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An African and Asian View on Global Business Ethics

Lothar Auchter,

University of Applied Sciences Kaiserslautern, Germany.

E-mail: Lothar.Auchter@hs-kl.de

Abstract

In recent years there has been growing interest in Ubuntu, an African philosophy of participatory management mainly developed by Lovemore Mbigi. Several authors have suggested theoretical ways in which it might be applied to the field of business management. This paper tries to show, that applying the categories of business ethics as proposed by the Integrative Social Contract Theory (ISCT) to the communitarian Ubuntu philosophy can provide a particular approach to global business ethics. The paper clarifies what is meant by Ubuntu and in which way Ubuntu values are particular to Africa, and universal at the same time. It also shows that 'harmony' in the sense of Ubuntu demonstrates similarities with Japanese and Chinese managerial practices.

Key Words: *Ubuntu, ISCT (Integrative Social Contract Theory), macro- and microsocial contract, communitarian, relativism, universalism*

1. Introduction: Ubuntu Philosophy

A unique feature of the sub-Saharan culture is its non-individualistic character. Community is a striking concept in African thought and life. In the words of Yusufu Turaki: "People are not individuals, living in a state of independence, but part of community, living in relationships and interdependence" (Turaki, 2006, p. 36). Most scholars define Ubuntu as a communitarian ethic quoting the African aphorism: 'umuntu ngumuntu ngabantu' which can be translated in various ways, such as "I am, because we are; and since we are, therefore I am" (Mbiti, 1989, p. 106). As a Nguni word, Ubuntu is South African, but there are equivalents in Tswana and Shona. The concept has extended to Kenya, Tanzania, Mozambique, Angola, and the Democratic Republic of Congo and reflects sub-Saharan Africa as a whole. There are even parallels between Ubuntu and the ancient Egyptian concept of Maat.

Africa's achievements and genius lie in social and spiritual spheres, and hence imitations does not give them competitive advantage. Africa can win in a global economic arena if it draws on its spiritual and social heritage. The fight against Apartheid has demonstrated that the collective solidarity of the African people and the spirit of Ubuntu can be harnessed for transformation. (Mbigi, 1995, cf. p. 4)

Ubuntu is of global relevance and provides a model for other countries in an environment of inequality and historical division. Shutte (2001, p. 4) "[is] not thinking mainly of a political experiment but of an ethical one, an experiment in trying to live by values that have been hidden or forgotten."

But there is also a need to sound a note of caution. "The term UBUNTU has become almost meaningless in South African ears through over-use. It appears in pop songs, and endlessly in advertising campaigns. Nearly every organisation has the term in its mission statement." (Shutte, 2001, p. 14)

2. Methodology: Basic Structure of ISCT

The Integrative Social Contract Theory (ISCT) by Donaldson and Dunfee (1994) is arguably the most promising framework that is currently available to provide managers with concrete ethical guidance in business operations. It bases on the classical concepts of social contract thinking and interconnects normative and empirical approaches to business ethics. ISCT is a pluralistic business ethics methodology, since it avoids cultural relativism and universalism: On the one hand, it takes into account different communities with their cultural-specific norms and standards, and on the other hand, it suggests that there exist some trans-cultural, universal norms which are superior to local norms. The following ISCT categories are the point of departure to give the philosophy of Ubuntu a theoretical foundation.

The main theory of ISCT integrates two kinds of contracts. The first, the macrosocial contract, is a hypothetical and normative social contract among economic participants. This general contract defines the rules for creating the second kind of contract, which is called the microsocial contract.

The second is an existing (extant) implicit contract that can occur among members of specific communities, including firms, departments within firms, informal subgroups within departments, national economic organizations, international economic organizations, professional associations, industries, and so on. The aggregate of these extant social contracts contains much of the substance of business ethics. "We believe that this way of conceiving business ethics not only helps one in understanding the normative justification for business decisions, but it also helps one in reaching such decisions" (Donaldson/Dunfee, 1994, p. 254). According to Donaldson and Dunfee, global contractors would agree to four principles forming the content of the macrosocial contract for economic ethics: (1) Communities should be able to establish ethical norms through microsocial contracts. (2) To be norm-specifying, microsocial contracts have to be grounded in informed consent and buttressed by the rights of exit and voice. (3) A microsocial contract has to be compatible with hypernorms in order to be obligatory. (4) In case of conflicts among legitimate microsocial norms, particular rules of priority can be applied. These principles are based on the assumption that the contractors are constrained by limited moral rationality which is a result of (a) the finite capacity of humans to grasp facts, (b) the limited capacity of ethical theory to capture moral truth exhaustively, as well as of (c) the culturally limited nature of economic systems and practices (Donaldson/Dunfee, 1994, cf . p. 46-47).

