

An African View on Global Business Ethics: Ubuntu – A Social Contract Interpretation

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Abstract

In recent years there has been growing interest in Ubuntu, a communitarian African philosophy based on virtues such as tolerance, reciprocity, compassion and harmony. Several authors have suggested theoretical ways in which it might be applied to the field of business management and business ethics. This paper tries to show, that applying the categories of business ethics as proposed by Donaldson/Dundee's Integrative Social Contract Theory (ISCT) to the communitarian Ubuntu philosophy can provide a special approach to global business ethics. The paper clarifies 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.

1. Introduction: Ubuntu Philosophy

A unique feature of the sub-Saharan culture is its non-individualistic character. Community is a striking feature in African thought and life. According to Yusufu Turaki: "People are not individuals, living in a state of independence, but part of community, living in relationships and interdependence" (Turaki, 2006: 36). Most scholars define Ubuntu as a communitarian ethic quoting the African aphorism: 'umuntu ngumuntu ngabantu' which was translated by Mbiti as "I am, because we are; and since we are, therefore I am" (Mbiti, 1989: 106). Gyekye cites an Akan proverb to explain the relationship between society and the individual, which reads "The clan is like a cluster of trees which, when seen from afar, appears huddled together, but which would be seen to stand individually when closely approached" (Gyekye, 1997: 40).

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 imitation 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: 4).

Ubuntu is of global relevance and provides a model for other countries in this environment of inequality and historical division. Shutte (2001: 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."

As shown by this paper, this ethical experiment needs a stronger theoretical foundation. Interpreting Ubuntu by means of ISCT can provide a requisite theory for (global)-business ethics consistent with the traditional values of sub-Saharan Africa and those of Asia.

2. Methodology and Application of Integrative Social Contract Theory (ISCT)

For many years, research in business ethics had mainly applied normative or descriptive methods. Researchers with a philosophical background used purely normative, non-empirical methods for their study of business ethics, whereas management scholars trained in descriptive

empirical methods applied their own techniques. Normative approaches to business ethics identify moral principles and methods of moral reasoning that justify judgements of what is ethically right or wrong, thus guide us through what we ought to do. Descriptive approaches, however, focus on the “is” of economic affairs, including attempts to describe or model ethical decision making, as well as empirical studies of ethical attitudes and/or behaviours of different communities and populations (Dunfee/Smith/Ross,1999: 149).

Donaldson and Dunfee tried to solve this lack of integration by interconnecting the normative and empirical approaches in business ethics. They presented a normative theory which “incorporates empirical findings as part of a contractarian process of making normative judgements” (Donaldson/Dunfee, 1994: 254). Bridging between the “is” and “ought” should follow as Donaldson and Dunfee argued: “We label the theory we are proposing integrative social contracts theory (ISCT) because it integrates two distinct kinds of contracts. The first is a normative and hypothetical contract among economic participants, a social contract similar to the classical contractarian theories in philosophy and political economy. This general contract, in turn, defines the normative ground rules of creating the second kind of 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: 254).

The authors also sought to avoid extreme relativism and extreme universalism. The position of ethical universalism implies that there exists a set of universally binding norms. These norms direct people to behave everywhere in exactly the same way as they do at home. According to relativism, the ethics of a particular culture is no better than any other and therefore there are no international rights and wrongs (Donaldson, 1996: 4f).

ISCT provides a middle position between relativism and universalism, allowing a substantial “moral free space.” ISCT is identified as pluralism, since it takes into account different cultures and communities with their different norms and values. Furthermore, it suggests that context plays an important role in ethical decision making. Thus, relativism is avoided. ISCT also suggests that some trans-cultural norms (“hypernorms”) are superior to other norms, which avoids extreme relativism (Donaldson/Dunfee, 1999: 19ff). It follows that the theory helps managers to recognise the importance of their own cultural values like the philosophy of Ubuntu without losing sight of fundamental moral commitments (Burg, 2009: 665).

Consequently, the ultimate purpose of ISCT is to provide a stable, normative framework for practical moral decision-making in international business operations. Subsequently it is shown that Ubuntu, as a communitarian philosophy like ISCT, can provide a particular approach to global business ethics when its philosophy is interpreted by means of the following ISCT-categories:

1. Identifying relevant communities
2. Authentic norms
3. Hypernorms and micro- and macrosocial contracts.

These categories, if interpreted in the context of Ubuntu philosophy, provide a sketch of theory of global business ethics.

