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Business, Ethics, and Spirituality: Europe-Asia Views

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Introduction: The Europe-Asia Dialogue

Laszlo Zsolnai


The mission of the European SPES Forum is to open up spirituality as a vital source in social and economic life. The keyword of SPES is an acronym for ‘SPirituality in Economics and Society’, but it is also the Latin word for Hope, the virtue that sustains our belief in a better future. The European SPES Forum has a focus on experience-based spirituality that succeeds in making a connection between day-to-day activities and the inner, pluriform quest for meaning. (http://www.spes-forum.be)

An important part of the mission of the European SPES Forum is to provide opportunities for constructive dialogue on the European and Asian business in the context of spiritually based humanism. At the 2006 conference in Budapest 40 academics, businessmen and NGO people participated in the Europe-Asia conference in Budapest representing Austria, Belgium, China, France, Germany, Hungary, India, Indonesia, Italy, Norway, Sweden, the United Kingdom and the USA.

The following issues were addressed during the conference:

What are the basic differences and similarities between the ethical orientation of European and Asian ways of doing business?

How can European and Asian traditions of spirituality contribute to transforming contemporary management theory and praxis?

Which are the progressive business models in Europe and in Asia from a humanistic point of view?

Which new leadership roles emerge for spiritual growth and reflection at the workplace in Europe and Asia?

How can European and Asian business cooperate in better serving nature, human communities and future generations?

What is the difference between economic paradigms applied in Asian and European economies?

Do different spiritual orientations play a role in determining the perception on economic growth, social well-being and personal happiness?
The main messages of the papers included in this cahier are summarized here to stimulate the development of an agenda for the Europe - Asia dialogue on business, ethics and spirituality.

In his paper “The Practice of Spiritual Dynamics in Business: Religious Perspectives from East-West Anthropologies” theologian and businessman, Mike Thompson (GoodBrand & Company, London) refers to recent studies which have sought to explore the universal sense of the juxtaposition between the material-rational social structures and the structures of spirituality which counter the ego-self. Approaches to ethics, accountability and sustainability, which are not rooted in an understanding of spirituality, will lead to cynicism and an instrumental approach to ethics in business.

Mike Thompson’ paper explores the spiritual dynamics of leadership from both Eastern and Western perspectives, highlighting points of commonality and difference in their anthropologies. He addresses the questions: What sort of epistemological and ontological commitments underlie these anthropologies? What insights for the practice of spiritual dynamics might be gained from these anthropologies? To what extent do they answer the quest for a meaning of life that connects them to others and brings them in touch with God or ultimate reality? How might such insights be embraced by leaders in business to promote the public good?

He also makes some objections to the study of spiritual dynamics in leadership will be addressed by reference to the phenomenology of religion and practical theology which bring the challenge of a spirituality of praxis.

In his paper “Igniting Spirit in Business: Indian Insights” Sanjoy Mukherjee, professor at the Management Centre for Human Values, Indian Institute of Management Calcutta warns us that the marvels of techno-economic progress in the twenty-first century have captivated our attention resulting in a myopic vision that has limited the notion and scope of business in modern organizations. The purpose of integrating spirituality into business is to create a big-picture awareness that will help evolve enlightened perspectives and practices in management.

Mukherjee’s paper is an attempt to explore some of the most pertinent and globally relevant insights from the classical wisdom literature of India and contextualize these inputs in the field of management. This exploration is undertaken to achieve the twin objectives of individual fulfillment in life and work and collective well-being in a broader and deeper sense.

He argues that the notion of spirituality often gets associated with certain misplaced apprehensions that relegate it to an esoteric, otherworldly pursuit divorced from reality. Using insights from classical Indian wisdom the paper will present spirituality as an all-embracing approach that advocates harmonious pursuit of the material and spiritual dimensions of existence for a richer experience of work and life in fullness. “Matter divides, Spirit unites”, says the great Indian seer Sri Aurobindo. The apparent divide between material knowledge and spiritual wisdom is born out of our linear thinking and binary logic that interprets the world as dualities like black and white. Inability to appreciate the grey areas of human experience often results in our failure to grasp certain vital nuances and subtle signals in relationship management.
Spirituality essentially provides us with a continuum of consciousness that connects disparate fragments of reality.

Mukherjee believes that any engagement in spirituality begins with a complete knowledge of the ‘Self’ that expands to the cosmos through deeply felt connectedness with all things and beings. The paper will proceed to offer a comprehensive model of man with a higher purpose of life, beyond the limitations of a techno-economic entity endowed with rationality. It will also try to offer a framework covering multidimensionality of human existence, the comprehension of which requires cultivation of non-conventional sources (e.g. Nature) and methods (e.g. Meditation) of learning for intuitive perception of reality. Against this background, issues concerning meaning of work, creativity, empathetic communication and inspirational leadership will be addressed with the help of insights available from role models of spiritual leadership in modern India (e.g. Swami Vivekananda, Tagore, Gandhi) to chart a road map for enlightened governance of business in future.