The application of the ISCT framework to practical moral decision making is based on various steps: Once, an ethical problem has been identified, the relevant communities for the judgement process have to be identified. Norms which are applicable to the decision process have to be determined within these communities. These norms have to be tested for authenticity. An authentic norm is one that is generated by a community's moral free space and is based upon a combination of attitudinal and behavioural consensus among the majority of the members of the source community. The information concerning this consensus can be found by looking at survey or proxy data. Furthermore, any member of the community must have the right to exit the community and to exercise voice. Norms become binding for the members of a norm-generating community when they are classified to be legitimate. A legitimate norm is an authentic norm that does not violate any hypernorms. Hypernorms are fundamental cross-cultural principles which are discernible in a convergence of religious, political and philosophical thought. It is possible that several legitimate norms are identified within the ISCT decision process and that these norms appear to be in conflict with each

other. Such conflicts have to be resolved with the help of priority rules. The final ethical judgement should be based on the emerging dominant norm (Donaldson/Dunfee, 1994, cf. p. 175-207).

3. African Humanism as a World View - an ISCT Interpretation

ISCT is identified as a pluralistic business ethics methodology as it avoids cultural relativism and universalism: It takes into account different communities with their cultural-specific norms and standards, and it also suggests that there exist transcultural, universal norms which are superior to local norms.

Given this “Pluralistic view” of Integrated Social Contract Theory (ISCT), Ubuntu can be interpreted as a closed pluralistic ethical approach to business ethics as a “world view”.

Some scholars do not agree with this interpretation and consider Ubuntu values different to those maintained by Western societies. However, there is hardly any empirical support provided in the literature to back this claim. In contrast West and other scholars “consider Ubuntu values to be universal. Western examples that are comparable to African examples then provide support for a universal Ubuntu. While this may be true, consistently maintaining such a view of Ubuntu together with the claim that sub-Saharan African societies maintain a value system that is different to that maintained in the West then appears problematic” (West, 2014, p. 50, footnote 6).

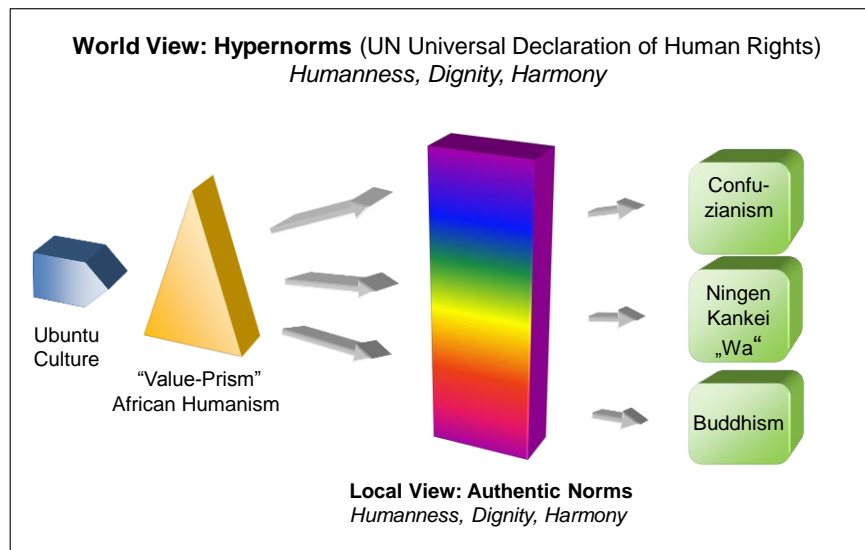


Figure 1: Ubuntu World-View: Integration of the Local With the Nation World-Wide

Broodryk (2002, cf. p. 32) distinguishes Ubuntu core values such as humanness, dignity, harmony. As depicted in Figure 1 these values are also cited in the UN Universal Declaration of Human Rights, and the UN Declaration of International Covenant of Economic, Social and Cultural Rights and hence, they represent hypernorms in the sense of ISCT. “Hypernorms are second-order moral concepts because they represent norms sufficiently fundamental to serve as source of evaluation and criticism of community-generated norms” (Donaldson/Dunfee,

1999, p. 50). A norm generated in a community is “authentic”. It indicates that this norm is genuine in the community and that it represents a community consensus in respect of ethical behaviour (Donaldson/Dunfee, 1999, cf. p. 86).

Ubuntu, as a concept of African Humanism, shows that humanness, dignity, harmony, etc. as authentic norms of the micro level, represent the local view compatible with the world view, the macro level of this approach. According to Donaldson and Dunfee (1999, p. 76) “...Hartmann sees hypernorms as global authentic norms and believes that hypernorms do indeed evolve.”