3. Identifying Relevant Communities and Different Interpretations of Ubuntu

Applying ISCT to “African ethics” in the sense of Ubuntu has to start at identifying the key communities for the decision-making process. At this point it has to be made sure that all significant communities which may be affected by a particular business practice must be considered by the identification process of key communities. A community is defined as “a self-defined, self-circumscribed group of people who interact in the context of shared tasks, values, or goals and who

are capable of establishing norms of ethical behavior for themselves" (Donaldson/Dunfee, 1999: 39). Identifying relevant communities related to "African ethics" comprises "values associated with the largely black and Bantu-speaking peoples residing in the sub-Saharan part of the continent, thereby excluding Islamic Arabs in North Africa and white Afrikaners in South Africa, among others" (Metz, 2007: 321). However, the core element of the definition of an ISCT community consists of the capacity of an identifiable group of people to develop authentic norms (Donaldson/Dunfee, 1999: 100). Authentic norms are authenticated and accepted by the uncoerced consent of the majority of a community (Donaldson/Dunfee, 1999: 38f). One requirement for the authenticity of a norm is that the norm has to be supported by attitudes and behaviour of the community (Donaldson/Dunfee, 1999: 90-94). Authentic norms are primarily designed to maintain cultural sensitivity, as they ensure tolerance and respect for cultural diversity (Douglas, 2000: 103). There are various ways to join or become a member of a community. The membership in a community can result from contractual commitment, or just from participation in a group and being acknowledged by others as a member of that group (Donaldson/Dunfee, 1999: 41). The definition of a community allows a great, open-ended, variety of economic communities. Consequently, defining the boundaries of a community is one of the challenging issues in applying ISCT (Dunfee/Smith/Ross, 1999: 30).

In search for potential key communities for interpreting African ethical theory the key insight is that persons depend on persons to be persons, *umuntu ngumuntu ngabantu*. This gives the African conception of community its distinctive character. There are two main, however, opposing versions of recognising a community: The individualist version that underlies liberalism and capitalism and the collectivist version that underlies socialism and communism. They can be differentiated according to the priority that is given to the importance of the individual or to society as a whole. African scholars try hard to distinguish between these and the African idea of community. "Leopold Senghor, has coined the term 'communalism' and speaks of a 'community society' in order to distinguish the African conception from European collectivist theories such as socialism and communism" (Shutte, 2001: 26). "Negro-African society is collectivist or, more exactly, communal, because it is rather communion of souls than an aggregate of individuals" (Senghor, 1964: 49).

The search for potentially relevant communities which may have a stake in ethical decisions should start with the parties directly affected by or involved in business decisions. Such parties can constitute a community by themselves, but they can also be members of broader communities that might have norms relevant to the decision, such as communities of members of an entire profession, tribe, or nation. Simultaneously, it has to be taken into account that there may exist sub-communities that have ethical rules which are different from those of a broader community. In this direction Gyekye (1992) criticises the African view that African social order is through and through communal. It ignores or even denigrates the idea of individuality in African social thought and practice. He argues that the individual person takes precedence over that of the community sources in the thought of the Akan, the largest ethnic group in Ghana. In terms of ISCT, Akan is a sub-community, because Akan thought interprets the community differently. In Akan a community is a communion of individuals rather than one of souls. In terms of business management Akan people recognise their firm as a collection of individuals rather than as a community.

"What Akan/African social thought attempts to do is to integrate individual desires and social ideals; it attempts, that is, to integrate and keep in creative balance individual uniqueness and social participation" (Gyekye, 1992: 13). This contrasts with the African conception of "breathing together they have one breath, one spirit, one heart. A community is a unity of a uniquely personal kind" (Shutte, 2001: 27).

A good way to move on is Thaddeus Metz's theoretical foundation of Ubuntu which provides the means to specify the concept of community more precisely. He evaluated six different theoretical interpretations of the concept out of which he himself already rejected four as unsatisfactory. Hence, we consider the two remaining ones:

“U4: An action is right just insofar as it positively relates to others and thereby realizes oneself; an act is wrong to the extent that it does not perfect one’s valuable nature as a social being” (Metz, 2007: 331).

“U6: An action is right just insofar as it produces harmony and reduces discord: an act is wrong to the extent that it fails to develop community” (Metz, 2007: 334).

