as a "proxy" (Sampath et al., 2018). Based on this, this study used share prices as a proxy to identify the impact of fines on share prices.

Previous studies have found that information events significantly drive share price changes and trading volume (Ryan & Taffler, 2004). Hence, it was decided to use ESM to observe the change in share prices after the announcement of the fines.

Studies completed after the global financial crisis of 2008/9 have been mostly inconclusive (Neuhierl et al., 2013; Mpiana, 2017). There is also a gap in the literature relating to banks' share price reaction in developing countries.

This particular study found that eight out of the 20 significant events for this study are inconclusive, as illustrated by a combination of positive and negative abnormal returns. Statistically significant negative abnormal returns were found for South African banks for a minimum of 70% of the events but this result should be viewed in the following context.

The regulatory environment in South Africa has changed dramatically over the last 20 years or so. It must thus be acknowledged that regulatory enforcement, the severity of regulation, shifts in regulatory priorities, and specific historical or current precedents could influence how firms and investors respond to regulatory fines, especially in this dynamic financial services environment as opposed to other industries. Besides this, market volatility, economic conditions and investor sentiment can also impact stock prices, so a nuanced understanding and analysis of the events is necessary. Longer-term implications of fines should also be taken into consideration, in addition to short-term stock price reactions.

Considering the aforementioned, the article concludes that the debates on financial regulation can be set aside as these abnormal returns confirm that fines matter and banks should take them seriously.

5.1 Contributions, guidance, and limitations

This study set out to answer the question of whether fines matter. A contribution is made by concluding that investors are reacting to media announcements of misconduct with fines, even though not consistently in every case. At the same time, this seems to suggest that investors care about the conduct of the company they are invested in and are not taking it light-heartedly if misconduct and fines are announced in the media. Therefore, banks are guided to monitor and manage conduct risk systematically and carefully.

Future research could investigate whether fines deter banks from non-complying again. An impact analysis could also be conducted to assess how fines affect banks' financial performance. The effectiveness of existing regulations in preventing non-compliance could also be explored in conjunction with how banks manage compliance risks and the psychological and organisational factors influencing non-compliance. Comparative studies could be conducted in which regulatory approaches across different regions are compared. The role of technology in compliance monitoring could be examined, and the legal and ethical implications of non-compliance could be investigated.

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Pursuing a communitarian ethic for corporate governance to strengthen health promotion: A scoping review

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Abstract

The magnitude of South Africa's diet-related non-communicable disease burden calls for scrutiny of sugar-sweetened beverage manufacturers' business ethics in terms of the commercial determinants of health. We gathered and analysed relevant literature from five electronic databases to determine whether a communitarian ethic can strengthen corporate governance in support of public health. Twenty-nine of 648 results were selected for data extraction and analysis. Six thematic categories were identified: the reciprocal nature of the corporation in society; perspectives on 'corporate citizenship'; integrative approaches to corporate sustainability; critiques of Corporate Social Responsibility; legal regulation to engender communitarian consciousness; and the social contract perspective. We found that in tackling the human and economic toll of South Africa's obesogenic environment, a diverse range of theoretical and practical perspectives supports the concept that a communitarian ethic for corporate governance can normalise accountability for population health as a human right.

1. Introduction

Excess body weight among the South African population is fuelling the country's high and burgeoning burden of non-communicable diseases (NCDs). In 2016, obesity-related diseases were the fifth-highest cause of mortality in the country (Statistics South Africa, 2018), and by 2021, 11.3% of South African adults – over 4.2 million people – were diabetic (IDF, 2021). Half of all adults in South Africa are overweight (23%) or obese (27%) (Boachie, 2022; Boachie et al., 2022), and according to the World Obesity Federation (2022), 50% of women and 23% of men in South Africa will be obese by 2030. Obesity among children under five is at 13% (more than twice the global average), and 31.3% of 15 to 19-year-old females are overweight or obese (UNICEF, 2022).

A key underlying structural factor stimulating the high consumption of sugar-sweetened beverages (SSBs) – which heightens the risk of diet-related NCDs – is competitive commercialism and corporate individualism practised by SSB manufacturers (Delli Bovi et al., 2017; Lobstein, 2014; Okop et al., 2019). As a Lancet editorial (2022) points out, "attending to the commercial determinants of health and the proper regulation of industry to create health-promoting environments must be a priority".

This scoping review sought to deepen understanding of what 'corporate citizenship' means for the global development agenda and health promotion in principle by confronting the intentions and responsibility of business entities in the face of syndemics that require multisectoral responses. A key motivation for reviewing related extant literature was to explore the potential for communitarian values to inform corporate governance in general and for health promotion in particular, specifically in relation to policy and practice regulating sugar consumption in South Africa. This would help to determine whether a cogent rationale could be offered for why SSB manufacturers might adopt an authentic communitarian ethos to inform market-growth opportunities that genuinely promote health and thereby support South Africa's prevention and control of diet-related NCDs. Such a rationale would align with South Africa's Constitution in terms of the right to health (RSA, 1996), Sustainable Development Goal 1 for improved nutrition, and Sustainable Development Goal 3 for good health and well-being (UNDP, 2012).

