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Corporate social responsibility and employer attractiveness: Perspectives of prospective jobseekers in Ghana

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Abstract

This article explores the importance that prospective jobseekers attach to corporate social responsibility (CSR) practices of firms and how their CSR perceptions may translate into their willingness to work for CSR-practising firms. The study employed correlations, as well as multiple and hierarchical regressions to analyse data collected from 603 respondents. CSR perception was found to be positively related to attraction to working for CSR-practising firms. Male respondents attached higher importance to firms' engagement in CSR while respondents from the African continent attached higher importance to firms' engagement in CSR than respondents from other continents, with the exception of Australia.

1. Introduction

Firms all over the world are becoming increasingly aware of the need to attract, recruit, and retain knowledgeable employees in order to sustain their desired levels of performance (Greening & Turban, 2000; Aggerholm *et al.*, 2011; Gotsi & Wilson, 2001). It has been argued that a match between jobseekers' personal values and those of their prospective employers provide an indication of successful job entry and placement (Judge & Bretz, 1992). For this reason, companies are now deliberately adopting employer attractiveness (EA) strategies to be able them to entice and retain talented employees (Bhattacharya *et al.*, 2008). Ray (2006) defines EA as the degree to which a potential applicant has interest in pursuing employment opportunities with an organisation on the basis of the expected benefits that he or she believes to they will be able to enjoy in working for the organisation.

In spite of the growing importance of EA strategies to recruitment and organisational performance, relatively little is known about which specific factors determine potential applicants' attraction to an employer (Turban & Greening, 1997; Greening & Turban, 2000; Albinger & Freeman, 2000). Some scholars suggest that potential employees may not be interested merely in financial gains, but also in the emotional and psychological satisfaction that corporate image may provide them (Turban & Keon, 1993; Turban, 2001). Thus, organisations are shifting their focus from monetary incentives to nonmonetary factors such as "company values" and enhanced organisational reputation and image in order to attract highly qualified people (Ray, 2006). In line with this thinking, some recent studies have suggested a link between companies' corporate social responsibility (CSR) practices and their attractiveness as employers to talented graduates (Albinger & Freeman, 2000; Waring & Lewer, 2004; Arpan, 2005). The emerging understanding is that organisations that align their internal operations with changes in the environment through CSR practices tend to improve their attractiveness amongst jobseekers (Sen & Bhattacharya, 2001; Turban & Greening; 1997).

There are, however, some limitations in the insight provided by the available literature in this area. Firstly, the social and economic contexts within which companies operate have not been explicitly introduced into the existing investigations. As Albinger and Freeman (2000) argue, jobseekers with high levels of job choice may pay greater attention to CSR practices than jobseekers who have difficulties in finding jobs. They found in their study of job-seeking populations in a "large Midwestern city" in the U.S.A. that as job choice increases, the strength of the relationship between jobseekers' perceptions of an organisation's attractiveness as an employer and its corporate social performance tends to increase. Secondly, the few empirical investigations on the subject have been done in North America and Western Europe. Thus, despite the growing evidence that companies in high-growth economic sectors in developing countries (including Africa) are faced with a growing shortage of middle- and top-level managers to run the increasing number of businesses (Harding, 2011; Maritz, 2012), issues of organisation–person fit in general, and the link between CSR practices and their role in attracting potential employees have not received any research attention in these parts of the world. Recent CSR-related studies in Africa (e.g. Visser, 2005; Atuguba & Dowuna-Hammond, 2006; Dawkins & Ngunjiri, 2008; Ofori & Wilson, 2010; and Dashwood & Puplampu, 2010), for example, have focused on the nature of CSR practices and not explored the link between CSR practices and employer attractiveness.

The above observations provide some justification for the study reported in the present article. The study sought to understand the link between CSR practices and the attractiveness of employers to prospective jobseekers in Ghana. To the extent that Ghana has witnessed a high rate of economic growth in recent years (14.6% in 2011), there seems to be growing anecdotal evidence to suggest that there have been shortages in qualified candidates for entry, mid-level, and top management positions. Companies located in the country may therefore need to develop innovative strategies to make themselves attractive to potential top candidates. In this regard, CSR practices may become a useful instrument. The present study therefore examines the extent to which

Ghanaian companies will enhance their attractiveness as employers through specific CSR practices. The study also makes two additional contributions to the contemporary literature. First, by extending the limited but growing body of empirical knowledge about the link between CSR and employer attractiveness to an African context, the study may strengthen the generalisability of the results from earlier studies. Second, we investigate the moderating effects of individual characteristics on the relationship between CSR perceptions of prospective jobseekers and the attractiveness of CSR-practising firms as employers.

The structure of the rest of the article is as follows. First, we provide a brief overview of previous studies on the subject as a basis for developing a conceptual model and hypotheses for the study. We then discuss the methodology we adopted for this study. This is followed by a presentation and discussion of our findings. The final section of the article examines the implications of our results for company strategies and future research.

2. Conceptual model and hypotheses

The notion of person–organisation (P–O) fit has long been important to researchers in organisational behaviour (Ray, 2006). The general understanding provided by P–O studies is that the subjective assessments of the match between jobseekers' own values and characteristics and those of the job and organisation, influence initial attraction to the organisation. If the potential candidates apply for the jobs, their decision to go through the selection process will also be guided by this perception (Carless, 2005). Applicants to management positions in particular have been found to be drawn to organisations that provide them with psychological motivational packages and/or exhibit values that are consistent with their personal values (Turban & Keon, 1993; Turban, 2001). Verquer *et al.* (2003) conducted a meta-analysis of the available published studies in person–organisation fit and concluded that the field "appears to be promising as an important determinant of employee attitudes, but there are several intriguing issues yet to be understood" (p. 487). An earlier study by Kristof (1996), defined the construct as "compatibility between people and organisations that occurs when (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both" (pp. 4-5). The fit between people and organisations has been found to impact employees' job satisfaction, organisational commitment, and turnover intentions. That is, where the level of compatibility between employees' personal values and values endorsed by the organisation is high, this will result in a reduction of role stressors such as role ambiguity and conflict because it will facilitate employees' understanding of their interpersonal environment (Meglino & Ravlin, 1998). But if the compatibility is low, this may produce lethargic and unmotivated employees (Verquer *et al.*, 2003).

Some recent studies have shown that CSR practices are adopted by some firms as a means of enhancing their identities and attractiveness to prospective employees, especially top managers (Albinger & Freeman, 2000; Ray, 2006; Tucker, 2009). It has also been suggested that some categories of university students select future employers on

the basis of their social profiles. For example, Dolan (1997) showed that MBA students in his study were willing to forego some compensation in order to be affiliated with a socially responsible organisation. Turban and Greening (1997) also found in their study that organisations that are rated higher in CSR were perceived to have better reputations and were considered as more attractive employers.

This perspective is captured in the signalling theory and social identity theory (Epstein, 1987). That is, signals that socially responsible behaviours send out to stakeholders will determine their perception of the company. The more positive the signs, the more attractive the company will be to a jobseeker that accords significance to these behaviours. Similarly, social identity theory examines the impact of group membership on self-concept, self-esteem, and self-image (Ashforth & Mael, 1989). If company CSR practices are compatible with prospective employees' values, such behaviours are likely to enhance the perceptions that the jobseekers have of the company and will improve their prospects of staying with the company after securing the job (Sen & Bhattacharya, 2001; Sen *et al.*, 2006).

We have summarised the discussions above into a conceptual model to guide the empirical investigations conducted in this article. The model is schematically presented in Figure 1 for a quick overview. It also undergirds the three hypotheses tested in the study.

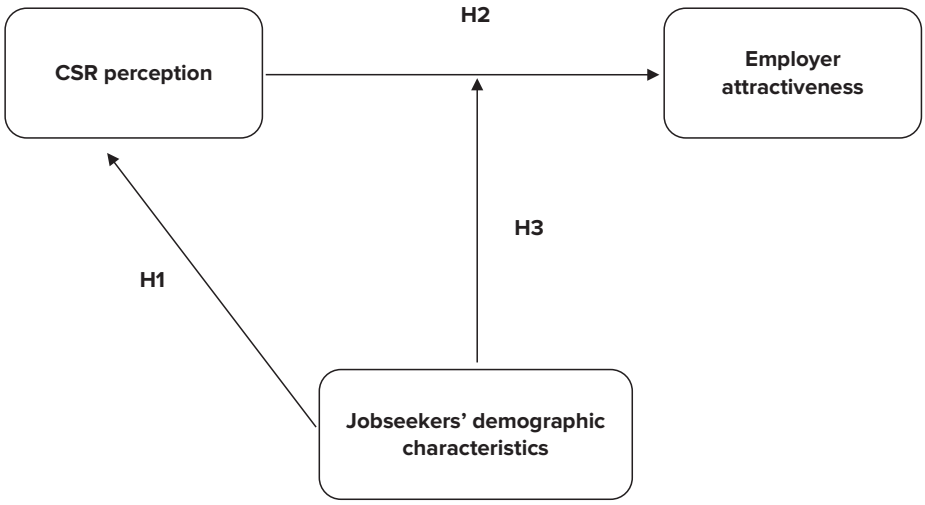

Figure 1: The link between CSR perception and employer attractiveness

We have noted that various empirical investigations have been conducted linking CSR to employer attractiveness. For example, Greening and Turban (2000) "found that prospective job applicants are more likely to pursue jobs from socially responsible firms" (p. 254). Other studies have however shown that demographic characteristics such as gender, type, and level of education as well as profession can impact stakeholders' attitude to different CSR dimensions (Tse & Au, 1997). For example, Sankaran and Bui (2003) found that students from non-business majors tended to be more ethical than business majors. Similarly, Lindeman and Verkasalo (2005) found that students from

business and technology majors displayed more individualistic values, such as power, than other categories of students. Furthermore, Terpstra *et al.* (1993) found that senior students were less ethical than junior students, and Elias (2004) has found that younger students were more sensitive to CSR. Several studies have also identified gender as having a significant impact on the values that people subscribe to and expect companies to practise. Scholars such as Chonko and Hunt (1985), Arlow (1991) as well as Ruegger and King (1992) have shown that women generally subscribe more to ethical values than men. Similar findings have been reported by Ameen *et al.* (1996), Okleshen and Hoyt (1996), as well as Burton and Hegarty (1999).

Based on the foregoing discussions, we hypothesise as follows:

H1	Jobseeker demographic characteristics will affect their perception of the CSR practices of firms in Ghana.
H2	Jobseekers who have a favourable perception of CSR practices of organisations will be more attracted to such organisations as prospective employers.
H3	Demographic characteristics of jobseekers in Ghana will moderate their perception of the attractiveness of employers based on prospective employers' CSR practices.

3. Methodology

A survey was conducted using semi-structured questionnaires as the research instrument. According to Ghauri and Grouhang (2005), a survey is an effective tool to get opinions, attitudes, and descriptions as well as for getting cause-and-effect relationships. Following Sen *et al.* (2006), questionnaires were distributed to students of all levels at the University of Ghana. Six hundred and three (603) returned questionnaires were deemed usable for the purposes of the study and were thus employed in the analysis.

The University of Ghana is the largest and oldest public university in Ghana. Students of the University were appropriate to be used as a study sample firstly because employer attractiveness studies generally examine university students since many organisations are likely to hire from pools of graduating students (Evans & Davis, 2008). Similar populations have therefore been employed in studies investigating employer attractiveness within the CSR context (Albinger & Freeman, 2000; Sen *et al.*, 2006; Zhang & Gowan, 2012). Additionally, being the largest university in the country with a student population of nearly 45 000 from across all of Ghana and more than 70 countries and territories, University of Ghana was envisaged to provide the study with the highest level of diversity in individual characteristics as needed for a study of this nature. Additionally, given that the seeming shortage in human resource in Africa was for middle-management positions, the more educated and hence skilled labour provided by universities was deemed appropriate for this study.