Metz rejects U4 “probably the dominant interpretation of African ethics in the literature” (Metz, 2007: 331) and he accepts U6 as “the most promising theoretical formulation of an African ethic to be found in the literature” (Metz, 2007: 334). He concludes further “... the common idea that Ubuntu prescribes self-realization through communal relationships (U4). What is largely doing the work in this view, I submit, is not the focus on self-realization, but rather the communal relationships. Focusing on relationships, as opposed to self-development, presents an interesting contrast to what is dominant in Western ethics and in any event better coheres with firm moral judgements about when, how and why to help others” (Metz, 2007: 340). Reconciling self-realization and communalism can be expressed in Tutus fundamental requirement to promote harmony in his following characterization of Ubuntu:

“Harmony, friendliness, community are great goods. Social harmony is for us the sum mum bonum – the greatest good. Anything that subverts or undermines this sought-after good is to be avoided like the plague. Anger, resentment, lust for revenge, even success through aggressive competitiveness, are corrosive of this good (Tutu, 1999: 35)”. (Metz, 2007: 334).

Consequently, it is possible to interpret “a person is a person through other persons”, in such a way that both U4 and U6 are true. The actions that produce harmony, reduce discord and develop community are simultaneously the actions that perfect one’s valuable nature as a social being. Now, it can be stated that an “African pedigree is the requirement to produce harmony and to reduce discord, where harmony is a matter of identity and solidarity” (Metz, 2007: 340). Metz is aware that this theory is still incomplete and imprecise in many ways.

It has to be emphasized that ethics of harmony and the African idea of community underlie all traditional customs and institutions. Relevant to ethics are the clan, the indaba, the extended family, the ancestors, the earth as the home and property of humanity as a whole (Shutte, 2001: 28).

Applying ISCT so far, we have determined harmony as a specific norm held in the identified community of Ubuntu. The relevant community in Ubuntu ethics is based on the premise that no community member would be what he or she is without the community. From the above follows that the identification of relevant communities and the identification of key norms are in part mutually dependent and intertwined, since communities can be defined in terms of authentic norms and authentic norms can be defined in terms of community (Rowan, 2001: 382).

4. Identifying Authentic Norms

In ISCT, ethical norms represent collective viewpoints concerning the correct behaviour of agents under specific circumstances. Put differently, these norms are rules that guide behaviour (Donaldson/Dunfee, 1999: 83). To identify norms it may be helpful to bear in mind the origin of norms: Norms usually result from experience in dealing with practical matters (Hartman, 2009: 708). Donaldson and Dunfee argue that the reliance on norms results from the ‘bounded moral rationality’ (see 5.2) of people. They believe that norms also develop from the enormous variety of moral preferences among individual community members and their communities. Furthermore, companies or organizations reflect the religious or cultural attitudes of their surrounding culture or employees. They also explain that norms serve communities to achieve their goals efficiently (Donaldson/Dunfee, 1999: 84ff). These aspects, as well as social connections, trust and culture play a significant role in growing and sustaining norms (Burg, 2009: 671).

In some cases, norms can be easily found and identified in explicit contracts, laws, or written rules. In most cases, however, norms exist informally, e.g. within implicit, unspoken agreements or

unwritten promises. The business environment is heavily laden with analogous unwritten ethical rules that guide behaviour (Donaldson/Dunfee, 1999: 84).

Mbigi, the 'founder' of the Ubuntu philosophy as management practice, advances five key social values of Ubuntu. This is known as the collective fingers theory. Fingers must be seen as individuals, who interact in a collective way to achieve a particular objective. A finger represents an authentic norm that is necessary to create and maintain a collective culture. The corresponding values are survival, solidarity, compassion, respect and dignity (Mbigi, 1995: 111). Poovan et al. (2006) interpret Ubuntu as a collective system and its core values include survival, solidarity, spirit, compassion and respect/dignity. Metz, on the contrary, emphasises "the requirement to produce harmony and to reduce discord, where harmony is a matter of identity and solidarity" (Metz, 2007: 340). It would go beyond the scope of this paper to describe all these values in depth. However, the value 'harmony' will be discussed separately in association with the characteristics of authentic norms.