1.1 Scoping review objective

The scoping review was designed to produce a database of relevant evidentiary sources on communitarian approaches to strengthen corporate governance in relation to health promotion. The collation of the findings was intended to offer useful perspectives on how a communitarian ethic for corporate governance might be adopted by SSB manufacturers to protect and preserve population health. This would be of value for health, legal, and ethics professionals and researchers, policy-makers and implementers, civil society activists, and corporate leaders interested in systemic responses to the prevention of diet-related NCDs in South Africa.

2. Methodology

In March 2022, the lead author developed a protocol based on a five-stage methodological framework for scoping reviews (Arksey & O'Malley, 2005) that was in line with the Preferred Reporting Items for Systematic reviews and Meta-Analyses extension for Scoping Reviews (PRISMA-ScR) guidelines, which was approved by a three-person review team. This entailed (i) identifying the research questions, (ii) searching for material relevant to the research questions, (iii) selecting items for inclusion in the review, (iv) charting the information and data within the included items, and (v) synthesis and reporting of the results.

2.1 Search strategy

The following research question informed the search terms for the scoping review: *How, if at all, can a communitarian ethic strengthen corporate governance for health promotion?* This question was crafted to determine whether communitarian ethics could guide SSB manufacturers in building a culture of applied ethical conduct that promotes health.

Limited to items published from 2002 to April 2022, the following search terms were specified: commercial determinants of health AND industry influence OR corporate influence AND diet-related non-communicable diseases AND prevention and control; communitarian ethics for corporate governance; corporate governance AND health promotion.

Because this exercise involved mapping a broad topic, gathering appropriate results required multiple structured searches with adaptation of search terms, a variety of term combinations, and some hand-searching.

2.2 Exclusion and inclusion criteria

To be considered relevant, all sources of evidence on this question had to address one or more aspects of the proposed communitarian model (e.g. regulatory policy, law, rules, shared value, and ethics) to offer a cogent solution for health promotion that could be adopted by SSB companies. The material had to offer arguments around a communitarian approach as a means of translating mandatory compliance with policy-based legal regulations relating to products' sugar content into voluntary commitment by SSB manufacturers. It also had to indicate whether and how a communitarian ethic could persuasively balance the promotion of health as a public good with commercial interests in a cross-sectoral manner for a normative definition of corporate moral agency that addresses South Africa's diet-related NCD burden.

2.3 Search process

During April and May 2022, a comprehensive search using key terms was conducted in the EBSCO Host, Google Scholar, ProQuest, PubMed, and Scopus databases to cover a range of literature on social science, law, and business ethics in relation to public and global health. To ensure focused and productive results, Boolean operators were used as conjunctions to combine or exclude keywords in a specific search term. The search was limited to English-language articles, editorials, and other forms of commentary in peer-reviewed academic publications and qualitative grey literature citing expert opinion (media, conference proceedings, theses, textual and narrative data from reputable sources). Grey literature can help to overcome publication bias and is needed for contemporary questions that have not received much academic attention.

No items on clinical responses or pharmacotherapy for overweight and obesity were included. The focus of the search prioritised the concepts, themes, and types of evidence rather than the strength of evidence and quantitative findings. Critical appraisal of the quality of the data extracted from each item was not undertaken because the material yielded by the search was heterogeneous, and the review methodology was instead used to provide a general understanding of the evidence base.

2.4 Limitations

Our methodology focused only on English-language articles in a specific set of databases, which could have potentially excluded valuable research published in other languages or found in other databases. Although our process aimed to include grey literature to overcome publication bias, the inclusion of grey literature may have introduced its own biases as it often lacks a peer-review process. Additionally, the reliance on a specific set of databases may have also limited the scope of research included in our synthesis.

2.5 Selection of evidence sources

The first phase of screening entailed each reviewer independently reading only the title or headline of the evidence found. The evidence sources were then marked as: 'Relevant', 'Not relevant', or 'Uncertain'. The team consolidated their individual findings on the results records and excluded duplicates and sources deemed to be better classified as 'background' rather than central to the focus of the research question. If the evidence was found to be clearly relevant or uncertain at this juncture, the item was obtained in full. This evidence was used to conduct the second phase of screening, whereby each reviewer independently read the abstract or first paragraph of the 'Relevant' or 'Uncertain' items to identify those that met the inclusion and exclusion criteria for use in the evidence extraction and synthesis phases. The retrieved material was then screened for the individual outputs' titles, abstracts, and index terms. This was followed by the third phase of screening, with each reviewer independently reading the full texts of the included items, sharing their findings, and reaching a consensus on the final set of items deemed to be eligible for review.

2.6 Records found

The overall search yielded 648 records. After initial exclusions for duplicates and off-topic items, 72 records were screened by title. Of these, 59 were selected for screening by abstract. Fifty items were chosen for full-text assessment and 29 articles were found to be eligible for data extraction and analysis. Table 1 summarises the phased search results.

