

Grovel, grovel, Telkom's in trouble

By [Rob Rose](#)

19 Aug 2014

There's a story about Jacques Schindehütte, Telkom's devil-may-care former finance boss, that provides a measure of the man.



Telkom's head office in Pretoria. The organisation's actions against Schindehütte reek of a deliberate effort to sideline him, says the author. (Image: Pieter-ZA, via Wikimedia Commons)

One of the top brass at one of his previous employers had been spreading all manner of off-colour water-cooler gossip about him. So Schindehütte stormed into his office and confronted him.

"Listen here. You stop telling lies about me, and I'll stop telling people the truth about you," he said.

The director, a board member senior to Schindehütte, was aghast. But he soon zipped his mouth.

This reflects the fact that the 55-year-old former accountant, who rose through the ranks at Transnet and Absa before apparently clashing with CEO Maria Ramos and upping sticks for Telkom, is nobody's fool.

He's not someone to nod and sign just because the boss orders it.

This week, Schindehütte trounced his employer Telkom so royally that the fixed-line operator must be blushing a deeper shade of red than Pallo Jordan right now.

'Suspended' - but why?

Last October, Telkom "suspended" him, leaving South Africa's oldest telecoms operator without a hand on the financial tiller.

Pointedly, Telkom wouldn't say why it did so (despite, you know, all the governance requirements to be transparent), nor would it release his disciplinary charge sheet.

Surely, you imagined, for a major JSE-listed blue chip to suspend its top finance chief, it would have to have a humdinger of a case?

Surely Schindehütte had made some egregious error: relocating the head office clandestinely to Lesotho, perhaps, or installing a Neotel line at home?

Not so, it seems. At 4.30pm last Friday, Telkom announced that, after nine months, Schindehütte would "retire with full benefits and that the disciplinary process will be discontinued".

Now, there's a special place in corporate hell (probably somewhere in Midrand) for companies that release crucial announcements late on Fridays, before public holidays or over Christmas.

But it was such a grovelling reversal, who can blame Telkom?

'Zimbabwean elections have been conducted with less farce'

In fact, in a full nine months since being "suspended", Schindehütte did not even get to testify at his disciplinary inquiry, which probably sat for less than a month in total. Telkom's investigators, Bowman Gillfillan, tasked with digging up dirt on him, presumably could find nothing of any substance.

His "charge sheet" ran to less than 10 items and centred largely on whether he had dodged proper process to appoint a friend to handle investor relations issues.

It seemed a spurious excuse. After all, Schindehütte's boss, former CEO Pinky Moholi, had given the green light to this appointment.

His "charges" ultimately contained no allegation of real financial mischief, no suggestion he was in a relationship with the woman who was hired, and no charges relating to the R6m loan that Telkom gave him to buy shares.

Zimbabwean elections have been conducted with less farce.

Mining executive Bernard Swanepoel put it eloquently: "When a good guy stands his ground against a bad company he always wins a settlement."

Enemies in government?

Telkom CEO Sipho Maseko said last week that just because Telkom couldn't prove its case in nine months doesn't necessarily mean there was no case to begin with.

"No, it was a long process, and we needed to accommodate the independent parties that were running the process," said Maseko.

But the fact it couldn't prove its case in nine months is disturbing. It reeks of a deliberate effort to sideline Schindehütte, a man never shy of speaking his mind, who publicly lobbied for a deal with the Koreans that was ultimately vetoed by former cabinet minister Dina Pule.

It is no secret that Schindehütte's opposition to Pule provided him with plenty of enemies in government - which is, after all, a 38% shareholder of Telkom.

So what is it that Telkom, or government, wants done that it needed him out the way so badly?

And what does "retirement with full benefits" mean? After all, the amount he is being paid to vanish will surely tell a story in itself.

Maseko will not say: "We have an agreement with [him] and we will issue no more statements."

But Telkom cannot dodge this forever - next year's annual report will have to lay it all bare.

Better still, if investors believe their money is being splurged on shafting the wrong people, they should pitch up at Telkom's AGM on August 27 and demand answers.

Source: *Business Times*, via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>