The data was collected using semi-structured questionnaires. Based on Carroll's (1979) conceptualisation of CSR, the study employed a four-item scale to measure both the CSR and employer attractiveness (EA) constructs. Carroll's (1979) conceptualisation of CSR is one of the well-endorsed conceptualisations in the contemporary CSR literature.

The model differentiates between four types of corporate social responsibilities: economic, legal, ethical, and discretionary/philanthropic. The study adapted Carroll's (1979) four-part conceptualisation given that it is one of the most robust and widely cited conceptualisations (Jamali, 2008; Crane & Matten, 2004). The four-item scales had four questions that each represented one of the four dimensions of CSR; that is, economic, legal, ethical and philanthropic CSR. Items such as "I believe that a company must behave according to societal standards and ethical norms, even if not required by law" were employed to measure CSR perception. Similarly, employer attractiveness was also measured to reflect respondents' evaluation of the attractiveness of CSR-practising firms as prospective employers. We therefore employed a four-item scale with items such as: "I consider companies with high economic performance as the most attractive employers". All items were measured using a seven-point (Likert type) scale anchored at "strongly disagree" and "strongly agree". The CSR perception construct and the employer attractiveness construct had Chronbach's alpha reliability scores of 0.63 and 0.62 respectively, both indicating acceptable reliability for an exploratory study of this nature (Nunnally, 1978; Hair *et al.*, 2006).

4. Presentation and discussion of findings

The sample was made up of largely undergraduate students (98%), predominantly from the continent of Africa (82%). The majority of the students (92%) were within the age range of 16-25 years, were males (54%), and had some form of work experience (65.5%). On the whole, on a scale of 1 to 7, respondents had a mean score of 5.37 and 5.52 for CSR perception and employer attractiveness respectively. Details of the respondents' demographic characteristics are presented in Table 1.

Table 1: Demographic characteristics of respondents

Demography	Percentage	Demography	Percentage
Gender		**Work experience**	
Female	45.9	no experience	34.5
Male	54.1	below 5 years	41.1
Age[a]		between 5 and 10 years	20.6
16-25 years	92.0	10 years and above	3.8
26-35 years	7.7	**Continent of origin**[c]	
36-45 years	0.3	Africa	82.0
Degree[b]		Europe	4.3
Undergraduate	98.0	North America	10.5
Master's Degree	2.0	South America	0.8
		Asia	2.2
		Australia	0.2
[a] three cases missing [b] one case missing		[c] two cases missing	

Table 2: Results of correlation analysis

	Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	CSR perception	-																	
2	Employer attractiveness	0.222**	-																
3	16-25	-0.072	-0.057	-															
4	26-35	0.088*	0.067	-0.945**	-														
5	36-45	0.018	-0.016	-0.190**	-0.017	-													
6	no experience	-0.075	0.055	0.108**	-0.117**	-0.042	-												
7	below 5 years	0.118**	-0.064	0.097*	-0.075	-0.048	-0.607**	-											
8	between 5 and 10 years	-0.044	0.009	-0.126**	0.132**	0.042	-0.369**	-0.425**	-										
9	above 10 years	-0.022	0.011	-0.251**	0.204**	0.139**	-0.145**	-0.166**	-0.101*	-									
10	Africa	0.441**	0.101*	-0.051	0.039	0.027	0.207**	-0.042	-0.185**	-0.018	-								
11	Europe	-0.210**	-0.099*	0.006	0.001	-0.012	-0.120**	0.055	0.094*	-0.042	-0.449**	-							
12	North America	-0.357**	-0.061	0.045	-0.037	-0.020	-0.179**	0.023	0.175**	0.017	-0.723**	-0.073	-						
13	South America	-0.044	0.025	0.028	-0.026	-0.005	0.011	-0.002	-0.001	-0.018	-0.194**	-0.019	-0.031	-					
14	Asia	-0.071	0.031	0.045	-0.043	-0.009	-0.012	-0.008	-0.019	0.090*	-0.314**	-0.032	-0.051	-0.014	-				
15	Australia	-0.013	-0.123**	-0.134**	0.142**	-0.002	-0.030	-0.034	0.080*	-0.008	-0.086*	-0.009	-0.014	-0.004	-0.006	-			
16	Christian	0.054	0.034	0.015	-0.033	0.034	0.159**	0.069	-0.250**	-0.043	0.327**	-0.101*	-0.287**	-0.073	-0.097*	0.024	-		
17	Islam	0.159**	0.055	-0.005	0.016	-0.021	-0.049	-0.053	0.130**	-0.016	0.128**	-0.024	-0.122**	-0.033	-0.017	-0.015	-0.611**	-	
18	Other	0.037	0.055	0.003	0.003	-0.012	-0.063	-0.055	0.100*	0.089*	-0.117**	-0.044	0.092*	0.073	0.141**	-0.008	-0.357**	-0.074	-

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

Table 2 presents bivariate correlations for the variables included in the analyses. From Table 2, originating from the continents of Europe and North America, were negatively and significantly correlated to CSR perception, that is, the level to which individuals believe CSR practices of firms are important. However, being between the ages of 26 and 35, having work experience of below five years, originating from the African continent, belonging to the Islamic religion, and being a male were positively and significantly correlated with individuals' perceptions of firms' engagement in CSR. All the preceding variables were significantly correlated at 1%, except for being between the ages of 26 and 35 years which was significant at 5%. In relation to individuals' perception of the attractiveness of CSR-practising firms as potential employers, respondents with content of origin as Europe and Australia were negatively and significantly correlated with employer attractiveness; Australia was significant at 1% while Europe was significant at 5%. Respondents with continent of origin as Africa were positively and significantly ($p \leq 0.05$) correlated with employer attractiveness. CSR perception was also positively correlated with employer attractiveness and significant at 1%. The preceding results of the preliminary correlation analysis were further explored through multiple regression analyses.

To address hypothesis one (H1), a regression analysis was run with CSR perception of respondents as the dependent variable and the demographic characteristics of the respondents as the independent variables. The overall model was significant at $p < 0.01$ with $R^2 = 25.8$ and adjusted $R^2 = 24.1$, indicating that the demographic variables employed in the analysis explain at least 24.1% of the variance in individuals' perceptions of firms' engagement in CSR as important. Furthermore, results from the regression analysis (Table 3) indicate that demographic variables related to work experience, continent of origin, and gender were significant predictors of individual CSR perceptions amongst students in Ghana. Variables related to age, religion and degree the respondent was currently studying for were not found to be significant predictors of individual students' CSR perceptions.

In more specific terms, the results indicate that respondents who had below five years ($\beta = 0.20$, $p < 0.01$) or between 5 to 10 years ($\beta = 0.12$, $p < 0.01$) of work experience had significantly higher perceptions of firms' engagement in CSR than the reference group: respondents who had no work experience. However respondents who had 10 or more years of work experience had CSR perceptions that were not significantly different from respondents who had no work experience. The alternating increase and decrease in CSR perceptions with respect to work experience may indicate possible interaction of work experience with other factors not covered in this study and as such makes it quite difficult to offer any satisfactory explanation within the context of this study. In relation to continent of origin, as indicated in Table 3, respondents from Europe and North America had β-coefficient values of -0.26 and -0.40 respectively, significant at less than 1% each, while respondents from South America and Asia had β-coefficient values of -0.07 and -0.09 respectively, significant at 5%. Having Australia as continent of origin however had β-coefficient value of -0.04 which was not significant. The results indicate that respondents from Europe, North America, South America and Asia who

were students in Ghana attached less importance to firms' engagement in CSR as compared to respondents from the African context. The finding does not however mean that respondents from the other continents do not consider CSR activities as important but that their perception of importance of these activities may just be less than those of the respondents from the African continent.

Such findings may be explained by the general scepticism that exists against firms' engagement in CSR (Birth *et al.*, 2008; Eweje, 2007; Pomering & Johnson, 2009; Illia *et al.*, 2013). This scepticism is likely to be more profound amongst respondents from more developed continents where stakeholders may be overwhelmed with firms' continuous communication of their CSR engagements and which can create increased suspicion of "green washing" amongst respondents from such continents (Parguel *et al.*, 2011). Additionally, compared to continents such as Europe and North America, Africans practise a more collectivist culture (Hofstede, 1985) that is likely to put higher value on philanthropic initiatives (Visser, 2005; Eweje, 2007) usually aimed at the less privileged in society. Furthermore, CSR activities of firms, especially multinational firms in Africa, are expected to serve as contributor to the development agenda of African countries through provision of jobs, and the transfer of technology and infrastructural development including the building of hospitals and schools especially in host communities (Amaewhule, 1997; Holme & Watts, 2000).

Given the benefits that CSR is expected to hold for Africans and the higher scepticism that may exist on the side of respondents from more developed continents, Africans seem more likely to attach higher importance to firms' practice of economic, philanthropic/discretionary and ethical CSR. This is especially so because philanthropic actions of giving to the less privileged or contributing to infrastructural development of societies are expected of firms operating in Africa (Amaewhule, 1997; Holme & Watts, 2000; Eweje, 2007) and hence may qualify to be classified as ethical responsibilities (Carroll, 1979) within the African context. In effect, Africans may indeed attach more importance to firms' practice of CSR than respondents from the other more developed continents. Furthermore, the difference in beta coefficients and significance levels amongst the continents also seem to suggest that respondents from relatively more developed continents place less importance on CSR practices of firms as compared to relatively less developed continents.

Male students in Ghana, according to the results of the analysis, expressed a significantly higher belief in the need for firms to engage in CSR as compared to their female counterparts. According to Table 3, CSR perception amongst males was 0.115 higher compared to females; significant at 1%. This result contradicts the findings of other studies (Arlow, 1991; Ruegger & King, 1992; Okleshen & Hoyt, 1996; Burton & Hegarty, 1999). However, given that respondents for this study were largely Africans (82%), the higher CSR perception on the part of the male respondents may be due to the dominant male ideology within the African context in which males seem to have greater social, political, and economic recognition than their female counterparts (Obbo, 1976; Mwale, 2002). This male-dominated societal system may lead to the males being more assertive than females on issues of social, political, and economic interest such as firms'

responsibility to society, and thus may likely account for male respondents in this study being more expressive of their expectancy of firms in relation to firms' performance of corporate social responsibility.

Table 3: Results of multiple regressions

	CSR perception			Employer attractiveness		
Independent variable	Beta	t	Sig.	Beta	t	Sig.
(Constant)		14.885	0.000		10.951	0.000
CSR perception				0.234	5.114	0.000
Age						
26-35	0.061	1.522	0.128	0.067	1.523	0.128
36-45	0.023	0.642	0.521	-0.020	-0.507	0.612
Work experience						
below 5 years	0.201	4.900	0.000	-0.105	-2.256	0.024
between 5 and 10 years	0.118	2.736	0.006	-0.019	-0.391	0.696
above 10 years	-0.006	-0.149	0.882	-0.019	-0.445	0.656
Continent of origin						
Europe	-0.256	-6.865	0.000	-0.021	-0.478	0.633
North America	-0.400	-9.412	0.000	0.079	1.555	0.120
South America	-0.072	-1.981	0.048	0.051	1.253	0.211
Asia	-0.086	-2.342	0.019	0.061	1.477	0.140
Australia	-0.035	-0.959	0.338	-0.132	-3.293	0.001
Religion						
Christian	-0.051	-0.938	0.348	0.117	1.949	0.052
Islam	0.071	1.404	0.161	0.092	1.633	0.103
Gender						
(female = 0, male = 1)	0.115	3.142	0.002	0.004	0.104	0.917
Degree currently studying for						
(MBA = 0, bachelor's = 1)	-0.015	-0.395	0.693	-0.014	-0.322	0.747

Hypothesis 2 (H2) was also tested using multiple regression analysis with employer attractiveness as the dependent variable and CSR perception as the predictor. The demographic variables were also included in the analysis. The overall model was significant at 1% with $R^2 = 0.09$ and adjusted $R^2 = 0.07$. As hypothesised, CSR perception had a positive beta coefficient of 0.23 and was significant at 1%, indicating that an increase in the importance attached to firms' engagement in CSR by a respondent increases the respondent's attraction to being employed with CSR-practising firms. This result supports earlier results of positive and significant correlation between CSR perception and employer attractiveness as indicated in Table 2 ($r = 0.22$, $p < 0.01$) and also supports the findings of other studies (e.g. Turban & Greening, 1997; Greening & Turban, 2000; Sen *et al.*, 2006) that firms' engagement in CSR has a potential of attracting prospective employees. However, the seemingly low variance in the CSR-based employer attractiveness explained by individuals' CSR perception and other demographic variables

may indicate that respondents' attraction to working for firms based on their practice of CSR may be based on more factors other than their perceptions of CSR and their demographic characteristics; possibly, job characteristics may be paramount. Indeed, Thomas and Wise (1999) found that prospective employees in their study ranked job and organisational characteristics as more important than diversity programmes – a type of CSR – in the choice of an organisation. Additionally, research indicates that consumers are not willing to trade the quality of goods for the CSR activities by firms (Haigh & Brubaker, 2010; Guzman & Becker-Olsen, 2010). These findings therefore seem to point to the fact that CSR activities of firms will not be exchanged for the core characteristics of firms' offerings such as jobs or products in evaluations by individual stakeholders unless the CSR practice contributes to the improvement of the job offering, e.g. employee skill-improvement programmes and fair wages.