Table 1: Summary of phased search results

Scoping Review Search						
Search phase	EBSCO Host	Google Scholar	Scopus	PubMed	ProQuest	Total
Initial database search yield	266	46	124	172	40	648
Screened by title	10	40	0	14	8	72
Screened by abstract	9	34	-	9	7	59
Screened by full text	7	26	-	5	5	50
Final inclusion for review	5	19	-	1	4	29

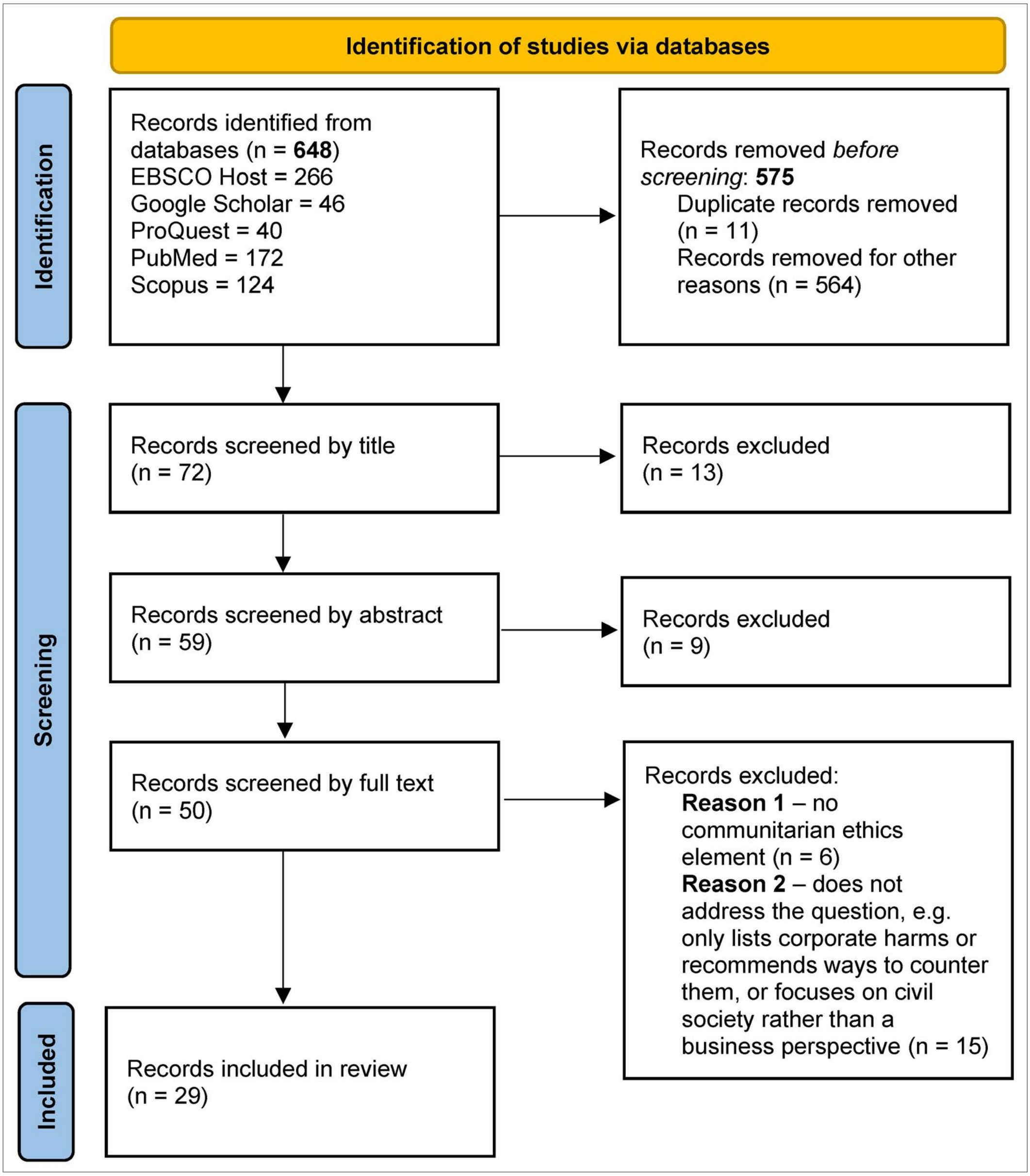

Figure 1: PRISMA flow diagram for database search

2.7 Data charting process

Results from the five database searches were exported into EndNote for bibliographic management. Using a Microsoft Excel data collation form, the required citation information was extracted from the exported items, capturing the author's/s' name/s; year of publication; title of the item; type of publication; name of publication (plus volume number, issue number, and page numbers); abstract text; access date; and database source name. The lead investigator developed an annotated bibliography of the selected evidence by summarising and interpreting each reference through paraphrasing. This content and the relevant publication details were consolidated in a data-charting format. Using reflexive thematic analysis, key data from the bibliography were extrapolated and organised into common themes and sub-themes of the research topic for synthesis and analysis.