A prerequisite for the authenticity of norms, and simultaneously an indicator for non-coercion, is the right to exit and voice for individuals within the community. To exercise voice implies the attempt to bring about a change in the authentic norm within the community, including any means of communication that may influence the attitudes and behaviours of the community members (Donaldson/Dunfee, 1999: 163). When members are unable to change objectionable norms, they should have the option to exit the community (Donaldson/Dunfee, 1999: 164). However, the determination of the existence of the right to exit a community might be problematic (Husted, 1999: 230f). But research work shows that the capacity of Africans to tolerate and forgive makes it easier to reach consent. Good managers are people-oriented and not task-oriented. Research also shows that in Africa organisational cultures, authority is exercised in a rather 'caring' or paternal way and respect for authority is high, which makes it easier to reach consent (Sigger et al., 2010: 8).

Due to cultural differences in orientations to communication context consent can be difficult in cross-cultural situations. Communication context is an integral part of the way people interpret the world around them. For an authentic African community norm like harmony, truth-telling and promise-keeping are important. Here the problem emerges how to communicate the contents of these values as differences in moral reasoning make the determination of consent problematic. Donaldson/Dunfee however explains "that the forms of reasoning used within communities for the adoption of norms do not directly influence the determination of authentic norms under ISCT" (Donaldson/Dunfee, 1994: 276). However, the form of reasoning is crucial to the issue of obtaining an informed consent, and informed consent can be promoted by means of African oral traditions like storytelling, songs and slogans and for inspiring and consensual leadership. Mbigi suggests using role models such as folk singers, traditional healers and traditional farmers and stresses the importance of dialogue for the aim of building consensus (Mbigi, 2005: 35-66). This aim may be achieved by debates and endless efforts during meetings. But, time consuming dialogues and consultations are of no importance in African culture. It is widely accepted that participatory decision making improves the implementation of the decisions and make them more sustainable (Sigger et.al. 2010: 8).

Another prerequisite for the authenticity of norms, and simultaneously an indicator for noncoercion, is the right to exit and voice for individuals within the community. To exercise voice implies the attempt to bring about a change in the authentic norm within the community, including any means of communication that may influence the attitudes and behaviors of the community members. Because such a right depends upon institutional and structural factors which differ considerably across nations. The right to exit in a national context can be characterised by closed markets and monopolistic conditions. Such an exit may be effectively non-existent. When considering labour markets for example, one can state even in Europe, that labour markets are relative inflexible and make switching jobs somewhat daunting. African labour force is confronted with the "Black-White-Problem" which is a barrier for many job searching people. Likewise barriers

are the communal rules of tribes. In addition, an exit can be very costly because of transaction or search costs. This example indicates briefly the need for empirical research to determine whether the right of exit exists and is executable in the respective cultures and economic systems.

Finally, it can be stated that community-norms which are not grounded in consent, or which deny any meaningful participation in the norm generation process, or which restrict exit, are not considered by the ISCT framework, since this implies that a true social contract does not exist (Donaldson/Dunfee, 1999: 209). In sum, the identification of authentic norms is an important step in ISCT and should not be ignored, underutilized or inappropriately aggregated, since "in most cases, authentic norms will provide the essential meat for the ethical analysis" (Dunfee, 2006: 306).

5. Contracts and Hypernorms: Universal Limits and Community Consent

According to Khoza Ubuntu delivers the basis of a social contract that stems from supportiveness, cooperation and solidarity. The social contract "transcends the narrow confines of the nuclear family to be extended kinship network, the community. With diligent cultivation, it should be extendable to the business cooperation" (Sigger et al., 2010: 3). ISCT evokes two types of social contracts, the hypothetical but universally valid macrosocial contract, and the factually valid microsocal contract of local communities (Wempe, 2009: 761f).

The choice of affiliation to communities and of generating specific norms in microsocal contracts entails freedom and freedom also implies the right for contractors to revoke consent. This means, as illustrated above, that community members have the right to leave or exit the community (Donaldson/Dunfee, 1999: 41).

Furthermore, a rational choice would assume knowledgeable, informed contractors as otherwise their consent to a microsocal contract would not be binding (Donaldson/Dunfee, 1994: 262). The members of microsocal contracts have another option to satisfy the condition of consent, which is the right of voice. Donaldson and Dunfee explain it as the right of community members to speak out for or against existing and developing norms within the community (Donaldson/Dunfee, 1999: 43). This could lead to changes in thinking and behaviour among community members and in the end even to the emergence of new authentic norms.