This view can be transferred into a vision that Ubuntu represents authentic norms as a world view. The integration of the local with the nation or the world-wide, and the particular with the universal is meant to emphasise the visible participation of each member of the Ubuntu society in the whole instead of disappearing in the whole.

4. Determining Legitimacy of the Authentic Norms and Hypernorm Test

The thesis that Ubuntu authentic norms are consistent with a world view or hypernorms in terms of ISCT has to be tested. If there is no violation of hypernorms than the identified authentic norms are legitimized in terms of ISCT.

However, Donaldson and Dunfee refuse to provide a comprehensive list of hypernorms. They leave the task of identifying hypernorms to ethical theorists. They offer a set of proxies for identifying presumptive principles with a hypernorm status relevant to a pending decision. The different kinds of evidence in support of a hypernorm are as follows (Donaldson/Dunfee, 1999, p. 60):

- “1. Widespread consensus that the principle is universal.
2. Component of well-known global industry standards.
3. Supported by prominent nongovernmental organisations such as the International Labour Organisation or Transparency International.
4. Supported by regional government organisations such as the European Community, the OECD, or the Organisation of American States.
5. Consistently referred to as a global ethical standard by international media.
6. Known to be consistent with precepts of major religions.
7. Supported by global business organisations such as the International Chamber of Commerce or the Caux Round Table.
8. Known to be consistent with precepts of major philosophies.
9. Generally supported by a relevant international community of professionals, e.g., accountants or environmental engineers.
10. Known to be consistent with findings concerning universal human values.
11. Supported by the laws of many different countries.”

Generally, it can be said that the more types of evidence in support of a hypernorm, the stronger the presumption.

The following sources cover a large portion of Donaldson and Dunfee's suggested types of evidence regarding the identification of hypernorms: The United Nations (UN), the International Labour Organisation (ILO), the Organisation for Economic Cooperation and Development (OECD), the European Union (EU), major religions and the Caux Round Table. These sources provide guidance. But the empirical identification is often not straightforward as the results of studies have revealed. Therefore, Husted proposes a purely philosophical approach without trying to incorporate an empirical reality into its methodology and follows Donaldson and Dunfee's proposal "to use the existence of the convergence of religious, cultural, and philosophical beliefs around certain core principles as an important clue to the identification of hypernorms" (Husted, 1999, p. 233).

5. Evolvement: From the "Authentic-Local" to the World-View

The expression "a person is a person through other persons" is a basic point of departure for Ubuntu. This local or authentic view implies that morality and rationality are acquired through community life and not ideologies. In this sense "Ubuntu provides a strong philosophical base for the community concept of management" (Karsten, 2005, p. 612).

The evolvement of Ubuntu from a local philosophy of ethics into a world view, which is compatible with other ethic approaches in Non-African traditions, requires to recognise that in this context a firm is seen as a community and not a collection of individuals.

If "harmony" is considered as a universal value in Ubuntu philosophy or as a hypernorm in ISCT, then it is intrinsically associated with the concept of communalism.

"Harmony means the habit of working together in the spirit of harmony, service and teamwork, in which care is taken to balance individual rights with communal rights" (Mbigi, 2005, p. 96).

The purpose of Ubuntu as a societal value is to reshape social relations in African societies and in African workplaces. Managers who are good conversationalists will share Ubuntu as a concept that can free workplaces from one sided, instrumental approaches to human beings and create an atmosphere of cultural harmony (Karsten, 2005, cf. p. 614). In this context Prinsloo points out that "...at the same time Western values of efficiency and enterprise were integration with African values of harmony and community control. Productivity is promoted by communicating and capturing the company's vision by means of songs, slogans, tribal dancing, drinking, eating, and honouring the best workers and giving prizes" (Prinsloo, 2000, p. 282)

The value "harmony" is not exclusive to Ubuntu but also rooted in Non-African traditions. As the following analyses shows, harmony in the sense of Ubuntu a particular kind of

commitment and loyalty to the social group, and similarities can be stated for Japanese and Chinese managerial practices.

The universal value “harmony” corresponds to the Japanese family system “Ningen Kankei” and the cultural concept of “Wa” which is usually translated into English as “harmony”. “Wa” implies peaceful unity and conformity within a social group, in which members prefer the continuation of a harmonious community over their personal interests. This deep understanding of sharing emphasises the desire for harmony in interpersonal relations and the consideration of others within a group (Reischauer, 1994.) “Wa” comprises nine cultural values: *Enryo, Tatemaie, Sasshi, Giri, Awase, Kenson, Kata, Kankei* and *Jouge*. This value system reflects and supports WA (Reischauer, 1994). Here, we describe “Amae” and “Kenson” only briefly because they are associated with the cultural degree of group collectivity and group harmony similar to Ubuntu. Amae is a form of mutual dependency and links a kind of relationship which one person belongs to a group and depends on another’s love. Kenson means negation of individual ability in order to maintain the nature of the social collective relationship and to avoid individual heroism which would disturb the group interests (Yokochi/Hall, 2001, cf. p. 192-193).