2.8 Synthesis of results

A frequency table was created to reflect the total count of extracted data in the following six thematic categories derived from the summary descriptions: (i) the reciprocal nature of the corporation in society; (ii) perspectives on 'corporate citizenship'; (iii) integrative approaches to corporate sustainability; (iv) critiques of Corporate Social Responsibility; (v) law reform/legal regulation to engender communitarian consciousness; and (vi) the contractarian/social contract perspective.

All 29 articles addressed the reciprocal nature of the corporation in society, which was the primary inclusion factor for the review because this egalitarian approach is the foundation of the communitarian ethic. The two other frequently represented categories were perspectives on 'corporate citizenship' (48.28%) and integrative approaches to corporate sustainability (42.8%). Critiques of CSR also featured strongly with 34.5% representation. Recommendations for law reform/legal regulation to enforce communitarian consciousness accounted for 27.6% of the evidence content, and the contractarian perspective of mutual benefit through social cooperation was addressed in 20.7% of the articles.

3. Results

The review of 29 articles to assess the potential of a communitarian ethic to enhance corporate governance for health promotion identified six thematic categories, with varying levels of representation. As the outcome of reflexive thematic analysis – which Braun and Clarke regard as an appropriate approach for conceptual work – the descriptive presentation of these findings under these categories is an attempt to show "patterns of shared meaning underpinned by a core concept" so that conclusions can be drawn based on "interpreting and creating" rather than "discovering 'the truth'" (Braun & Clarke, 2019).

3.1 The reciprocal nature of the corporation in society

On the premise that the generation of unlimited profits by companies producing unhealthy products constitutes exploitation of consumers' vulnerability and cannot be ethically defended, human welfare must replace profit as a measure of success, as the communitarian tradition of commitment to society is central to the agent's identity (Allen et al., 2019; Hastings, 2012; Kolstad, 2007; Schrempf-Stirling, 2014). The experience of COVID-19 demonstrated the nexus between business and society and how health crises affect all levels of business, thereby validating the logic of corporate citizenship being extended to all stakeholders (Paine, 2020) and the requirement for normative accounting and reporting on public health (Nwobu, 2020).

All corporate actors are responsible for their networks causing specific social harm (Schrempf-Stirling, 2014), because 'social connection logic' requires them to consider the broader consequences of their activities and products, and the various facets and layers of corporate power having a negative impact on public health (Lacy-Nichols & Marten, 2021). Obesity is a typical example of 'Big Food' companies' structural liability for harm to population health (Tempels et al., 2017).

The call by McDaniel & Malone (2009) for more explicit discussions on requirements for the conduct, products, and power differentials of an authentically credible company in terms of human well-being aligns with the reference by Williams (2018) and Cragg (2002) to the United Nations Global Compact (UNGC), which sets corporate governance standards that uphold "the full flourishing of all human beings" because corporations are part of society.

South Africa's King Code of Corporate Practices and Conduct1 espouses the social role of business by advocating for companies to adopt a universally communitarian ethic as an expression of African culture (*Ubuntu*) that transcends the tensions between profits and caring in the face of important health challenges (Gstraunthaler, 2010; King, 2005; King & Nixon, 2012). The King Code's socially benevolent aims for sustainable success apply to the organisational ecosystem, not only large or listed companies (Thakhati et al., 2021). *Ubuntu*, communitarian ethics, and social contract theory can be interpreted and synthesised for managerial practice with a focus on relationships as opposed to self-development for the greatest good and a world view of the firm being a community within and of society (Auchter, 2017). The *Ubuntu* ethic serves as the foundation for Metz's principle of right action for organisational decision-making within a relation-holder theory. This principle emphasises the firm's obligations to those who affect and are affected by its operations (Woermann & Engelbrecht, 2019).

Organisational change that serves communities authentically should focus on the interior of corporations to benefit the exterior world and on internal self-regulation that goes beyond mere compliance to moderate and redirect self-interest and maintain high standards of corporate conduct (Iivonen, 2018; Mish & Scammon, 2010; Monachino et al., 2014; Norman, 2011; Parker, 2007; Santos & Laczniak, 2009). For true legitimacy, corporations should adopt an alternative set of values centred on equity, and a shift from a firm-centric to a social perspective that deals inclusively with the rights and claims of all stakeholders, such that the company sees itself as "one among many inter-connected social partners constituting the socio-commercial nexus in a complex adaptive system" for human well-being (Lacy-Nichols et al., 2022; Laczniak & Murphy, 2012).

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1 IoDSA (Institute of Directors Southern Africa). (2016). King IVTM Report on Corporate Governance for South Africa. https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf

Shared value is a lens through which to integrate social, environmental, ethical, and human rights concerns into core business operations and strategy in close collaboration with stakeholders (Macassa et al., 2017), and places the corporation within a communitarian perspective as an ordered structure with a shared goal (O'Brien, 2009). Corporate accountability thus requires deeper reflection on businesses contributing to the alleviation of societal challenges while thriving commercially (Malan & Ungerer, 2018). Corporations have a role in policy development only if it is harnessed for human flourishing so that mutual dependency is recognised through communitarian corporate citizenship (Matten et al., 2005). Principle-based stakeholder marketing should focus on interconnectedness and earned legitimacy by upholding a view of stakeholders as ends in themselves with needs and rights (Mish & Scammon, 2010), and taking responsibility for health promotion and protection among the most vulnerable in society (Monachino & Moreira, 2014). This argument aligns with the idea that a 'virtuous firm' operating on the basis of a moral community would not exploit the vulnerabilities of consumers and would abide by laws that protect stakeholders' interests (Santos & Laczniak, 2009).