Sole authentic norms, however, have no specified moral valence, because the moral free space that has been established by the macro-contractors does not have any limits yet - i.e. potentially immoral norms may result. Thus, authentic norms cannot be said to be ethical due to their acceptance by broad groups (Donaldson/Dunfee, 1994: 264). Furthermore, left to themselves, authentic norms are not sufficient to resolve ethical conflicts on inter-cultural or international levels (Douglas, 2000: 103). Therefore, it is necessary to establish a set of standards for the macrosocial contract, and this set is so fundamental to human existence, that all communities would agree with it. Such standards or universal norms serve to evaluate low-order norms and Donaldson and Dunfee call them "hypernorms." The authors expect hypernorms to be reflected in a convergence of religious, political, and philosophical thought (Donaldson/Dunfee, 1999: 43f). Hypernorms are recognised as "key limits on moral free space, and are essential to establishing consent in microsocal norms while recognizing precepts and values common to most people" (Donaldson/Dunfee, 1999: 49f). Furthermore, they are applicable to all cultures and actions (Donaldson/Dunfee, 2006: 64). In this respect, hypernorms can be considered as mitigation against relativism, Dunfee even describes them as an "important bulwark against cultural relativism" (Dunfee, 2000: 310).

Donaldson and Dunfee identify procedural, structural and substantial hypernorms (Donaldson/Dunfee, 1999: 51ff). Procedural hypernorms are those which specify the rights of voice and exit, which are essential to support consent in microsocal contracts. Substantive rules of argumentation have to be considered in terms of human communication "everyone is allowed to express his attitudes, desires, and needs" (Habermas, 1990: 89). In indigenous African cultures, music and dance play pivotal roles in communication and are unifying an embodiment of strength in a

community. The Shona people in Zimbabwe have a total of 20 dances, which can be classified into three categories in terms of their function:

- Developmental dances, which contribute to socialisation of individuals and groups.
- Preventive dances, which contribute to maintaining social harmony.
- Remedial/rehabilitative dances, which are aimed assisting individuals and communities to solve problems (Mbigi, 2005: 62-65).

Structural hypernorms are those essential for political and social organisation, and hence, support background institutions in society which are necessary for a properly functioning society and economy. This includes, for instance a legal system designed to assure fair business relations. The Ubuntu institutional governance model is characterized by principles of inclusion, consensus democracy and stakeholder accountability, rather than by narrow shareholder accountability (Mbigi, 2005: 194). Mbigi observes close similarities between the Ubuntu institutional governance model and the German and Japanese inclusive capitalist system. Japanese and German inclusive capitalist systems “pay particular attention to stakeholder accountability in their governance systems. This resonates with the inclusive African cultural values of Ubuntu” (Mbigi, 2005: 195).

The most important hypernorm of ISCT is the substantive hypernorm. Substantive hypernorms represent basic concepts of the right and the good. They are recognised by the macrosocial contractors and base on the convergence of human experience and intellectual thought. Promise keeping, respect for human dignity and harmony are samples for substantive hypernorms. However, the source of substantive hypernorms is unapparent: Whereas procedural and structural hypernorms are specified or implicit within the macrosocial contract, the existence of substantive hypernorms is simply recognized by hypothetical contractors (Glac/Wan Kim, 2009: 697). Donaldson and Dunfee refuse to provide a comprehensive list of hypernorms. “We emphasize again that the specification of a definitive listing of hypernorms is not necessary to the understanding and application of ISCT” (Donaldson/Dunfee, 1999: 54).

The different kinds of evidence in support of a hypernorm are as follows (Donaldson/Dunfee, 1999: 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 Organization or Transparency International.
4. Supported by regional government organisations such as the European Community, the OECD, or the Organization 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. 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.

At this point, it seems to be advisable to summarize the results of scholars who have applied ISCT with regard to the hypernorms they identified. Although more than two dozen of articles about applying ISCT to different ethical problems, only few scholars applied the suggested process of identifying hypernorms in detail. Hartman, Shaw and Stevenson (2003), and Herold and Stehr (2010) are the only ones who applied the proxies extensively. Hartman et al. (2003) applied the proxies to

issues pertaining sweatshops and international labour standards in a manner that seems to be “exemplary” (Dunfee, 2006: 306). The sources they used in their analysis include well-known industry standards (Social Accountability 8000), principles supported by prominent non-governmental organisations (International Labour Organization Conventions) etc. In their analysis, they were able to identify 16 norms as hypernorms with the definition given by Donaldson and Dunfee. Their norms are catalogued by their area of responsibility, including employees, customers and suppliers, and environment and society. They argue that these hypernorms can constitute a basis for internationally active companies in developing their own code of ethics. The identification of local norms and relevant communities is at least partially an empirical task, but the empirical identification for substantive hypernorms is often not straightforward as the results of the scholars have revealed. Therefore, Husted proposes a purely philosophical approach without trying to incorporate an empirical reality into its methodology. “The identification of hypernorms on the basis of philosophical theory without reference to the empirical test of convergence would allow more rapid change in the roster of hypernorms. As a result, hypernorms would be able to lead, rather than lag moral reform” (Husted, 1999: 233).