Although not hypothesised, having work experience of five years and below and having Australia as continent of origin were significant negative predictors of employer attractiveness based on CSR. Having work experience of five years and below ($\beta = -0.10$, $p < 0.05$) was significant at 5% while being from the continent of Australia ($\beta = -0.13$, $p < 0.01$) was significant at 1%. The results indicate that compared to students who had no work experience, students with five years or less of work experience were less likely to choose a firm to work with based on firms' CSR performance. These results may be attributed to the fact that items employed in measuring CSR did not include internal CSR measures such as working conditions and employee skills-development activities. As such, results may point to the fact that students with prior work experience may be less idealistic in their perception of employer attractiveness. This means they may be less attracted to job offerings of firms based solely on CSR activities, but may rather be more concerned with other internal conditions they may be exposed to while working with the firms.

To test hypothesis three (H3), we employed a hierarchical regression. The hierarchical regression was undertaken in two steps. In the first step, CSR perception and the various demographic factors were entered into the model as predictors of employer attractiveness while in the second step the interaction terms representing each demographic factors' interaction with CSR were entered as predictors of employer attractiveness. The significance of the interaction was examined using the R-squared change (ΔR^2). The results indicated that the change in R-squared as a result of the addition of interaction variables in step two was not significant at 95% ($\Delta R^2 = 0.018$, Sig. F Change = 0.59) indicating that although some demographic variables were significant predictors of CSR perception, they did not significantly moderate the effect of individuals' CSR perception on employer attractiveness of CSR-practising firms. The demographic factors investigated in this study therefore do not seem to interact with CSR perceptions in predicting respondents' attraction to being employed with firms based on firms' engagement in CSR activities. Therefore, it can be said that although CSR perception differed across some demographic characteristic and also significantly affected employer attractiveness amongst students in Ghana, differences in demographic characteristics of the students do not significantly affect the level to which their CSR perceptions translate into attraction to firms' job

offerings based on firms' engagement in CSR practices. As such, students in Ghana, for example, who attach the same level of importance to the CSR engagement of firms, are likely to have the same level of attraction to working for firms that practise CSR whether they are male or female.

Table 4: Results of hierarchical regressions

	Model 1[a]			Model 2[b]		
Independent variables	Beta	t	Sig.	Beta	t	Sig.
Step 1						
(Constant)		10.951	0.000		2.152	0.032
CSR perception	0.234	5.114	0.000	0.166	0.370	0.712
26-35	0.067	1.523	0.128	0.008	0.024	0.981
36-45	-0.020	-0.507	0.612	-0.298	-0.323	0.747
below 5 years	-0.105	-2.256	0.024	-0.486	-2.094	0.037
between 5 and 10 years	-0.019	-0.391	0.696	-0.213	-0.937	0.349
above 10 years	-0.019	-0.445	0.656	-0.089	-0.424	0.672
Europe	-0.021	-0.478	0.633	0.309	1.751	0.080
North America	0.079	1.555	0.120	-0.016	-0.080	0.937
South America	0.051	1.253	0.211	-0.070	-0.436	0.663
Asia	0.061	1.477	0.140	0.165	0.914	0.361
Australia	-0.132	-3.293	0.001	-0.129	-3.169	0.002
Christian	0.117	1.949	0.052	0.128	0.509	0.611
Islam	0.092	1.633	0.103	-0.095	-0.335	0.737
Gender	0.004	0.104	0.917	-0.242	-1.188	0.235
Degree currently studying for	-0.014	-0.322	0.747	0.033	0.113	0.910
Step 2 Interaction terms						
26-35 years X CSR				0.057	0.161	0.872
36-45years X CSR				0.278	0.302	0.763
below 5 years X CSR				0.396	1.672	0.095
between 5 and 10 years X CSR				0.197	0.862	0.389
above 10 years X CSR				0.080	0.383	0.702
Europe X CSR				-0.332	-1.960	0.051
North America X CSR				0.110	0.589	0.556
South America X CSR				0.123	0.775	0.439
Asia X CSR				-0.109	-0.606	0.545
Christian X CSR				-0.011	-0.040	0.968
Islam X CSR				0.188	0.626	0.531
Gender X CSR				0.269	1.269	0.205
Degree X CSR				-0.080	-0.156	0.876
[a] For model 1	$R^2 = 0.90$	Adj. $R^2 = 0.066$	$\Delta R^2 = 0.090$	Sig. F Change = 0.000		
[b] For model 2	$R^2 = 0.107$	Adj. $R^2 = 0.064$	$\Delta R^2 = 0.018$	Sig. F Change = 0.587		

5. Conclusion and recommendations

This study represents one of the first attempts to explore the role of demographic characteristics in affecting individuals' perceptions of firms' engagement in CSR as well as the role of these CSR perceptions in affecting the attractiveness of prospective employers within the African context. The study thus sought to explore the effect of various demographic factors on the CSR perception of students in the largest university in Ghana. It also sought to investigate the effect of CSR perception of students on their perception of attractiveness of CSR-practising firms as prospective employers while also investigating the moderating effects of the students' demographic characteristics on the relationship between their CSR perception and their attraction to working with firms based on the practice of CSR.

The results of the study indicate that respondents originating from other continents who were students in Ghana attached less importance to firms' engagement in CSR activities compared to respondents originating from the African continent. The study argues that this finding may be explained by the fact that CSR may hold more developmental and cultural relevance to the relatively less developed and more collectivist African continent than the other continents which, may account for the higher perception of firms' engagement in CSR practices on the part of respondents from the African continent. Additionally, contrary to other studies, male students in Ghana, according to the results of this study, attached significantly higher importance to firms' engagement in CSR as compared to their female counterparts. This study argues that the finding may be due to the fact that males assume higher recognition and play more dominant roles within the social, political, and economic systems in Africa (Obbo, 1976; Mwale, 2002) and, as such, this may account for males being more assertive and expressive of their expectations of firms' engagement in CSR initiatives, especially since CSR in Africa exhibits appreciable linkages to the continent's social, political, and economic development.

Consistent with other studies discussed earlier, CSR perception was found to positively and significantly affect individuals' perception of CSR-performing firms as attractive employers. However, the demographic characteristics investigated in this study did not affect the level to which CSR perceptions of individuals translated into employer attractiveness. These results indicate that although CSR perceptions of students in Ghana translated into their attraction to CSR-practising firms as employers, this attraction did not vary significantly amongst respondents based on the investigated demographic characteristics. As such, students in Ghana who attach the same level of importance to CSR activities of firms are likely to express the same level of attraction to working with firms that practise CSR, in spite of differences in their age, gender, continent of origin, years of work experience, or the degree they are currently studying.

Theoretically, the findings of this study point to possible differences in gender predispositions toward CSR practices in Africa as compared to other continents. The study, however, points out that such gender-related variations may be understood by understanding gender dispositions that prevail within the context. As such, investigations

into CSR and related concepts in Africa must employ appropriate theoretical lenses that reflect gender dispositions within the African context.

Additionally, results of the study indicate that individuals' CSR perception had a positive and significant effect on employer attractiveness of CSR-practising firms, thus indicating that, students in Africa may consider CSR engagements of firms as an important attribute in deciding which firms to apply to or work for. Given that firms regularly employ from the pool of students graduating from universities, results of the study point to the fact that firms recruiting from campuses in Africa can disseminate information on their CSR performance in attracting qualified candidates from these campuses. Indeed, CSR-practising firms in Africa can employ CSR as part of their employer branding tools by highlighting their CSR engagements in their corporate communications such as on the career sections of corporate websites or in their "About the Company" information that accompanies their job adverts.

6. Limitations of the study

In terms of limitations of the current study, firstly, the items employed in measuring CSR perception in this study did not include internal CSR measures such as working conditions and employee skill-development opportunities. This exclusion may have affected the study's ability to measure the role of CSR dimensions relevant to a firm's job characteristics in determining the firm's employer attractiveness. It is possible that future studies can avoid this limitation by adopting CSR conceptualisations that explicitly include measures of job characteristics. Such studies could also increase their scope beyond that of the current study by including respondents who are workers but not students and possibly examining such respondents' willingness to switch jobs based on CSR performance of other firms.

Additionally, investigations of more complex personality orientations, for example those based on value systems of individuals, as well as more detailed investigation into the role of gender, in affecting the perceptions and response to CSR practices, may provide increased insights into CSR and related concepts within the African context.

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Overcoming constraints imposed by fiduciary duties in terms of justice as a "Leadership Challenge that Matters"

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Abstract

This article focuses on the issue of justice as a challenge facing business and society. I advance a simple deductive argument based on two premises. The first emerges out of theories of justice and holds that fairness, as a foundational basis for justice, demands impartiality or the avoidance of bias. The second emerges out of fiduciary law and holds that the duty of loyalty owed by managers to serve the interests of investors is fundamentally partial or biased. The conclusion is the troubling fact that the fiduciary duty of loyalty owed by managers to serve the interests of investors appears to be incompatible with the demands of justice. Having presented this, I describe the impartiality tools of Rawls' veil of ignorance and Adam Smith's impartial spectator and discuss how these might be applied in this context. I speculate that while Smith's impartial spectator is absolutely incommensurable with managers' fiduciary duty of loyalty, Rawls' veil of ignorance might be used to imagine a synthesis between this duty of loyalty and the impartiality demands of justice – in theory at least. And finally, as a parting shot, I wonder whether the real "Leadership Challenge that Matters" isn't the gap between theory and reality.

1. Introduction

In 2017, the Albert Luthuli Centre for Responsible Leadership hosted the Fourth International Conference on Responsible Leadership under the title "Leadership Challenges that Matter" (ALCRL, 2017). The call for papers invited participants to "grapple head-on with complex and pressing challenges confronting business and society". This article represents a response to this call, focusing on the issue of justice as a

challenge confronting business and society. The very first task then, I suppose, is to say something about why it is that a consideration of justice is relevant in relation to this conference theme. I say 'I suppose', because it seems to me that for most people this is likely to seem completely obvious, almost axiomatic. Because of this, I limit my effort in this regard to advancing two quotes in support of the importance of thinking about justice from what are arguably authoritative figures.[1] The first is from Adam Smith who wrote in *The Theory of Moral Sentiments* (TMS) that:

> Justice … is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society, the fabric which to raise and support seems in this world, if I may say so, to have been the peculiar darling care of Nature, must in a moment crumble into atoms. (Smith, 1759:45)

The second comes from John Rawls who somewhat provocatively wrote:

> Justice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be rejected or revised if it is untrue; likewise, laws and institutions no matter how efficient and well-arranged must be reformed or abolished if they are unjust. (Rawls, 1971:3)

The absoluteness of this latter sentiment has of course been challenged by some (e.g. Sandel, 1998), and even Rawls (1971) himself suggested of the idea of the primacy of justice that it might have been too strongly expressed. However, it seems reasonable to assert that very few would argue against the suggestion that justice is amongst a very small handful of primary virtues of social institutions.[2] It therefore stands to reason then that securing justice is surely a "Leadership Challenge that Matters".