3.2 Perspectives on 'corporate citizenship'

The history and unfolding meaning of 'corporate citizenship' as a concept is explored theoretically by Matten et al. (2005) in terms of companies' legal and political status enabling them to participate in civic processes but to counter abuse of this status, such as through policy interference, specific criteria should determine whether companies could be considered as "metaphorical citizens" by virtue of such participation.

'Credibility' in terms of corporate citizenship hinges on authenticity as a public perception, which requires true contrition over misdeeds or mistakes and taking responsibility for harmful products. However, companies tend to be satisfied with the mere appearance of contrition and responsibility through their Corporate Social Responsibility (CSR) efforts (McDaniel & Malone, 2009). Voluntary CSR is widely regarded as a measure of corporate citizenship, but the corporate agenda for health promotion activities should be scrutinised for the adoption of any sociological approach, particularly for marginalised communities (Monachino & Moreira, 2014).

Serving the common good rather than blind pursuit of self-interest, taking responsibility for sustainability and inclusiveness seriously, and establishing this ethos as a normative duty to society are associated with good corporate citizenship (O'Brien, 2009; Tempels et al., 2017; Thakhathi et al., 2021). Accounting for how the organisation's activities affect public health issues is a company board mandate (Nwobu, 2020), and the King Code requires corporate leadership to embody the 'personal character' of the corporate citizen as an ethical organisation through the virtues of integrity, fairness, trust, respect, and empathy (Santos & Laczniak, 2009), with the addition of transparency as to how the company has positively or negatively affected society (Gstraunthaler, 2010). The King Code identifies the corporate citizen as a communitarian self that is "non-discriminatory, non-exploitative, and responsible with regard to environmental and human rights issues", with a relational concern for social challenges arising from the recognition that all are affected by human suffering (King, 2005; King & Nixon, 2012). Woermann & Engelbrecht (2019) contend that the fullness of the corporate persona depends on the quality of its relationships and participation in the community as a way of being and that communitarianism perfectly justifies the concept of corporate citizenship in the sense that a person's relatedness and interdependence precede and give form to personhood.

However, because morality cannot be legislated, firms have to respect the 'unwritten rule' of doing good as an institutional practice (Norman, 2011). This may be adopted instrumentally to maintain a positive corporate reputation or legitimacy, as in the case of tobacco companies denormalising certain negative industry practices to shed their 'pariah' status (Lacy-Nichols & Marten, 2021).

3.3 Integrative approaches to corporate sustainability

Implementation of the King Code through integrated or 'triple-bottom-line' reporting that covers the nature, extent, and progress of companies' economic, sustainability, and environmental (ESG) management policies and practices can advance equilibrium between economic and social goals as a moral obligation (King, 2005; King & Nixon, 2012). The King Code introduced sustainability action and reporting as a key duty of corporate governance based on the recognition that a corporate citizen is a 'person' who should operate in a sustainable manner (Gstraunthaler, 2010). The King Code is distinct from other countries' codes in that it defines corporate governance as an ethos of "accountable leadership" rather than merely a system, and integrates sustainable development as a core principle rather than as an ad hoc interest (Thakhathi et al., 2021). Through its focus on shared purpose, the King Code embodies the idea that sustainability requires a deliberate intervention to ensure relation-holding for the common good (Woermann & Engelbrecht, 2019).

The "business case for population health" requires responsible leadership to maximise long-term market value on the basis that there is a direct link between profitability, survival, and growth and corporate contributions to the health of a society (Macassa et al., 2017). An integrative orientation encompassing a company's business connections, internal stakeholder cognition, and external stakeholder pressure should inform corporate responsibility for harmful outcomes (Schrempf-Stirling, 2014). A model for such integration features interconnectedness, shared value propositions, and earned legitimacy as a corporate governance approach for longevity, stability, innovation, and leadership (Mish & Scammon, 2010).

Health promotion is crucial for economic well-being and is a multi-stakeholder responsibility, including for corporate entities (Nwobu, 2020), but rigorous standards should be applied to counter the risk of private-sector interests dominating those of others in multi-lateral decision-making (Lacy-Nichols et al., 2022). Corporate sustainability requires a just marketplace characterised by fairness and equity in all business dealings (Santos & Laczniak, 2009) and adherence to the UNGC's Ten Principles can foster sustainable value for all stakeholders (Williams, 2018). For example, the Coca-

Cola Company acknowledges that business continuity entails synergising consumer and company health (Iivonen, 2018).