When Japanese try to explain their system of relationships they use *shuhdanshugi* or “groupism” as a more neutral concept than “collectivism” because the word sounds neutral to Western (Itoh, 1991, cf. p. 107).

For example, the Japanese family oriented communalism or “Ningen Kankei” has been transformed into corporate communalism. Each family member is an integral part of the whole, and derives his or her place in the context of the community. The strength of human relations in a community is of main importance. The intensity of contact is a key feature of human relationships. “A proverb that guides many companies in Japan is as follows: the company exists for the workers – this is a meta-value or ethic that is highly pervasive throughout the workplace in Japan” (Davis, 2012, p. 5).

As in traditional African and Japanese ethics the institution of the family and the value “harmony” is also central for Confucianism. Confucian virtues as humanness (ren), virtue (de), loyalty (zhong), rightness (yi), reciprocity (shu), etc. are also part of Confucian ethics applied to business:

- being sincere towards others (i.e. no deception and always seeking for mutual benefits);
- being trustworthy in handling transactions (i.e. treasuring one’s credibility);
- taking righteousness as profit (i.e. treasuring righteousness more than profitability); and

- being grounded on kindness (i.e. being kind to others and not taking advantages on them) (Lee, 1996, cf. p. 67).

Chu highlights the importance of harmony as a central value in the Confucian value system. According to Chu “In Chinese Confucian culture, authority is respected and harmony is cherished. ... Among peers, harmony takes precedence over respect and authority. To maintain harmony, conversations are not only carefully worded but also calculated for this purpose. Dissenting opinions are avoided as well” (Chu, 1988, p. 127).

Generally, it can be stated that these Confucian virtues are fundamental not only for China and Japan but also for Singapore, Vietnam, and Korea, i.e. the Far East, generally (Ware, 1955, cf. p. 18).

There is also a close connection to Buddhism because “the morality of Ubuntu is intrinsically related to human happiness and fulfilment” (Shutte, 2001, p.30). The “Holistic View” is also represented in Buddhism and Ubuntu and refers to the necessity that all employees have a clear view of the corporation as an interdependent system, and accept that their task is to work together in harmony. (Dalai Lama/Van den Muyzenberg, 2008, pp. 74, 136, 139)

The inclusion of world views means that a firm is no longer a mere economic unit but becomes a thriving, enterprising holistic community in the sense of a traditional African community which has much in common with communities in Japan, China and South East Asia (see figure 1). “Japan’s example should be important for Africa, because it shows that modernisation need not mean Westernisation. Africa and developing countries need to learn from developed ones, but they do not have to abandon their culture and traditions in the process” (Guest, 2004, p. 23).

6. Conclusions and Recommendations

After introducing the theoretical framework of ISCT, this paper seeks to illustrate that Ubuntu, as a concept of African Humanism, shows that humanness, dignity, harmony, etc. as authentic norms of the micro level, represent the local view compatible with the world view, the macro level in terms of ISCT.

Especially “harmony” in Ubuntu philosophy as a universal value or a hypernorm under ISCT is intrinsically associated with the concept of communalism. Consequently a theory of global business ethics consistent with the cultures of Africa and Asia has to consider that the business firm is no longer a mere economic unit.

All things considered, ISCT is a very promising concept of business ethics. The basic idea of integrating empirical evidence and normative theory is unique. This article elucidates, that applying the categories of business ethics as proposed by ISCT to the communitarian Ubuntu

philosophy can make suggestions to a new approach of cross cultural management and global business ethics. But much work remains to flesh out this skeleton. Metz for example points out “the most justified normative theory of right action that has an African pedigree is the requirement to produce harmony and to reduce discord, where harmony is a matter of identity and solidarity” (Metz, 2007, p 340). He is aware that this theory is still unaccurate and not complete and he concludes, that some questions like the following can contribute to refining it: “Must harmony be realized in order to do right? ... Must one always be part of the harmony promoted? ... May one ever promote harmony globally at the expense of the local?” (Metz, 2007, pp. 340-341).

Furthermore harmony associated with communalism means working for the benefit of the whole, the common good. There is the problem emerging of how to share the common good? Sharing in this context is ambiguous and calls for clarification.

Finally there is no clear consensus which role Ubuntu might play in the context of individualism, market mechanism and capitalism.

Additionally it has to be seen that also the theory of ISCT constitutes an important foundation for further refinements. The potential of ISCT may be enhanced by further research focusing on the evaluation and refinement of the process of community and hypernorm identification, the justification and nature of hypernorms, the analysis of whether hypernorms evolve, or the refinement of the process of identifying authentic norms.

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