The significant shift in organizational focus from shareholders to stakeholders is founded on the principle of ‘Enlightened Self-interest’, a signal contribution of the illumined western mind. But Mukherjee’s paper aspires to shift the focus of our engagement in this principle from calculating the ‘interest’ towards enlightening the ‘Self’ of individuals and organizations and thereby contribute to the dialogue from an Indian point of view. The Biblical dictum that the Kingdom of Heaven is within is in organic resonance with the cardinal message of Buddha: ‘Atmo Deepo Bhavo’ (Be a Light unto Yourself). Kindling the Spirit in Business is essentially an adventure of human consciousness that ignites the fire within us and illumines the world.

In his paper “Globalization and Values in the Indian Context” Bengt Gustavsson of the School of Business, Stockholm University argues that the values that are said to be induced by globalization, consumerism and materialism, communication and information, cannot be called new, as they can be traced far back in history, or “Western”, as they evoke the same reactions from people all over the world irrespective of cultural origin: comfort, a sense of progress, freedom, and it answers many peoples’ quest for a short-term meaning in life. Moreover, they are highly addictive. They do not, as is often claimed, eradicate cultural values, but what is at stake are spiritual values. Several processes seem to take place in the materialistic paradigm: de-spiritualization, atheism and secularization; spiritual extremism; and in between a void of spiritual emptiness and search. Also, exchange of values in the globalized context can also bring about a healthy change and relief, often the case for women in some cultures.

Gustavson emphasized that as opposed to China, it is difficult to conceive of an eradication of Indian cultural and spiritual values. India is a historically example of value-detainment in times of constant interventions. Like a quantum-physics Meissner-effect India seems to be able to assimilate and incorporate values without losing its soul: tolerance of dissonance captures the Indian approach to values. This can be seen in the Indian organization that rests on four pillars: good paternalism, emotional hierarchy, extended in-group trust, and transcendent spirituality.
He believes that business has a particular responsibility in the de-spiritualization in the aftermath of globalization. Business is, and should be, instrumental, whereas human values, including spirituality, are for their own sake. Integrating human values in business must not be instrumental. In a humanistic world business must be subdued to humanism, not the other way around. The classical, rationalistic, and post-modern, leadership must develop into a quantum leadership, where spirituality and transcendent values can find its proper place. Redefinition of business requires two things: firstly new language, new concepts and new principles to understand business from the humanities. Secondly, leaders who show by their examples that business can be transformed. Several examples can be found in India, but also in other parts of the world. In conclusion, raising business to encompass life and human values means to go beyond the tangible and set the overriding goals on the transcendent bigger-than-yourself and anything that promotes and nourishes life, and cannot be based on one set of values. The Indian dictum tolerance of dissonance must be the leading principle.

In her paper “Business Ethic Teaching of Religions and Economic Development” Katalin Botos, professor at the Peter Pázmány Catholic University in Budapest cites the calculations of A. Maddison, which show that the Western part of the world has had a much quicker growth in the last two centuries than the other parts of the world. In latest years dynamic turned in favor of the Asian countries. Katalin Botos investigates the question whether the socio-economic teaching of different religions has a role to play in economic progress.

She argues that studying the world economy, we can see some clear connections between religious backgrounds and competitiveness. It is indirect, rooting in traditions but strong enough to influence the behavior of participants of the market. We may find similarities and differences but much common is the importance of ethical standards. Western market fundamentalism and consumerism in our days cannot be deduced from religious convictions. But Western societies have to learn from the solidarity among the members of the big families in the East, because the overstressed individualism costs a lot and makes Western societies non-competitive on the world market.

In their paper “Coping with Cultural Conflicts in International Operations: Modern Corporations and Tribal Societies” S. Prakash Sethi (University Distinguished Professor, Zicklin School of Business, Baruch College, The City University of New York) and David Lowry (Episcopcal priest and Adjunct Professor of Religion and Society at the United States Merchant Marine Academy) analyze the case of Freeport-McMoRan company in Papua, Indonesia.

Sethi and Lowry state that business conduct in market economies is influenced by two sets of factors. The first one is competitive market-based conditions that define areas of discretion and constraints on business conduct. It should also be apparent that workings of the market-based economic systems are inevitably circumscribed by the traditions and values of a society or a nation, which act as filtering mechanisms that define both the form and substance of business conduct in a particular society. These traditions and values also crystallize the type and extent of government intervention in the marketplace to ensure that both markets and individual players i.e., corporations conduct themselves in a manner (notwithstanding opportunities) that is congruent
with societal expectations. An even more important but often neglected element has
to do with the self-perception of corporate leaders as to their conduct, which would be
considered acceptable by their peers in the corporate world and also by other
influential stakeholders in a given society.

Sethi and Lowry argue that globalization and economic growth may occur together,
but they were fueled by additional factors in different parts of the world indicating (a)
the adaptability of socio-cultural values in different societies, and (b) that
globalization and economic growth does not have a single-unique defining path.
They emphasize that the prophets of the current wave of globalization have
deliberately undermined these traditional values by painting them as forces of
backwardness. It is suggested that these traditional values must be moderated to
ensure their compatibility with the values, expectations, behavior patterns and notions
of distributive justice in competitive markets. We believe that the effort to create a
system that is based on a denial of non-rational conduct, i.e., conduct that might be
considered irrational in the strict sense of economic and market-based logic, is
doomed to failure. A society’s inherited set of values evolves over a long period of
time. In the process, it constantly adapts and absorbs changes accruing from
contemporary events and also material circumstances of a society. We contend that
this would also happen in the case of current changes in the global economic order.