Having 'established' this basic rationale for bothering to think about justice, let me now provide an outline of the article. The central feature is a simple deductive argument which proceeds from two premises to a conclusion. The first premise arises out of a consideration of notions of justice articulated, in the main, by two scholars, John Rawls and Amartya Sen. I develop this in the section entitled *A Premise from Theories of Justice*. The second premise arises out of a consideration of fiduciary law and in particular the fiduciary duty of loyalty in the context of business. I develop this in the section entitled *A Premise from Fiduciary Duty*. The conclusion that emerges is inevitable and probably somewhat self-evident. Nonetheless, for completeness' sake I state this, and reflect on the profound discomfort that it ought to provoke in the short section entitled *The Obvious Conclusion: A Contradiction*. One might be tempted at this stage to wrap things up by concluding that the contradiction that emerges is a "Leadership Challenge that Matters". However, this would almost certainly be throwing the problem out to the world at large to solve prematurely. So instead, having developed this central deductive conclusion, I then return, in the section entitled *The Promise of Impartiality Devices*, to the ideas advanced by Rawls and Sen in search of some hope of making progress in resolving the contradiction. As the title suggests, I compare the potential of Rawls' own proposal and Sen's Smithean proposal in terms of impartiality devices for extracting us from our uncomfortable contradiction. One of them holds some promise – at least in

theory, that is. And finally, in the conclusion I suggest that it is in fact the gap between theoretical potential and actual likelihood that remains as the residual "Leadership Challenge that Matters" where business leadership is concerned.

2. A premise from theories of justice

This heading is, perhaps, somewhat overstated. There are after all countless theories or conceptions of justice. Indeed, even if one were to restrict one's attention to Western philosophy, as we are wont to do in this world dominated by the Western hegemony, there would be way too many to even begin to review here. Therefore, for the purposes of this article, I explicitly limit my attention to conceptions of justice as articulated in two important texts. The first is Rawls' 1971 book entitled *A Theory of Justice* which is widely acknowledged as one of the most important, if not the most important text on the subject to have emerged out of the twentieth century. The second is Sen's *The Idea of Justice* (Sen, 2010). This is a much more recent text and has not, and no doubt will not, have the same sort of impact as Rawls' book. Nonetheless, it is a very useful companion to Rawls's work, highlighting strengths and pointing out alternatives that might be usefully considered.

Starting then with Rawls, he set out in *The Theory of Justice* to formulate a conception of justice grounded in social contract theories *à la* Locke, Rousseau and Kant. This he hoped would stand as a superior alternative to conceptions of justice based on either utilitarianism or intuitionism which were the dominant paradigms for thinking about justice at the time. He called his conception "justice as fairness" (Rawls, 1971:11). And in the final analysis it comprised, quite simply, of Rawls' famous two principles of justice. The first principle established that:

> each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others. (Rawls, 1971:60)

The influence of Kant's categorical imperative is clearly evident in this principle. The second principle sought to manage inevitable inequalities by declaring that:

> social and economic inequalities are to be arranged so that they are both (a) reasonably expected to be to everyone's advantage, and (b) attached to positions and offices open to all. (Rawls, 1971:60)

These, Rawls placed in a very explicit lexicological order with principle one necessarily preceding principle two. In this way, basic liberties could never be trumped by some sort of 'good of the majority' agenda.

It was not, however, just this end point of Rawls' thinking in *A Theory of Justice* that captured the imagination of so many subsequent philosophers. The arguments and conceptual tools that Rawls mobilised to arrive at these principles have proved to be at least as interesting. Indeed, in terms of this article, they are much more interesting and it is on some of these that I now focus. At the very outset, Rawls presented us with his

interpretation of the common *concept* or role of justice. This, according to Rawls, is to deliver a set of principles and procedures that would:

> provide a way of assigning rights and duties in the basic institutions of society and … define the appropriate distribution of the benefits and burdens of social cooperation. (Rawls, 1971:4).

According to Rawls, while conceptions of justice may vary in their formulation, this role of justice does not.

Having specified this as the role of justice, Rawls then set out to imagine the process of reasoning, grounded in what he referred to as "reflexive equilibrium" (Rawls, 1971:20), that rational people might undergo if they were tasked, in some sort of "original position" (Rawls, 1971:17), with negotiating a set of principles that would fulfil this role of justice. In other words, he sought to imagine how the social contract negotiations around principles of justice might be made to work in a manner consistent with justice as fairness. The central problem that Rawls encountered here was the influence that self-interest would inevitably bring to bear on the reasoning of the negotiators. The existence of this fundamental bias or partiality posed obvious difficulties in terms of giving expression to his foundational notion of justice as fairness. To mitigate this problem, Rawls devised his famous "veil of ignorance" (Rawls, 1971:12). It is worthwhile to quote Rawls' description of this at length:

> [Behind the veil of ignorance] no one knows his place in society, his class position or social status, nor does any one know his fortune in the distribution of natural assets and abilities, his intelligence, strength, and the like. I shall even assume that the parties do not know their conceptions of the good or their special psychological propensities. (Rawls, 1971:12)

In short, rather than trying to imagine away self-interest, Rawls imagined imposing stringent limitations on self-awareness so as to prevent self-interest from scuppering any hope that self-interested people might come to some sort of agreement on principles of justice grounded in fairness.

These notions of the foundational nature of fairness as a basis for justice and the centrality of impartiality in thinking about justice are as good a prompt as any to switch our attention from Rawls to Sen. They are after all, arguably the most important points of convergence between the two. But before I deal with convergence, let me first dispense with the major divergence. Sen argued that conceptions of justice that have emerged since the beginning of the enlightenment can be broadly divided into two branches. The first he called "transcendental institutionalism" (Sen, 2010:5) and it is into this branch that he placed Rawls' approach. The branch is characterised by two features. The first is that the participants are concerned with trying to develop prefect conceptions of justice or conceptions that are, according to Sen, transcendental in character.[3] Hardly surprisingly then, the second feature of transcendental institutionalists is their specific focus on institutions of society, rather than the nitty-gritty of actual societies. Besides Rawls, Sen traced the pedigree of this branch from Hobbes, through Locke, Rousseau

and Kant. It is important to note that vastly different conceptions of justice would fall within this branch. For example, in terms of twentieth-century philosophers, besides placing Rawls into this branch, he also placed Nozick there.

The second branch of thought Sen called "realization-focused comparison" (Sen, 2010:7) and it is into this branch that he placed his own ideas. Participants in this branch, so Sen argued, accept the likelihood that perfect conceptions of justice probably don't exist, or if they do exist are unimaginable let alone attainable by mere mortals. However, while perfection is likely to be unattainable, we are, Sen argued, most certainly capable of comparing alternative actual arrangements (realisations) and judging the merits of them with a view to choosing the best or most just. In the list of philosophers who have historically pursued this path, Sen named Smith, de Condorcet, Bentham, John Stuart Mill, Wollestonecraft, and Marx.[4] This is an essentially pragmatist approach. Interestingly, Rawls did not deny the importance of this type of pragmatism. In his discussion on the subject or role of justice he drew a distinction between what he called "strict compliance" and "partial compliance theory" (Rawls, 1971:8). Rawls' strict compliance refers to the pursuit of, or at least contemplation of, a perfectly just society akin to what Sen referred to as the "transcendental" approach. In contrast, his partial compliance theory dealt with the principles and practices with which we tackle "the things that we are faced with in everyday life" (Rawls, 1971:9). Rawls gladly acknowledged the "pressing and urgent" (Rawls, 1971:9) character of these everyday life issues but argued that without some sort of ideal or transcendental theory of perfect justice, we would be unable to achieve a "systematic grasp of these more pressing problems" (Rawls, 1971:9). This sentiment was partially echoed by Kamm (2011) in her critical review of Sen's position on justice and it was screamed by Valentini (2010) in her strong critique of Sen.

While there is, of course, a great deal of intuitive appeal to this criticism of Sen's pragmatism, some caution is perhaps necessary. To illustrate why I say this, a return to the points of convergence between the ideas of Rawls and Sen is called for. This return is convenient for the flow of my own argument too. By way of reminder, these points of convergence lay in: (a) the foundational or prior nature of fairness as a condition for justice to exist; and (b) the centrality of impartiality or the absence of bias to thinking about justice or formulating ideas about justice. In a very real sense, it could easily be argued that these represent essentially transcendental foundations of justice in Sen's conception of justice. They are foundational ideas from which we might well be able to embark on a pursuit of some "systematic grasp of these more pressing problems" that Rawls calls for. So, in much the same way as Rawls did not deny the need for pragmatism, it seems fair to acknowledge that Sen's realisation-focused comparisons are, to some extent, grounded in an essentially transcendental foundation of justice as fairness. He elaborated on this as follows:

> I argue that we have good reason to be persuaded by Rawls that the pursuit of justice has to be linked to – and in some sense derived from – the idea of fairness … So what is fairness? This foundational idea can be given shape in various ways, but central to it must be the demand to avoid bias in our evaluations, taking note of the interests and

> concerns of others as well, and in particular the need to avoid being influenced by our respective vested interests, or by our personal priorities or eccentricities or prejudices.
> (Sen, 2010:54)

My aim in this section was, of course, not primarily to enter into the discussion of the relative strengths and weaknesses of Rawls' and Sen's conceptions of justice. Rather, it was to extract a premise from their theories of justice. And it is this convergence between Rawls and Sen which holds that fairness, as a foundational basis for justice, demands impartiality or the avoidance of bias that is the premise that I advance.

3. A premise from fiduciary duty

So far so good. We can now turn our attention to developing the second premise of the argument through a consideration of fiduciary law and in particular fiduciary duties. At the outset it is perhaps prudent to acknowledge that "[f]iduciary law is messy" (Smith, 2002:1400) and that, as was the case with theories of justice, a comprehensive review of this messiness is beyond the scope of this short article. Nonetheless, a brief build-up is required. Fiduciary law has its immediate origins in trust law (Brudney, 1997) which can in turn be traced to one of at least three earlier traditions which all sought to provide equitable responses to rigid positive law: the Roman *Fideicommissum*, the Germanic *Salmannus*, and the Islamic *Waqf* (Avini, 1995-1996). It is not, however, these contested early origins of fiduciary law that are really the source of the messiness of fiduciary law, but rather its grounding in Equity according to DeMott (1988). The utility of this grounding in Equity, and in particular its flexibility (as opposed to the rigidity of positive law), has resulted in its application in a bewildering array of contexts (Easterbrook & Fischel, 1993; Brudney, 1997; Smith, 2002). Besides formal trust relationships which are arguably more of a metaphor for fiduciary relationships than an actual instance (see DeMott, 1988), fiduciary duty has been used in relation to guardian/ward relationships, attorney/client relationships, and even counselling relationships. In the world of business, the focus of this article, the ideas of fiduciary duty have been applied with significant zeal to management/investor relationships. Fairly closely allied to this is the context of investment where investment adviser/client relationships and pension trustee/beneficiary relationships in particular, have been equally zealously interpreted as falling under the umbrella of fiduciary law.