3.4 Critiques of Corporate Social Responsibility (CSR)

There is a paucity of research on how CSR can support health promotion as an essential component of corporate strategy (Monachino & Moreira, 2014). While CSR presents opportunities for firms to support improved population health and social sustainability through ethical and integrative means, CSR can be coercively applied, politically and instrumentally, to appease social pressures and neutralise opposition to corporate power, and such cases should be scrutinised to address the commercial determinants of health (Lacy-Nichols & Marten, 2021; Macassa et al., 2017). Empirical evidence shows that in many instances, CSR policies are essentially insincere and mask the profit motive (Kolstad, 2007), are fraudulently used as a public relations tool for reaching new audiences, reputation management, political lobbying, and avoiding regulation (Mish & Scammon, 2010), and pay lip-service to social concern (Malan & Ungerer, 2018).

'Stakeholder marketing' is company-centric with stakeholder inclusion in CSR strategy being driven by a financial rather than a moral mandate and designed to manage stakeholders' claims in a way that "does not trump the economic imperatives of the firm" (Laczniak & Murphy, 2012). There is a need for marketing practice that adopts a normative view of CSR as upholding stakeholder needs and rights, i.e. as ends in themselves (Mish & Scammon, 2010) rather than as a means of wealth creation and self-interest. This communitarian view is echoed by Parker (2007), who argues that CSR must be based on an inner commitment to institutionalising morality through "ideals as well as obligations, values as well as rules", authentically built into the company's structure and enterprise through meaningful processes. Companies' board CSR sub-committees should oversee these processes, and because diseases have cost implications for communities and companies, corporate reporting on how business operations affect public health should align with the standards set by the Global Reporting Initiative and UNGC (Nwobu, 2020).

3.5 Law reform/legal regulation to enforce communitarian consciousness

With the public's easy access to unhealthy foods being caused by industry actors exploiting "people's biological, psychological, social and economic vulnerability" (Allen et al., 2019), "regulation of corporations is necessary because obesity must be reframed to emphasise the reciprocal nature of the interaction between the environment and the individual". Corporations should obey the law and treat their stakeholders ethically because they are legal artefacts that exist through society having created the legal framework necessary for their existence (Cragg, 2002).

Meta-regulating law (MRL) centres on the external regulation of corporations' "internal corporate conscience mechanisms", such as making ethical behaviour a condition of licences or permissions required for a company to trade or set up in a certain location, and introducing a seal or logo to mark recognition of the company's superior performance as a moral organisation (Parker, 2007). Norman (2011) recommends that governments should reinforce good practice for normative self-regulation by mandating the reporting of internal regulatory plans, publicising related performance, studying the impact thereof, and threatening regulatory legislation if companies fail.

Authentic norms for ethical corporate behaviour can be identified in explicit contracts, laws, or written rules for communal benefit (Auchter, 2017). Revision of South African corporate law around the "common social purpose" could entail a system of tax incentives for companies that behave ethically and tax sanctions for those who flout moral principles (Mish & Scammon, 2010). Government regulation (including progressive taxation) is the most important evidence-based mechanism to protect public health (Lacy-Nichols et al., 2022), and society needs additional government legislation and rule-setting to curb the negative corporate impacts on population health (Tempels et al., 2017).

Thakhathi et al. (2021) observe that micro-level corporate governance practice and the human agency of accountable leadership are required to ensure authentic adherence to, as opposed to mere compliance with, the King Code principles. Although the King Code has influenced landmark court judgements and set new common law precedents that have ultimately instantiated its legitimacy within South Africa's legal regime, "the Code exerts augmentative forces of its own upon the macro-environment around it, rendering it mutually transformative through a dialectic between the King Code and South African common law".

3.6 The contractarian/social contract perspective

In the contractarian tradition of mutual benefit, social cooperation is part of the circumstances of justice, so that ethical consideration must entail an engaged relationship with the demands, needs, claims, and lives of others (Kolstad, 2007). Social connection is the crux of corporate responsibility for obesity, on the premise that the causal relation of fault for harm can be shown through companies' ability to manufacture and sell unhealthy foods. Even though corporations dispute the causal link between SSBs and obesity – and therefore, their legal liability – co-responsibility is evident because corporations are socially connected to these issues through their operations, and rules, standards, and regulations must be adjusted to address this (Schrempf-Stirling, 2014)

Auchter (2017) synthesises social contract theory with communitarian ethics for managerial practice around relationships as opposed to self-interest, arguing that we need a community-orientated society in which individual corporate citizens are connected through social ideals. The concept of shared value is the nexus for the social contract and a means of re-inventing capitalism, which requires corporate leaders to have relational skills to identify and drive mutually beneficial solutions for social value (Macassa et al., 2017; Malan & Ungerer, 2018). While relationships formed through shared value and the communitarian ethic may not lend themselves to legal contractual terms, the idea of the social contract (i.e. a licence to operate) should guide the company towards moral behaviour by measuring the extent to which its operations develop community, serve the common good, and affirm the humanity of others (Woermann & Engelbrecht, 2019).