Donaldson/Dunfee also “propose 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. We proceed in this manner because, again, even if hypernorms are certified solely through the light of reason, we should expect to encounter patterns of the acceptance of hypernorms among people around the world” (Donaldson/Dunfee, 1999: 59).

5.1 The Hypernorm of Necessary Social Efficiency

In the previous paragraph we noted that the class of structural hypernorm is broad. Next we provide an example of a structural “efficiency” hypernorm in the context of Ubuntu. This hypernorm refers to the need for institutions and coexistent duties designed to enable people to achieve “necessary” social goods. By “necessary goods”, Donaldson/Dunfee (1999: 119) “means those things that any society anywhere is bound to want more of, such as justice or overall economic welfare.”

In a market system individual pursue their own good by pursuing the necessary social good. By contrast, in Mbigi’s institutional governance system the individual pursues the necessary social good instead of his or her own good. This model is characterised by the principles of inclusion, consensus democracy and stakeholder accountability (Mbigi 2005: 194-197).

As already stated, Mbigi is fond of the German and Japanese cooperative strategies undertaken by societies or segments of societies to achieve fairness and social welfare. Donaldson/Dunfee (1999: 126) call these strategies “necessary goal strategies” or “efficiency strategies” because “their implementation occurs in an amazing variety of forms, including markets, social institutions, rules, policies and other social structures”. Efficiency strategies or in terms of Mbigi’s “inclusive strategy” are used in other cultures like the Confucian political/economic system with its historical roots in China or Ningen Kankei and Wa in Japan (see paragraph 6). Figure 1 depicts how efficiency strategies mediate between publicly available resources and necessary social goods.



Figure 1: The Role of Efficiency Strategies

Source: Borrowing from Donaldson/Dunfee (1999: 126)

Efficiency strategies can incarnate in formal systems, while others are expressed through informal norms and habits. For example, formal Western values of efficiency in terms of legalistic contractual relationships in the production process approved in Mbigi's "development model" (Mbigi, 1995) can be integrated in African informal visions by means of songs, slogans, dancing which in turn enhance aggregate welfare. Productivity and efficiency is not solely the result of formal institutions but also a part of the holistic view as paragraph 6 will show.

5.2 Communitarianism and Bounded Rationality

Efficiency strategies are not only embedded in formally rational system. Rational decision making favours objective data, formal processes of analysis and the decision maker has full or perfect information about alternatives beyond subjectivity and intuition. However, humans are imperfect creatures especially in ethical decision making. Their moral rationality is bounded. Bounded moral rationality creates a significant amount of moral opaqueness among the contractors. Contractors know that economic morality emerges from agreements or shared understanding about personal precepts within a group or community (Donaldson/Dunfee, 1999: 28).

Morality and rationality are acquired through community life and not derived from ideologies or universal categories as already discussed in the context of authentic norms. In this sense it follows that we can talk of communitarian morality and rationality. In so far Ubuntu is based on the communitarian ethical concept of bounded moral rationality. According to Donaldson/Dunfee rationality in economic ethics is bounded in three ways:

- "by a finite human capacity to assess facts,
- by limited capacity of ethical theory to capture moral truth, and
- by the plastic or artefactual nature of economic systems and practices" (Donaldson/Dunfee, 1994: 258).

On the whole, we can state that the components of ISCT discussed so far are designed to clarify local norms without losing a basis for cross-cultural normative judgements, which means to make situation specific moral decisions which are culturally sensible without being relativistic. As illustrated in the following section this nexus is the origin for the interpretation that Ubuntu values are particular to Africa and universal at the same time. It is now possible to provide a sketch of a theory of global business ethics with the traditional cultures of Africa and Asia.