This diversity of application poses the challenge to scholars in the field of presenting theories of fiduciary duty that are: on the one hand adequately discerning, allowing for the appropriate distinction to be drawn between relationships where fiduciary duties ought to apply and those where other forms of relationship exist; and on the other hand appropriately flexible, accommodating this diverse array of relationships that have already been judged to fall under the banner. Inevitably, a number of theories have been advanced. Easterbrook and Fischel (1993), for example, have suggested that fiduciary law is in fact nothing more than an extension of contract law aimed at mitigating against the inevitable incompleteness of contracts, with no special moral underpinnings. They stated that:

> Fiduciary duties are not special duties; they have no moral footing; they are the same sort of obligations, derived and enforced in the same way as other contractual undertakings. (Easterbrook *et al.*, 1993:427)

However, most scholars seem to have held to the opposite view – viz. that fiduciary duties are not simply an extension of contract law. Smith (2002) provided a brief overview of the various manifestations of these which include: Frankel's delegation of power theory; Sealy's four categories of fiduciary duty based on empirical categorisation of actual cases; Scott's theory based on acting in the interests of another; Shepherd's collage of power and best interests; and Rock and Wachter's interpretation based on property rights, norm governance and the removal of opportunism. Smith's own contribution, which he dubbed the critical resources theory, holds that:

> fiduciary relationships form when one party (the fiduciary) acts *on behalf of* another party (the beneficiary) while exercising *discretion* with respect to a *critical resource* belonging to the beneficiary. (Smith, 2002:1402, emphasis in original)

The final perspective worth noting is DeMott's (1988) which arguably lies somewhere in between the Easterbrook *et al.*'s contract extension position and the more conventional position. She did not hold that fiduciary duty is no more than an extension of contract law. However, her pragmatist interpretation of fiduciary duty as a mechanism, rooted in Equity, allowing flexibility of application to a myriad of situations when other formalised arrangements fail is not dissimilar to Easterbrook *et al.*'s (1993) explanation of fiduciary duty as a mechanism that kicks in when formal contracts fail because they are incomplete.

This theoretical and application messiness aside, there is at least one absolutely consistent feature of fiduciary duty and this is the duty of loyalty.[5] The 'strength' of this duty of loyalty may vary from situation to situation (Easterbrook *et al.*, 1993), and the presence of a duty of loyalty is not, in and of itself, sufficient to ensure that a fiduciary relationship exists. However, there is *always* a duty of loyalty present. Broadly speaking, this entails the prioritisation by the fiduciary of the interests of the beneficiary in relation to the activities falling under the fiduciary relationship. As DeMott (1988) put it:

> If a person in a particular relationship with another is subject to a fiduciary obligation, that person (the fiduciary) must be loyal to the interests of the other person (the beneficiary). The fiduciary's duties go beyond mere fairness and honesty; they oblige him to act to further the beneficiary's best interests. (DeMott, 1988:882)

Most often, discussions surrounding this duty of loyalty have focused on the interests of the fiduciaries and beneficiaries only (e.g. Smith, 2002). And the point of the duty of loyalty then is to ensure that fairness prevails in terms of the activities associated with the relationship between these two parties and that the fiduciaries do not exploit their positions for their own gain at the expense of the beneficiaries. This is, if you like, the explicit or overt perspective. There is, however, a somewhat more implicit perspective. As I have noted previously, to be completely exhaustive in considering this duty of loyalty, one in fact needs to contemplate the interests of three participants or groups

of participants (Eccles, 2018). There are the beneficiaries and the fiduciaries, but there are also those outside of the fiduciary relationship. When this more complete web of relationships is considered, there seems no reason why the fiduciary duty of loyalty and the principle of exclusive benefit would not insist on the prioritisation of the interests of the beneficiary over both the interests of the fiduciary and anyone else outside of the fiduciary relationship.

Of course, in this article the focus is specifically on the context of business. And it is towards this that I now turn my attention. Within this context there are two reasonably uncontested features of the duty of loyalty that I would like to dispense with at the outset. The first is that the fiduciary duty of loyalty is typically considered to be strong in this context (Easterbrook *et al.*, 1993). The second is that the fiduciaries in the relationship are unambiguously management. However, some fairly notable ambiguity oozes into the story when we begin to think about: (a) who the beneficiaries are; and (b) what their interests might be. Without a doubt, the prevailing view remains grounded in shareholder theories of management championed powerfully by the likes of Milton Friedman (e.g. Friedman, 1970). This holds that the sole beneficiaries of the fiduciary duty of loyalty of managers are the shareholders as the owners of the business, and that their interests are served by maximising the risk-adjusted financial returns on their investment i.e. delivering maximum shareholder value. This is the 'business of business' sort of notion. And if anyone is in any doubt that this is the prevailing paradigm in practice, then they might have a look at managerial remuneration practices and in particular the almost ubiquitous share option schemes which clearly seek to align the interests of managers with those of shareholder.

The notion that the interests of beneficiaries (and therefore the duty of managers) lie purely in maximising shareholder value has, however, come under some scrutiny (Smith, 1999; Hawley & Williams, 2007). Smith (1999), drew attention to the fact that if one were to assume the widespread application of modern portfolio theory when contemplating shareholders, one would have to assume that shareholders are likely to have exposure to a company beyond simply equity investments. In particular, portfolio diversification would mean that they are likely to have exposure to debt investments too. In other words they would have interests beyond just those of shareholders. Assuming that borrower/lender relationships do indeed fall under the banner of fiduciary relationships,[6] then, according to Smith (1999), managers as fiduciaries cannot assume that their duty of loyalty is solely to shareholders or that the interests of the beneficiaries are served by maximising shareholder value alone. Shareholder value might be contrary to the interests of debt financiers.

Hawley and Williams took this basic sentiment much further with their theories of fiduciary capitalism (Hawley & Williams, 2000a[7]) and universal ownership (Hawley & Williams, 2000b). Both of these theories arose from the recognition that increasingly the market is owned by large institutional investment schemes such as pension funds, mutual funds or sovereign wealth funds which are collective in character. Besides emphasising the fiduciary role of the managers and trustees of these collective schemes

to the actual investors, their theory of fiduciary capitalism emphasised the fact that it might be necessary to think about dismantling traditional archetypes of investors as the savings of more and more members of society get pooled into these massive investment schemes. The insinuation is that the interests of beneficiaries of the fiduciary relationships are likely to extend way beyond the capitalist fetish of simply maximising risk-adjusted financial returns on their investment. Their second theory, that of universal ownership, was premised on the fact that because of the size of these collective investment funds, and under the "guidance" of modern portfolio theory, their portfolios tend to be highly diversified. The effect of this is that one might imagine that they own not just an array of asset classes in selected companies, but rather a piece of the "entire market" (Hawley & Williams, 2007:416). Because some of the externalities of individual businesses become internalised at the level of the entire market, this has potentially massive implications in terms of how managers might give expression to their duties of loyalty towards investors. Externalities which might be highly beneficial to investors in one particular company, might be detrimental to the market as a whole and therefore not in the interests of universal owners.

In short, Hawley and Williams' two theories significantly expanded the understanding of who the beneficiaries of the business manager/investor fiduciary relationship might be, and potentially how their interests might be served. However, in spite of this opening[8] up of the manager/investor fiduciary universe, we are nonetheless still left with the three groups of participants when thinking about the duty of loyalty in the context of business: the beneficiaries, the fiduciaries, and those outside of the fiduciary relationship. The opening up that Hawley and Williams imagined has most definitely not completely done away with those outside the fiduciary relationship. Hawley (2015) himself acknowledged this in relation to fiduciary capitalism by noting that this is not the same as "citizen's capitalism" as imagined by Davis, Lukumnik and Pitt-Watson where everyone is a beneficiary. This Hawley described as "more of a potentiality than a completed actuality" (Hawley, 2015:22). And, as I have already argued in a previous article, if one is looking for empirical evidence to support this, it is reasonably safe to assume that the interests of the roughly 750 million people who, according to the World Bank (2016) live on less than $1.90 per day, will never be meaningfully represented by business manager fiduciaries (Eccles, 2018).

Much the same can be said of the "universal" in Hawley and Williams' (2000a) universal ownership. While portfolio diversification is indeed something that is pursued, the idea that this is approaching 'universal' is almost certainly also "more of a potentiality than a completed actuality" (Hawley, 2015:22). Even the largest portfolios will be biased along at least two lines. Firstly, they will typically be geographically biased, focusing their attention on activities in either their own 'home market' or the largest sovereign markets in the world mainly in developed countries. Secondly, they will typically be biased in favour of large publicly listed companies. After all, the great merit of collective investments is that they allow the accumulation of sufficient capital to allow vast enterprises with massive power to be established. And so while it may well be that the fiduciary duty of loyalty

demands of managers more than simply the maximisation of risk-adjusted financial return, at best this means that they ought to consider the maximisation of risk-adjusted financial returns of portfolios that are inherently biased in favour of big countries and big companies. And, of course, it is necessary to recognise that what might be good for the market might not in all instances be good for society at large.

All of this brings me to the ultimate point of this section – to a premise from fiduciary duty. This is that, in spite of all of these 'extensions' to how we might think about fiduciary duty in the context of business managers, the basic character of the managerial fiduciary duty remains remarkably unaltered. It holds that managers still owe a strong duty of loyalty to investors (whoever they may be) and this implies an exclusive focus on pursuing their best interests specifically (whatever these may be). Ultimately, this fiduciary duty of loyalty owed by managers to serve the interests of investors is thus fundamentally partial or biased.

4. The obvious conclusion: a contradiction

For those of you who have been paying careful attention during this journey through the conceptual landscapes of the theories of justice of Rawls and Sen and of fiduciary duty, a fundamental contradiction should now be apparent. But in case I have lost you in all of the rambling, let me explicitly articulate this in the form of the simple argument I promised in the introduction:

> *Premise 1*: From the theories of justice of Rawls and Sen, it emerges that fairness, as a foundational basis for justice, demands impartiality or the avoidance of bias.
>
> *Premise 2*: From a brief survey of fiduciary law it is apparent that the duty of loyalty owed by managers to serve the interests of investors is fundamentally partial or biased.
>
> *The obvious conclusion*: The fiduciary duty of loyalty owed by managers to serve the interests of investors seems likely to be incompatible with the demands of justice.

At this point it is perhaps worthwhile to think for a moment about the implications of this conclusion in terms of the 'real world' rather than in the purely abstract theoretical realm where this article is generally located. Some might wonder how this finding relates to actual problems confronting business? The conventional response to the task of answering such a question would, of course, be to try and apply this theoretical finding to one or other of a myriad of cases of business ethics failures (e.g. Enron, Volkwagen, KPMG in South Africa etc). This would, of course, not work here. This is because the challenge unearthed is not a problem associated with acute acts of either imprudence or malfeasance on the part of fiduciaries leading to catastrophic corporate failures.[9] In fact, such problems would inevitably be deemed as failures of fiduciary duty since they would lead to destruction of value for the beneficiaries of fiduciary trust. The challenge here is

far more fundamental or essential than this. If you like, the challenge here is chronic in character, and emergent out of the very essence of how business is constructed.

In short then, if we accept that justice is amongst a very small handful of primary virtues of social institutions, and given the powerful leadership roles that business managers occupy in today's social institutions, we must then accept that this conclusion, in and of itself, constitutes a grave leadership challenge, and one that certainly matters. As I mentioned in the introduction, one might be tempted at this stage to say: 'A problem shared is a problem solved. So job done!' However, one feels a certain pressure to contemplate solutions. To do this, I return to the works of Rawls and Sen, and in particular the impartiality devices that they advocated in the hope that these might hold some solution.

5. The promise of impartiality

So, justice is an important virtue in social institutions and we therefore assume that we ought to expect leaders (in general and specifically in the powerful institution of business) to act in a just way. Or, to borrow from Sen's realisation-focused comparison approach, we ideally want them to take decisions that would lead to realisations that would be judged as fair if they were to be subjected to something like impartial comparisons. To do this, as we have seen, would require them, amongst other things, to take decisions on the basis of impartiality. The question is how might this be brought about, and in particular, how might this be brought about in the context of fiduciary law that demands loyalty to investor interests?