The moral case is viable as good business practice, but needs normative intentionality based on optimised collective value to contribute positively to society. Most South African signatories to the UNGC – whose commitment to its principles entails action to "ensure healthy lives and promote wellbeing for all at all ages" (Sustainable Development Goal 3 – United Nations, 2015) – emphasised the business rather than the moral case in their communications on progress (Malan & Ungerer, 2018).

4. Discussion

The evidence mapped for the question of whether a communitarian ethic for corporate governance can strengthen health promotion supports the notion that critical public health and business ethics are allied, intersectional, and mutually reinforcing. The shared focus of population health and commercial activity is a contract with society as a whole – legitimised by policies and law to contextualise health as a human right – and is therefore communitarian in nature.

Four sources align this thinking with broad-based human rights, the South African Constitution (RSA, 1996), and the King Code (IoDSA, 2016) by offering various perspectives on how greater managerial accountability through substantive hyper-norms of people-centred supportiveness and co-operation can be achieved through a communitarian ethic (Auchter, 2017; Laczniak & Murphy, 2012; Malan & Ungerer, 2018; Mish & Scammon, 2010). SSB manufacturers and marketers – as corporate citizens and economic power-holders – have moral duties that must align with national health policy concerns. Their profits carry a substantial opportunity cost for their target market – people who depend on government health services and social grants and do not have the option of purchasing healthier drinks – resulting in the poorest in the nation suffering the gravest long-term consequences of diet-related illness and deepening poverty. Moreover, South Africa's NCD burden undermines the country's health system to the degree that individuals' right to health care is severely jeopardised, if not violated. Therefore, addressing corporate interests as a distal and a structural health determinant is urgent and complex, requiring a relational mindset and an affiliation of values.

The review evidence raises the issue of addressing the strategic and comprehensive use of CSR to boost SSB manufacturers' corporate credibility as an ally in the global fight against obesity (or at least as a risk-management tool), while resisting regulation and fostering government inaction. This exposes the commercial quest for profitability through unfettered growth, rather than a philanthropic or ethical motive. It is this systemic hypocrisy that must catalyse a more in-depth interpretation of 'good corporate citizenship', and a richer and wider understanding of how the King Code might serve to entrench a more socially conscious SSB industry. The review findings indicate that the King Code is seen as a benchmark for stakeholder inclusivity and shared purpose to create a communitarian culture of accountable corporate governance (Gstraunthaler, 2010; King, 2005; King & Nixon, 2012; Thakhathi et al., 2021; Woermann & Engelbrecht, 2019). Using the King Code as a tool to facilitate greater corporate responsibility alongside financial success gives companies the opportunity to advance humanity responsibly and sustainably – albeit not without intentional voluntary agency (Thakhathi et al., 2021).

The King Code offers guidance on creating an ethical organisational culture, enhancing the social value generated by companies, and ensuring their legitimacy and good reputation (including a context of trust with all stakeholders) for the flourishing and sustainable society envisaged in the Ottawa Charter for Health Promotion (WHO, 1986). However, neither of these instruments is enforceable in law. The King Code's authors hold that legislative regulation and enforcement thereof cannot 'convert' a company into being a caring corporate citizen. Yet, without a legal obligation to be ethical, companies continue to undermine health promotion, which necessitated the government's introduction of South Africa's Health Promotion Levy (HPL) (SARS, 2018). Because the behaviour of companies reneging on their own voluntary commitments to health promotion is immoral but not illegal, it could be argued that the King Code principles are not merely a matter of moral reasoning, but also of law.

This gives rise to two key lines of enquiry:

- Can legislation engender corporate accountability beyond mere compliance?
- If not, could the communitarian model's vision of an ethical bridge between law and morality be a viable proposition for SSB industry actors to contemplate?

Ideas for mutually beneficial solutions that fulfil profit-making and social value are expounded in three sources (Macassa et al., 2017; Malan & Ungerer, 2018; Mish & Scammon, 2010). Six sources (Mish & Scammon, 2010; Monachino & Moreira, 2014; Norman, 2011; Parker, 2007; Santos & Laczniak, 2009; Thakhati et al., 2021) describe the rationale for and methods by which companies can and should go beyond compliance with legal requirements for responsible business operations. Thakhathi et al. (2021) offer a phenomenological, normative, epistemological, and theoretical framework that accommodates micro, meso, and macro levels in business ethics that can aid in establishing normative and 'top of mind' corporate governance and informing practitioners of what they are not doing. Notably, Laczniak & Murphy (2012) aver that public policy will force companies to comply with delivering value that improves social well-being. Lacy-Nichols et al. (2022) argue that government regulation, including progressive taxation, is one of the most important evidence-based mechanisms for protecting and promoting health. Parker (2007) concludes that internal corporate conscience cannot be discretionary, but rather must be externally regulated for specific social policy goals.