Sethi and Lowry’s paper starts with defining a set of social values and cultural beliefs
that are broadly characterized as Asian values and Western values. The next step in
their analysis is to compare and contrast these two sets with a view to understanding
the manner in which these systems have adapted, reshaped or resisted the demands of
globalization, ascendancy of private economic institution as custodians of society’s
wealth and productive resources, and as arbitrators of distributive justice in sharing
the gains from productivity and new wealth among different factors of production.
Finally, they offer some suggestions on the types of business activities that would
help or hinder in creating societal legitimacy for the new role of the principal
institutions of the new economic order, i.e., the large multinational corporations.

In his paper “Guanxi: Networks or Nepotism?” Dutch businessman and philosopher,
Peter Verhezen (CIMAD Singapore-Indonesia and VERHEZEN & Associates) states
that networking and bonding refer to a natural human tendency to relate to each one
another. The jostling for an advantageous position in social relationships and
networks is a predominant way of for Asians to survive in their communitiesy aside
from gaining a competitive advantage in business. I emphasize that, despite specific
differences, networks can certainly be found in most cultures where they are clearly
distinguished from nepotistic practices. The core of this analysis focuses on trying
distinguishing socially and morally acceptable networks and from unethical but
prevalent nepotism in the realm of Asian businesses, despite its an inherent ambiguity
that will continuously shift in its meaning and moral relevance. By analyzing the
different interpretations of ‘guanxi’, I hope to shed some light on this ambiguity and
possibility possibly to draw a fine line defining the appropriate network from
improper use of nepotism or clientelistic relations.

Verhezen emphasizes that deeply rooted in the Confucian Chinese tradition, guanxi
involves relationships between or among individuals, creating obligations for
continued momentum of exchange and built established trust and credibility.
Indicating when guanxi becomes a pure exchange, a degradation process of displacement and a process of commodification enter the relationship. This is why business guanxi has gained such a notorious reputation, inside and outside China and abroad.

If guanxi is permeated by instrumentality, self-seeking opportunism, and dishonorability attitudes and behavior rather than by trust relationships based on mutual warmth, loyalty and respect, then an ethically justifiable guanxi network easily transgresses into a corrupted nepotistic guanxi. But guanxi is a form of ‘social capital’ that aims at building up to amass symbolic capital, a phenomenon which takes the form of ‘face’ in China (and throughout most of the Asian world). Someone who has a reputation for having a great deal of face and thus influence in networks that can use it to accomplish a great deal. The more social, symbolic or economic capital is at the person’s disposal, the more powerful is his or her socio-economic or influential standing.

In her paper “Culture Change and its Impact on Business Ethics in Japan” Judit Hidasi, Dean of the College of International Management and Business Studies at the Budapest Business School focuses on the changes in cultural values that are on the way in Japan have their impact on business ethics.

Her paper looks at the specific nature and interdependence of ethics and religion in Japan. The mainstream religions of Japan – Buddhism and Shintoism – seem to survive on the level of rituals but seem to lose their spiritual force. Confucianism – once the most powerful cultural glue in the Far-east countries – that has governed ethics and behavior for centuries has been losing its impact in Japan on people’s thinking and value systems.

Judit Hidasi argues that Japan’s role as a leading economic player is going to be effected by the ethical behavior of its people in business, in politics and in everyday life. Measures taken on the government (macro) level and on the community (micro) level to improve the situation are numerous but so far not sufficient in an effort to restore the ethical standards of earlier times.

In their paper “Quality of Life: The Golden Mean between Materialistic Consumerism and Spiritual Asceticism” Knut J. Ims (Norwegian School of Economics and Business Administration, Bergen) and Ove D. Jakobsen (Bodo Graduate School of Business) notice that while in the last centuries Western economics has been focusing upon ‘standard of living’ measured through GNP, studies focusing on ‘well being’ understood as ‘quality of life’ represents a new tradition in Western economics. This change of perspective is inspired by an increasing minority of people who are searching for real well being.

Ims and Jacobsen discuss to what extent a dialog between the Western materialistic, mechanic worldview, and a spiritual, organic worldview, inspired by Eastern philosophy is sufficient to get insight the shift from “standard of living” to “well being”. They are aware that the Buddhist perspective of modesty, non-violence, peace and permanence might be regarded as far-fetched and too romantic in the West. Nevertheless, they believe that it is time to challenge the Western perspective with radical but nevertheless old ideas, which are well anchored in the Eastern traditions.
As editor of this cahier I hope that the reader will find the papers a though-provoking and useful volume. Nevertheless it is just one step in a long journey. The European SPES Forum is committed to continuing the Europe-Asia dialogue. We believe that Europe and Asia can get many inspirations from each other, especially if they return to and apply creatively their own spiritual foundations.