Both Rawls and Sen proposed impartiality devices. As I have already described, Rawls developed his veil of ignorance, in which, rather than trying to imagine away self-interest, Rawls imagined imposing stringent limitations on self-awareness. In effect, people behind Rawls' veil of ignorance would not know either their position in society, or their natural talents. They would not know whether they were a genius born into wealthy family, or a fool born into a poor one. Or a fool born into a wealthy family or a genius born into a poor one. They would not know whether they were male or female, black or white, homosexual or heterosexual, Christian or Muslim ... And from the position of this limited self-awareness, they would, according to Rawls, be able to reflect fairly on matters pertaining to justice.[10]

In contrast to this, Sen (2010) advocated the use of Adam Smith's impartial spectator. This is arguably a much more complicated construct and requires some elaboration before we examine Sen's interpretation specifically. The idea of the impartial spectator emerged out of Smith's TMS. In this, Smith argued that moral reasoning is grounded in our capacity for fellow-feeling or "sympathy".[11] This fellow-feeling arises, not out of our actual ability to feel what others are feeling which is obviously empirically impossible, but rather out of our ability to imagine what we might feel were we to find ourselves in their shoes. The idea of the spectator then emerged gradually in TMS. Early references to the spectator

were, by and large, descriptions of real spectators – external parties who observe social occurrences and with whom the passions of the persons immediately involved may be more or less aligned through the action of sympathy. And as Smith stated:

> When the original passions of the person principally concerned are in perfect concord with the sympathetic emotions of the spectator, they necessarily appear to this last just and proper, and suitable to their objects. (Smith, 1759:10)

In this way, when we find ourselves in the role of the spectator, we have the basis for judging the passions of others through sympathy. And not surprisingly, Smith then spent significant time discussing how biases may be inherent in the sentiments of both the persons immediately involved and in the spectators. However, as Smith's argument evolved, so too did the nature of the spectator. At first, Smith contemplated the universalising of the impartial spectator in a manner somewhat anticipatory of Kant's first formulation of the categorical imperative. He wrote:

> But these, as well as all the other passions of human nature, seem proper and are approved of, when the heart of every impartial spectator entirely sympathizes with them, when every indifferent by-stander entirely enters into, and goes along with them. (Smith, 1759:37)

And, by the time Smith got to Part III of TMS, the impartial spectator was in general no longer a real spectator, but rather the ideal spectator within each of us which we use to evaluate our own sentiments and actions (Young, 2007). Thus Smith wrote:

> We suppose ourselves the spectators of our own behaviour, and endeavour to imagine what effect it would, in this light, produce upon us. This is the only looking-glass by which we can, in some measure, with the eyes of other people, scrutinize the propriety of our own conduct. (Smith, 1759:60)

At this point a certain sensitivity to the moral jeopardy associated with relativism enters into Smith's conception of the impartial spectator. He used a metaphor of a large landscape seen through the window of the small room in which he was writing. From the position of his desk this vast landscape seemed insignificant relative to the room. To gain perspective, Smith noted, one must step outside and view both spaces from an equal distance. The same applies when one is considering human behaviour. Thus he wrote:

> In the same manner, to the selfish and original passions of human nature, the loss or gain of a very small interest of our own, appears to be of vastly more importance, excites a much more passionate joy or sorry, a much more ardent desire of aversion, than the greatest concern of another with whom we have no particular connexion. His interests, as long as they are surveyed from this station, can never be put into the balance with our own, how ruinous soever to him. Before we can make any proper comparison of those opposite interests, we must change our position. We must view them, neither from our own place nor yet from his, neither with our own eyes nor yet with his, but from the place and with the eyes of a third person, who has no particular connexion with either, and who judges with impartiality between us. (Smith, 1759:70)

It is at around this point that Sen really grabbed a hold of Smith's ideas to further his own arguments on open and closed impartiality in terms of justice (Sen, 2002, 2010). Sen was particularly captivated by Smith's suggestion that the greater the distance the spectator is from the actual moral matter being considered, the more impartial the evaluation or thinking is likely to be. For instance, Smith wrote:

> The propriety of our moral sentiments is never so apt to be corrupted, as when the indulgent and partial spectator is at hand, while the indifferent and impartial one is at a great distance. (Smith, 1759:79)

It is this demand for greater distance that formed the basis for Sen's criticism of Rawls' veil of ignorance as an impartiality device. Sen argued that while Smith's impartial spectator seems to explicitly call for scrutiny from a distance and thereby mitigates against parochialism, Rawls' veil is imagined to be applied in the specific context of social contract negotiations *within* the sovereign state or polity. Sen referred to his interpretation of Smith's approach to impartiality as an example of open impartiality and to Rawls' approach as an example of closed impartiality.

There are, however, some serious difficulties with Sen's comparative interpretation of Smith's impartial spectator and Rawls' veil of ignorance as impartiality devices in my view. In particular, the distinction between these two impartiality devices does not rest comfortably on the openness of the impartial spectator and the closed-ness of the veil of ignorance. From the side of the veil of ignorance, while its application by Rawls in his *The Theory of Justice* was indeed somewhat closed as described by Sen, this parochial character need not necessarily be the case at all. It is not at all difficult to imagine the veil of ignorance being applied to a more global consideration of justice. We might very simply, for example, imagine adding to the list of ignorances which were presented above, that people behind the veil of ignorance would not know whether they were living in Norway with Human Development Index (HDI) in 2014 of 0.944 or in Niger with an HDI in 2014 of 0.348 (UNDP, 2015). And, as Sen himself acknowledged, this is precisely the challenge that Rawlsean scholars such as Pogge have taken up. In effect, Sen confused the specific application of the veil of ignorance by Rawls with the potential inherent in the device. The veil of ignorance can be used in as open or as closed a fashion as we choose to imagine it being used. And in spite of Sen's suggestion to the contrary, Smith's impartial spectator is at least as open to ambiguity in terms of its open- or closed-ness as Rawls' veil of ignorance is. Smith's invocation of various manifestations of impartial spectators through the passage of TMS is bewildering, to say the least, and it is little surprise that some authors have concluded that his impartial spectator is actually unsatisfactorily closed in character (e.g. Shin, 2015).

In short, contrary to Sen's attempt to box Rawls' veil of ignorance as a closed impartiality device, and Smith's impartial spectator as an open impartiality device, either of these devices can be more or less open or closed depending on whether they are interpreted as such.[12] However, if Sen was indeed incorrect in terms of the distinction between the veil of ignorance and the impartial spectator, this then begs the question, what is the

difference? It is Rawls himself who provided at least one answer to this. In a comparison between the elements of the impartial spectator with those of the veil of ignorance he stated:

> In the original position [i.e. behind the veil of ignorance], by contrast [to the impartial spectator], the parties are mutually disinterested rather than sympathetic; but lacking knowledge of their natural assets or social situation, they are forced to view their arrangements in a general way. (Rawls, 1971:187)

It is the notion of interests that is crucial. Under the veil of ignorance, the contemplator of justice (for want of a better phrase) is imagined to be explicitly self-interested in the outcome of the decision and disinterested in the outcome in terms of other parties. In other words, the contemplator is explicitly concerned with seeing his or her own interests advanced. They just aren't quite sure who they actually are and it is through this informational limitation that the impact of bias is limited and impartiality secured. In the case of the ideal impartial spectator on the other hand we seek to reason away self-interest through sympathy. Using sympathy we try to imagine what someone would see in our actions if they had no particular interest in them or the outcome of them, or as Rawls put it "where his own interests are not at stake" (Rawls, 1971:186). In this case, rather than mutual disinterest, the ideal is almost a sense of complete disinterest.

This distinction is vitally important when it comes to considering the promise inherent in these two impartiality devices in terms of resolving the apparent contradiction between the impartiality demands of justice and the inherent bias of the fiduciary duty of loyalty in the context of business. But before considering the implications of this it is first necessary to imagine the application of both of these devices in the context of day-to-day pragmatic realisation-focused comparisons that Sen advocated.[13] It is in this day-to-day context that business leaders make their decisions under the constraints of their fiduciary duty of loyalty to investors, and it is thus in this context that we are interested in this article. To give expression to the demands of justice as fairness in this context, under the impartial spectator device, managers would in effect be called upon to simply step away from their parochial focus on the interests of investors in their decision making, and sympathise impartially with the sentiments of a business' stakeholders in the most open sense imaginable. They would be called on to imagine what sentiments their decisions might provoke in society at large and to act in a manner which would not give particular preference to any particular individual or group. Because the interests of the investors would no longer be primary, this arrangement would be in absolute conflict with the fiduciary duty of loyalty. In short, the impartial spectator and the duty of loyalty are technically incommensurable.

In contrast, placing managers behind the veil of ignorance would not demand that they abandon their focus on the interests of the beneficiaries of their fiduciary duty. It would simply place extreme constraints on the information that a fiduciary would have in terms of who the beneficiary of their duty of loyalty might be.[14] And through this, the day-to-day decisions of managers would necessarily approach impartiality. In theory at

least then, it seems that while Smith's impartial spectator is doomed in the face of the fiduciary duty of loyalty, the veil of ignorance could present a mechanism by which the contradiction between the impartiality demands of justice and the duty of loyalty might be somewhat miraculously resolved.

6. Conclusion: really

Which brings me to the conclusion of this article. To recap, what I have done is to trace a simple deductive argument which concludes with the uncomfortable possibility that the fiduciary duty of loyalty owed by managers to serve the interests of investors appears to be incompatible with the demands of justice. While simply presenting this might well have been sufficient in terms of the theme of "Leadership Challenges that Matter" there is something unsatisfactory about not even attempting to contemplate solutions. And so, from this contradiction, I embarked on an exploration of the impartiality devices proposed by Rawls and Sen in search of a solution. And lo and behold, while Smith's impartial spectator advocated by Sen doesn't seem to hold much promise in terms of engineering a synthesis, Rawls' veil of ignorance certainly does – at least in theory that is. The fact that the veil of ignorance does not call for participants to relinquish self-interest means that it is not immediately incompatible with fiduciary duties of loyalty which insist that such interests are pursued exclusively. Which is all just peachy, really – *at least in theory that is*. The repetition of this sentiment is intentional. The key question that we ought perhaps to be left with from this article is whether there is any hope whatsoever that something akin to a veil of ignorance might be brought to bear in the context of the day-to-day decision making of business leaders? Of course, a conclusion is obviously not the place to attempt to answer a new question. And so I leave it hanging except for a final quote from Rawls which I think captures the real "Leadership Challenge that Matters":

> Suppose that we transpose people from a society in which property, in good part as a result of fortune and luck, is very unequal into a well-ordered society regulated by the two principles of justice. There is no guarantee that all will gain by the change if they judge matters by their previous attitudes. Those owning large properties may have lost greatly and historically they have resisted such changes. (Rawls, 2005:17)

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Endnotes

1. One might add to this the fact that at the time of drafting this article, the World Economic Forum, the self-appointed forum for the world's leaders, was meeting in Davos in their annual pantomime of power and wealth. At this meeting, a very prominent (and distinctly ironic) theme was the concern regarding economic inequality which is nothing if not a concern about justice.
2. One noteworthy exception here might be Marxists who have argued that the consideration of justice is only relevant in contexts which are, by definition, unjust. For a detailed discussion of this radical position see Buchanan (1982).
3. Valentini (2010) has criticised Sen's use of the word 'transcendental' and suggested that he might have done better using the term 'categorical'.
4. Marx would no doubt be absolutely horrified that his name might be used in the same breath as Bentham who he described as: "a genius in the way of bourgeois stupidity" (Marx, 1990, footnote 51:758–759), or John Stuart Mill who he described as: "On a level plain, simple mounds look like hills; and the insipid flatness of our present bourgeoisie is to be measured by the altitude of its 'great intellects'" (Marx, 1990:654).
5. The duty of care is a close second.
6. It is important to note that this is most definitely not universally accepted (see Brudney, 1997). Many would hold that the interests of debt financiers are more rigidly protected by strict contractual arrangements.
7. Besides Hawley and Williams' own work on this subject, a special issue of the journal *Corporate Governance: An International Review*, 15(3) of 2007 is an important source.
8. To borrow the terminology of open and closed that Sen (2010) uses in relation to impartiality.
9. The "some-bad-apples-theory" as articulated in the call for papers for the 2018 European Business Ethics Network Research Conference. http://www.eben-net.org/?q=content/call-papers-eben-research-conference-2018 [Accessed 24 April 2018].
10. Rawls was of course most concerned with their ability to participate fairly in negotiating principles of justice in original social contract negotiations in a particular sovereign state or polity.
11. Smith emphasised the fact that, while sympathy is typically thought of as more akin to pity or the sharing of negative feelings, his view was that it might just as appropriately be applied to "*denote our fellow-feeling with any passion whatever*" (Smith, 1759:7).
12. The usefulness of Sen's discussion of open and closed impartiality in the present context should not, however, be completely overlooked. After all, Hawley and Williams' notion of fiduciary capitalism emphasises the duty of impartiality of a fiduciary to all of his or her beneficiaries (Hawley *et al.*, 2011). This is a perfect example of closed impartiality and Sen's critique of closed impartiality as a device for ensuring that justice prevails in effect captures the essence of the contradiction discussed in this article.
13. This is obviously more unorthodox in the case of Rawls' veil of ignorance, which is typically associated with the formulation of transcendental principles.
14. One must acknowledge that some of the informational constraints would be rather difficult to imagine. For example, I argued earlier that one of the limitations of Hawley and Williams' (2000b) fiduciary capitalism was that a huge number of people are simply not investors and

are therefore not represented by business manager fiduciaries. For the veil of ignorance to work, the information constraint would have to include that the fiduciary would not know whether the beneficiary was in fact a beneficiary. This poses an interesting logical conundrum.