6. Ubuntu World View: A Parallel with Asian Management Systems

In Mbigi's interpretation of Ubuntu the firm is no longer a practical and functional economic unit based on the life-world as a world view. In his opinion, it is necessary to go beyond the local, i.e. to the abstract world of ethics and values. This abstract world is regarded as the philosophical foundation for all practice to enable people to understand realities better when interpreted or

translated in terms of world views in order to synthesising vision and reality in a holistic way. This view, if interpreted in terms of ISCT means that Ubuntu, as a concept of African Humanism, shows that authentic norms of the micro level such as humanness, dignity, harmony, etc., represent the local view compatible with the world view, the macro level, or substantive hypernorms. This view is also supported by Hartman “who sees hypernorms as global authentic norms, believes that hypernorms do indeed evolve” (Donaldson/Dunfee, 1999: 76).

Some scholars do not agree with this interpretation and consider Ubuntu values different from those maintained by Western societies. However, literature provides almost no empirical support 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: 50, fn. 6).

If “harmony” is considered as a universal value in Ubuntu philosophy or specified as a hypernorm in ISCT, then harmony 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: 96).

Proper reciprocation generates harmony, otherwise violence may be generated. In this sense reciprocity is a sacred duty (Richards, 1980: 76-77). Harmony is the product of mutually favourable human actions, or as expressed in the Swahili word Ujamaa it is about care and reciprocity. Nyerere contrasts socialism and capitalism and concludes that Ujamaa is opposed to capitalism and socialism. He does not explain in detail the meaning of Ujamaa and states that Ujamaa is a moral mindset, essentially an ethic or simply a praxis of Ubuntu (Nyerere, 1968: 12).

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: 614). In this context Prinsloo points out that “...at the same time Western values of efficiency and enterprise was 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: 282).

The value “harmony” is not exclusive to Ubuntu but also rooted in Non-African traditions. As the following analysis shows, harmony in the sense of Ubuntu is 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 briefly describe only “Amae” and “Kenson” 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 in 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 and collective relationship and to avoid individual heroism which would disturb group interests (Yokochi/Hall, 2001: 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: 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: 5).

Like 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);
- being grounded on kindness (i.e. being kind to others and not taking advantages on them)

(Lee, 1996: 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: 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, in general (Ware, 1955: 18).

There is also a close connection to Buddhism as “the morality of Ubuntu is intrinsically related to human happiness and fulfilment” (Shutte, 2001: 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: 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 2). “Japan’s example should be important for Africa, because it shows that modernization need not mean Westernization. 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: 23).

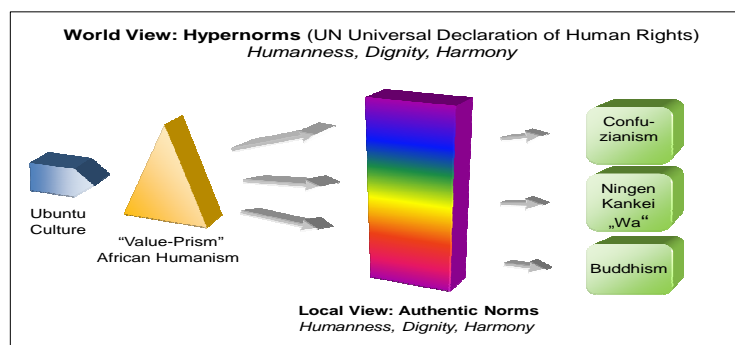


Figure 2: Ubuntu World-View: Integration of the Local with the Nation World-Wide

Source: Own illustration

7. Conclusions and Recommendations

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 has elucidated, that applying the categories of business ethics as proposed by ISCT to the communitarian Ubuntu philosophy can make suggestions for 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, 200: 340). He is aware that this theory is still neither accurate nor 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: 340-341).

After the theoretical framework of ISCT had been introduced, we have tried 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”, an authentic norm in Ubuntu philosophy and simultaneously a hypernorm according to 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 a business firm is no longer a mere economic unit.

This inclusion of world views means that a firm becomes a thriving, enterprising holistic community in the sense of traditional African communities which have much in common with communities in Japan, China and South-East Asia (see figure 2).

Furthermore, harmony, when associated with communalism means working for the benefit of the whole, the common social good. There is the problem emerging of how to share the common social 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. For further critical analyses of the role that Ubuntu can play in the context of global and African business ethics West's (2014) paper provides solid guidance beyond the ISCT-approach.

Additionally, it has to be seen that 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. Much research work has still to be done to give the ethics of Ubuntu a solid theoretical base that can be transformed into a concrete praxis.

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