Norman (2011) favours making higher standards into law by "advancing arguments that say: *You cannot do X because even though it is not (or is not yet) illegal, it should be [illegal]; and profiting from X is a perversion of the market system itself*". This would lead to specific normative recommendations whereby, at the very least, ethical firms would not "engage destructively with attempts by government and others to find reasonable regulatory solutions" like sugar taxation, and firms living up to ethical and legal obligations could then deservedly be seen as and claim to be 'stakeholder-friendly', 'socially responsible', and exemplary corporate citizens. In seeking solutions for a dialectic between legal and ethical requirements, Norman (2011) envisions a normative conceptual scheme that would support managers and corporate leaders in balancing interests for beyond-compliance obligations. Crucially, he examines this through the realm of 'regulation versus self-regulation', i.e. imposition of law versus voluntary moral choices – noting that 'responsibility' is a vague term compared to 'obligation' or 'right'.

What emerges from this evidence is an ineluctable sense of the need for a company to be conscious of the drivers, impacts, and effects of its products on public health, as encapsulated by Kickbusch et al. (2016) in their definition of the commercial determinants of health – specifically framing "corporate social responsibility strategies, which can deflect attention and whitewash tarnished reputations". This is a level of corporate influence that fuels the NCD pandemic in particular. As Tempels et al. (2017) point out, "connecting the debates on public health ethics, CSR, health sciences, and business ethics opens up room to work towards a more sophisticated and inclusive approach to responsibility for public health by the food industry ...".

Towards raising compliance standards, Norman (2011) proposes synergising economics, political science, sociology, history, public policy, and law for a deeper understanding of the moral grounds for business regulation in "a philosophical and meta-ethical thrust", which echoes the call by Kickbusch et al. (2016) for "deep interdisciplinary collaboration" that is needed to counter the systemic corporate power that plays a major role in perpetuating diet-related NCDs. The review findings therefore underscore the argument that a veneer of 'corporate citizenship' articulated in annual reports through heart-warming accounts of CSR projects and similar perception-management tactics will not suffice to protect and promote population health.

Aspects of communitarian ethics for corporate governance regarding health promotion that surfaced from the review evidence suggest that there is potential to empower industry – philosophically and practically – with a governance approach that aligns with the health promotion ideals of the Ottawa Charter (WHO, 1986), and engenders a communitarian respect for policy and laws that support long-term sustainability (as espoused in the King Code).

As such, implementation of the Ottawa Charter and the King Code could be energised if SSB manufacturers, as moral agents, catalyse innovation in their business practices through compliance with evidenced-based laws and being informed by communitarian ethics. By engaging with the intersecting and interdependent dynamic of economic, social, and political needs, SSB industry actors could help to enable a social compact of key sectoral partnerships for the prevention and control of diet-related NCDs in South Africa.

Because consumers, government, and the health sector are stakeholders with rights, roles, and needs that are affected by private-sector corporate practice, SSB companies' adoption of a communitarian ethic could support the resilience and sustainability of health policy implementation to achieve the outcomes-based United Nations 2030 Sustainable Development Goals (UN, 2015) to which South Africa is committed. Realising the right to health as a shared agenda requires re-thinking the corporate defence that the competitive nature of business and the market must subvert ethical ideals in favour of protecting companies' profit margins at all costs.

It could be argued that there is little evidence of the moral culture of businesses operating in South Africa having improved since the advent of the King Code in its various iterations. While acknowledging that the King Code seems not to have gained significant traction in this regard because it is a 'soft-law' instrument for which compliance is voluntary, our view is that the proposed communitarian model, as an exemplar of Parker's vision for meta-regulating law, could promote the King Code's implementation by signalling the human right to health as a means of facilitating greater corporate responsibility in a sustainable manner. Legislation that sets out specific obligations for commercial actors to protect the best interests of society, combined with the indigenous King Code as extended law, might at least regulate intentionally reckless or negligent behaviour. This could create a more robust framework for holding corporations accountable for their actions and address gaps in enforcement to ensure that companies prioritise the well-being of society in their decision-making processes.

5. Conclusion

South Africa, as "a country facing the vital challenge of reconnecting the creation of wealth with the power of conscience" (Prozesky, 2003), needs moral imagination for the prevention and control of NCDs. The scoping review evidence indicates the potential for legal reform to formalise the application of the communitarian principles of the King Code as 'extended law', and for related systems-wide change towards 'extended leadership' that requires a company's sustainability credentials to be as important as its profits.

For companies that persist in evading this responsibility, a legally enforceable instrument such as the nascent UN Binding Treaty on Business and Human Rights (UN, 2018) may offer recourse through regulating activities that threaten public health, based on the premise that the right to do business bears a prior obligation and normative concrete duties to observe all human rights. Additionally, the involvement of civil society organisations and human rights advocates can help to hold corporations accountable for their actions and ensure compliance with ethical standards.

The expert insights of specialist informants can broaden our thinking on whether or not laws – and in particular, 'soft law' such as the King Code – can steer the desired ethical corporate behaviour, at least to the extent of guiding the setting of expectations for managing strategic business risk to population health.

Ethics clearance

This study was conducted under ethics clearance granted by the University of KwaZulu-Natal's Humanities and Social Sciences Research Ethics Committee (Protocol Reference Number: HSSREC/0003203/2021).

Supplementary material

A PDF of charted data is available from the authors on request.

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