15. No city stated.

An African theory of good leadership

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Abstract

This article draws on the indigenous African intellectual tradition to ground a moral-philosophical theory of leadership that is intended to rival accounts prominent in the East Asian and Western traditions. After providing an interpretation of the characteristically sub-Saharan value of communion, the article advances a philosophical account of a good leader as one who creates, sustains and enriches communal relationships and enables others to do so. The article then applies this account to a variety of topics, including what the final end of an organisation should be, how decisions ought to be made within it, who counts as a stakeholder and how to deal with non-performing or misbehaving employees. For each topic, the article notes respects in which Afro-communal leadership supports approaches that differ from those prescribed by other, more internationally familiar philosophies such as Confucianism and Kantian contract theory, and it suggests that its implications are prima facie attractive relative to them.

1. Introduction

International academic reflection on good leadership has tended to follow the rise of political or economic power, first in the West and then in the East. However, there is little reason to believe that the presence of power correlates strongly with moral-philosophical plausibility. Indeed, from the characteristically African perspective this article advances, the failure by some societies to have shared political and economic power is a prima facie indication that something is mistaken with their underlying value systems.

It has been pointed out that ideas indigenous to Africa are under-represented in the English-speaking literature on leadership (Blunt & Jones, 1997; Ncube, 2010:77-78; Nkomo, 2011:371). As the authors of a book devoted to personal growth suggest, "Of all the gifts that Africa has given the world, African values in leadership have not yet claimed the place that they could" (Nussbaum, Palsule & Mkhize, 2010:5). There are a number of reasons for thinking that this ignorance of African[1] understandings of good leadership is unwelcome. Two familiar rationales are that it is immoral, because disrespectful, to disregard an entire culture's philosophy, and that interaction in a globalised world requires familiarity with the views of "the other" as a matter of prudence. A third important rationale, however, is epistemic: any long-standing culture probably has some insight into the human condition, such that one risks being mistaken about what counts as a good leader if one remains unfamiliar with African culture. Despite having been a largely oral tradition until recently, African philosophy and related ideas have been in existence for at least several hundred years and, as this article is meant to show, their implications for leadership merit global consideration.

This article draws on the indigenous African intellectual tradition to ground a moral-philosophical theory of leadership that is meant to constitute a plausible rival to salient accounts of leadership in the East Asian and Western traditions. Specifically, it articulates an interpretation of the characteristically African value of communion, and indicates how this Afro-communal value system grounds a certain ideal approach to leadership. Along the way, the article contrasts the implications of Afro-communal leadership particularly with those of Confucianism and Kantian contract theory, and suggests that the African theory deserves to be treated as a viable alternative to them. The article focuses on business leadership in the first instance, but the points made should be applicable to a wide array of organisations.

Note that, unlike much of literature on African leadership, this article is largely prescriptive, and only minimally descriptive. It is not principally concerned to provide empirical information about the ways that African peoples have approached leadership over the centuries (Masango, 2002), that some Africans currently lead (Jackson, 2004; Newenham-Kahindi, 2009; Kuada, 2010), or that contemporary Africans tend to understand leadership (Bolden & Kirk, 2009).

In addition, this article does not appeal to all prescriptive ideas about African leadership in the contemporary literature or from traditional practices. So, for example, it disregards the normative suggestions that African leaders should "uphold the sacredness of leadership as the main connection between people and the Creator" (Rukuni, 2009:51; see also Ndlovu, 2016) or that "group rights are always more important than individual rights" (Rukuni, 2009:107; see also Nkondo, 2007:90-91; Ncube, 2010:81). It also rejects the idea that, in order to impart unity to people at the political level, a one-party state is justified (as per Nkrumah, 1970:100-101; Rukuni, 2009:154). For yet another example, it abjures gendered conceptions of leadership that have been present in some traditional settings (see e.g. Nicholson, 2005), but also does not focus on what African values might progressively entail for women's issues (on which see Ndlovu, 2016).

Instead of trying to accommodate every idea from the African context, this article advances a reading of one purportedly basic value from it that should be taken seriously by a 21st-century, open-minded philosopher, ethicist or related enquirer from any part of the world, and then considers what it entails for good leadership. Such an ethical orientation, as is spelled out in the next section (sec. 2), is secular, relational and egalitarian. After spelling out this communal ethic, this article draws out of it a conception of good leadership (sec. 3), and then applies this conception to a variety of topics, including what the final end of an organisation should be, how decisions ought to be made within it, who counts as a stakeholder and how to deal with non-performing or misbehaving employees (sec. 4). For each topic, the article notes respects in which Afro-communal leadership supports approaches that differ from those prescribed by other, more internationally familiar views of it, and it suggests that its implications are prima facie attractive relative to them.[2] The article concludes by suggesting some additional topics that merit investigation (sec. 5).

2. Communion as a basic African value[3]

In recent years, there have been a number of literate, philosophical interpretations of the African ethical tradition. Although there has of course been moral philosophy amongst the black peoples indigenous to the sub-Saharan region for several centuries, it was only with the demise of colonialism and the rise of literacy that intricate written works have appeared. For example, Kwame Gyekye (1997, 2010) has argued that an attractive African ethic at bottom prescribes advancing the common good, whereas Bénézet Bujo (1997) and Laurenti Magesa (1997) have contended that it requires fostering an imperceptible ("spiritual") vital energy in oneself and one's society.

By these accounts, the communitarianism that is well-known for being salient in sub-Saharan moral thought is of merely instrumental value; communal relationship is solely a means to promoting well-being or life-force. In contrast, according to the interpretation of sub-Saharan morality favoured here, relationality is, roughly, an end in itself. This article cannot show that this latter approach is preferable to its rivals; it is advanced as merely one plausible philosophical interpretation of sub-Saharan mores.

This article spells out an Afro-communal ethic in the context of maxims widely taken to capture indigenous or traditional sub-Saharan morality, namely, "I am because we are" and "A person is a person through other persons."[4] Although these phrases are sometimes used to express a metaphysical claim (viz. that one could not have become who one is without living in a certain society), they are also routinely meant to express an ethical one. In particular, they are often prescriptions to become a *real* self or a *complete* person (e.g. Wiredu, 1992; Menkiti, 2004), or, in the influential southern African vernacular, they are exhortations to exhibit *ubuntu*, the Nguni term for humanness or human excellence (e.g. Mokgoro, 1998; Tutu, 1999:32-35).

Such an ethic is a *eudaemonist* or self-realisation perspective, similar to the foundations of Aristotelianism and Confucianism. The ultimate answer to the question of why one

should live one way rather than another is the fact that it would make one a better person. There is a distinctively human and higher part of our nature, and a lower, animal self, and both can be realised to various degrees. That is, the thought is that one can be more or less of a human, person or self, and one's basic aim in life should be to develop one's humanness, personhood or selfhood as much as one can. Indeed, it is common for those from indigenous African cultures to describe those who are wicked as "not persons," "zero-persons" or even "animals" (Wiredu, 1992:199-200; Gyekye, 1997:49-51; Nkulu-N'Sengha, 2009:144). These ascriptions are meant to signify a lack of virtue, but not a lack of dignity or full moral status.

Turning to the second part of the maxims, one becomes a real self "because we are" or a complete person "through other persons", which roughly mean insofar as one prizes communal or harmonious relationships with others. As Augustine Shutte, who has provided a book-length interpretation of an *ubuntu* ethic, remarks, "Our deepest moral obligation is to become more fully human. And this means entering more and more deeply into community with others. So although the goal is personal fulfilment, selfishness is excluded" (2001:30). It is common for ethicists working in the African tradition to maintain, or at least to suggest, that the *only* comprehensive respect in which one can exhibit human excellence is by relating to others communally or harmoniously.

To begin to appreciate how one large swathe of African moral thought has been fundamentally relational, consider these remarks about sub-Saharan values and norms from theorists who are from places as diverse as South Africa, Zimbabwe, Uganda and Kenya:

> [I]n African societies, immorality is the word or deed which undermines fellowship. (Kasenene, 1998:21)

> Social harmony is for us (Africans – ed.) the *summum bonum* – the greatest good. Anything that subverts or undermines this sought-after good is to be avoided like the plague. (Tutu, 1999:35)

> [O]ne should always live and behave in a way that maximises harmonious existence at present as well as in the future. (Murove, 2007:181)

> A life of cohesion, or positive integration with others, becomes a goal, one that people design modalities for achieving. Let us call this goal communalism, or, as other people have called it, communitarianism. In light of this goal, the virtues … also become desirable. (Masolo, 2010:240)

Talk of "fellowship," "harmony" and "cohesion" is recurrent in the above quotations, which suggest that these are to be valued for their own sake. That approach differs from the idea that these ways of relating are valuable merely as a means to some other value, such as the common good or vital force. It also is prima facie distinct from the most salient philosophical approaches to morally right action in the contemporary West, which appeal at bottom to utility promotion, respect for autonomy, agreement in a social contract or God's will.[5]

The next question is how one is to understand these relational goods, or what this article most often refers to as "communion". Representative African theorists are again quoted about what it means to live in communion, harmony, etc. with others, after which the article draws on their comments to advance a principle to guide thought about leadership matters, particularly but not solely as they concern a business:

> Every member is expected to consider him/herself an integral part of the whole and to play an appropriate role towards achieving the good of all. (Gbadegesin, 1991:65)

> [H]armony is achieved through close and sympathetic social relations within the group. (Mokgoro, 1998:17)

> The fundamental meaning of community is the sharing of an overall way of life, inspired by the notion of the common good. (Gyekye, 2004:16)

> [T]he purpose of our life is community-service and community-belongingness. (Iroegbu, 2005:442)

> If you asked *ubuntu* advocates and philosophers: What principles inform and organise your life? … the answers would express commitment to the good of the community in which their identities were formed, and a need to experience their lives as bound up in that of their community. (Nkondo, 2007:91)

What is striking about these characterisations of how to commune, harmonise or otherwise become a real person is that two distinct relational goods are repeatedly mentioned, namely, considering oneself part of the whole, being close, sharing a way of life, belonging and experiencing oneself as bound up with others, on the one hand, and then achieving the good of all, being sympathetic, acting for the common good, serving the community and being committed to the good of one's society, on the other.

These two facets of a communal relationship have been distinguished and reconstructed with some precision (Metz, 2013, 2017a). It is revealing to understand the relationship of "identifying" with others or "sharing a way of life" with them (i.e. being close, belonging, etc.) to be the combination of exhibiting certain psychological attitudes of cohesion and cooperative behaviour consequent to them. The attitudes include a tendency to think of oneself as a member of a group with the other and to refer to oneself as a "we" (rather than an "I"), a disposition to feel pride or shame in what the other or one's group does and, at a higher level of intensity, an emotional appreciation of the other's nature and value. The cooperative behaviours include being transparent about the terms of interaction, allowing others to make voluntary choices, acting on the basis of trust, adopting compatible goals and, at the extreme end, choosing for the reason that "this is who we are".

What is labelled the relationship of "exhibiting solidarity" with or "caring" for others (i.e. acting for others' good, etc.) is similarly aptly construed as the combination of exhibiting certain psychological attitudes and engaging in helpful behaviour. Here, the attitudes are ones positively oriented towards the other's good, and they include an

empathetic awareness of the other's condition and a sympathetic emotional reaction to this awareness. The actions are not merely those likely to be beneficial, that is, to meet her biological, psychological and social needs, but also ones done consequent to certain motives, say, for the sake of making the other better off or even a better person.

Bringing things together, here are some concrete and explicit principled interpretations of "I am because we are" and "A person is a person through other persons": one should strive to become a real self, which is matter of prizing those capable of identity and solidarity. Or, one ought to develop personhood, which means honouring people by virtue of their dignified ability to be party to communal relationships of sharing a way of life and caring for others' quality of life.

Conversely, one lacking in human excellence, or who is "not a person", would be one who fails to respect those able to commune. Substantial vice or wrongdoing by this ethic consists of prizing the opposite, discordant relationships of acting on an "us versus them" attitude, subordinating others, harming them and doing so out of indifference to their good.

This philosophical specification of a communal ethic appears to capture well the moral value of many salient traditional practices south of the Sahara desert. In brief, recurrent themes of consensus-seeking in the realm of politics, collective harvesting when it comes to production and reconciliation in the sphere of criminal justice are all plausibly viewed as ways of prizing communion or honouring people by virtue of their communal nature.[6]

To "honour" or "prize" communion, or those capable of it, is a deontological notion, and so is to be contrasted with a consequentialist prescription to promote communion as much as one can, and wherever one can, in the long run. So, for example, one should give some priority to the communal relationships of which one is already a part, instead of cutting them off if doing so would foster marginally more communion on the part of others. *Ceteris paribus*, the stronger and longer one's communal ties with others, the greater the obligation to help them. This interpretation of partiality is meant to reconstruct the traditional practice of prioritising aid to blood relatives (on which see Appiah, 1998).

However, partiality is not meant to be absolute, and the urgent needs of strangers, who also matter for their own sake by virtue of being *capable* of communion, merit consideration and must be weighed up against the interests of intimates. The impartial idea that every person has dignity is also prominent in the African tradition (Wiredu, 1992:199-200; Gyekye, 2010:sec. 6), and is expressed here in terms of the natural *ability* to be communed with and to commune.

In addition, honouring communion means that one normally should not seek to realise it by means of substantial discord, at least when it is directed towards innocent parties. This restriction on how to promote communion is a way to accommodate human rights, which more or less protect innocent individuals from being egregiously used merely as a means to a greater (perceived) good. The Afro-communal principle therefore is not consequentialist in the sense of implying that the means by which one maximises a state of affairs lacks moral significance in itself.

There is much more that could be said to spell out and to motivate this Afro-communal ethic. For example, the question of which others to commune with could use more discussion. Do they include imperceptible persons such as ancestors, or perhaps some non-persons such as animals? These are important issues, but they do not need to be addressed here, in order to draw some reasonably firm conclusions about what counts as good leadership in relation to human persons. It is enough to note that a moral agent at least must respect human beings capable of communion, where those with whom she has already communed are entitled to some priority relative to strangers, whose needs nonetheless matter by virtue of being potential sites of communion.

3. From an Afro-communal ethic to an account of leadership

The rest of this article works to apply the ethic from the previous section to an array of issues pertaining to good leadership. This section provides an abstract characterisation of how to lead in terms of the Afro-communal ethic, while the following section applies it to several concrete matters, such as how to make decisions in a firm and whom to treat as a stakeholder.

In the light of the previous section's analysis, one can now grasp the import of maxims about leadership from the literature that might otherwise have been opaque. For example, probably the most common saying in an African context about good leadership is, "A king is a king through his people" (e.g. Pheko & Linchwe, 2008:399, 409; Mofuoa, 2015:32). There is also this remark: "Leaders have a deep awareness that they are what they are because of other people" (Nussbaum, Palsule & Mkhize, 2010:10). Notice how these maxims echo the ones about personhood ("A person is a person through other persons") and selfhood ("I am because we are") from the previous section. Supposing the communal interpretation of ethical behaviour in general made there is plausible, it would make sense to construe these statements about leadership this way: *one should become a real leader, which one can do insofar as one relates communally and enables others to commune*.

This conception is an instance of servant leadership, which phrase abounds in the literature on African approaches to leadership (Mbigi & Maree, 2005:102; Nicholson, 2005:260-261; Bhengu, 2006:185-187, 229; Khoza, 2006:58-59; Mbigi, 2007:298-301; Msila, 2014; Ndlovu, 2016; Ndlovu-Gatsheni & Ngcaweni, 2017). Broadly speaking, a servant leader is not so much one who gets others to do what he wants or thinks best, but is roughly one who does much to help others. Servant leadership is of course not unfamiliar in the Western literature (e.g. Greenleaf, 2002). However, unlike in the Western literature on leadership, servant leadership is the patently predominant theme in the African literature on it. In addition, the Afro-communal ethic grounds a distinct specification of precisely what should be involved in helping others: a good leader is one who helps to meet others' needs, and above all their need to realise their social nature by prizing communal relationship.

By this approach, communion is a way of relating to be pursued as an end, not merely as a means to other values such as, say, productivity or innovation (which is what is emphasised, at times, in Mbigi & Maree, 2005:viii, 2, 65, 114, 117; Bhengu, 2006:155, 157, 169-170). The Afro-communal ethic should not be read as entailing the banalities that social capital or effective teamwork are useful to succeed in a competitive environment. Instead, it supports the bolder claim that a good leader seeks out a certain way of relating for its own sake.

4. Implications of Afro-communal leadership

What would a firm or other large organisation look like if it were guided by the Afro-communal conception of good leadership? For example, what would the firm strive to achieve, how would decisions be made within it and whom would it consider to be stakeholders? This section answers these kinds of questions, often drawing contrasts with typical East Asian and Western conceptions of good leadership.

4.1 What is the point of a firm?

Prizing communion differs from goal-pursuit, as per Kantianism, or desire-satisfaction, as per utilitarianism, which are characteristically Western and individualist views of what a firm, or other organisation with a large public influence, ultimately ought to be striving to achieve. Instead of the point of a firm being to satisfy contingent and variable demand, a firm lead by Afro-communal values would exhibit solidarity with consumers, meaning that it would do what is expected to enable them to live objectively better lives, particularly socio-moral ones.

This orientation towards people's needs, and especially their virtue, means that there would be reflection amongst at least shareholders and managers on whether a firm is selling something that is, if not in fact good for people, then at least likely to be (cf. Lutz, 2009). If an Afro-communal leader took over a firm that sold cigarettes or food with trans fats, she would make a concerted effort to shift production towards something that, for all we can tell, would not cause addiction, inflict serious bodily harm and, as a consequence of these, disrupt familial and friendly relationships. Consumers might freely choose bad things, but that is not a sufficient reason to sell them for one who deems good leadership to consist of prizing communion.

Confucian values, so prominent in East Asia, are also well known for similarly directing a firm to act in an objectively beneficent way towards consumers (e.g. Ip, 2009). In addition, Confucianism is characteristically relational, as opposed to individualist, and so again is similar to the Afro-communal ethic. However, one difference with the Afro-communal approach, in terms of what the final end of a firm should be, is that Confucianism tends to prize relationship as a final value to be promoted that can be distinct from the good of individuals.[7] If relationships such as balance or integration have some significant final value in themselves, then a leader could wind up treating individuals merely as

a means to the end of promoting them, something admitted by those sympathetic to Confucianism (e.g. Ip, 2009:470; and Li, 2014:14). In contrast, by the Afro-communal conception of leadership, each person has a dignity in virtue of her capacity to commune and to be communed with, which means that, to treat every person with respect, a leader must strive to meet the needs of each.

4.2 Whom should a firm aid?

A firm cannot meet the needs of literally all; it must rather attend to those of its stakeholders. But who counts as a stakeholder, that is, as someone for whom a firm has moral reason to go out of its way to aid?

In the Western tradition, there are two main moral reasons to help someone: she is amongst the worst off and so owed aid because of a general duty to help, or she is someone whom we have assumed an obligation to aid in particular, say, by promising or by accepting the benefits from a cooperative scheme of which she is a member. By this largely Kantian and Rawlsian approach, the leader of a firm roughly must take positive steps to carry out what it has contracted to do and must also donate, in the form of a corporate social responsibility (CSR) programme, to those who are especially badly off.

In addition to these two moral reasons to aid others, the Afro-communal ethic grounds a third reason: one has already related communally with others (Metz, 2017b; Woermann & Engelbrecht, 2017). If one has been party to a communal relationship with others intensely or for a long time, and especially both, then one can have some strong moral reason to aid these intimates as opposed to strangers, even if the latter are worse off and if one did not promise to aid the former.

Consider one's reason to aid one's children. It is not that they are amongst the worst off or are badly off at all, at least for most readers of this article. It is also not that one promised to do so; few of us have ever made an agreement to continue to look after our children as opposed to aiding other people's children. Or, more deeply, if we did make such a promise, we plausibly would have been obligated to aid our own children even if we had not. The natural explanation of the duty to aid one's own children is that one has exhibited identity and solidarity with them in substantial ways and over a long period of time. To the extent that one's relationships with friends, co-workers and neighbours are similar in nature and extent to one's relationships with one's children (even if less intense and shorter in duration), one also has unassumed duties of some weight to aid them as opposed to others. Communion encumbers.

Applied to a business context, Afro-communal leadership would mean that a firm goes out of its way to help not merely those in desperate need of aid or those it has promised to aid, but also those with whom it has shared a way of life in some respect, including its society.[8] African thinkers have sometimes noted the duty of a firm to aid society (Bhengu, 2006:160-161; Amaeshi & Idemudia, 2015), but the appeal to Afro-communal leadership explains why the duty obtains: a firm has at least identified with the society in which it is based and therefore has moral reason to exhibit solidarity with it, too.

An additional implication is that if a firm has a long-standing relationship with a particular supplier, the former's leaders would have some moral reason to continue to contract with the latter, even if a new supplier would be marginally less expensive. The reason is merely *pro tanto* and not invariably conclusive, i.e. a firm's leaders need not continue to contract with a supplier regardless of how expensive its goods or how shoddy its services become. The point is that there would usually be some moral cost to dumping a long-standing supplier. Furthermore, in those cases in which there would be little or no moral cost to breaking ties with such a stakeholder, a likely explanation would be that this supplier has itself failed to live up to its respective obligation to commune and has instead become exploitive or neglectful.

Running with this dimension of partiality in African ethics, two scholars have recently suggested that, when it is applied to the context of business ethics, the word "stakeholders" should be replaced with "relationholders" (Woermann & Engelbrecht, 2017). For them, stakeholder-talk is "contaminated" by the idea that "different parties' interests are dependent on the power and influence that these parties can exert on the organisation due to the strength of the contractual underpinnings of their claims or stakes" (Woermann & Engelbrecht, 2017). In contrast, the word "relationholder" highlights the idea that sometimes a firm can have some moral reason to aid particular individuals beyond contractual terms with them or any voluntary assumption of an obligation to aid them. Prior relationship can be sufficient to provide reason of some weight to continue or even strengthen it.

4.3 How should a firm make decisions?

An account of which decisions a firm should make (say, when it comes to which final ends to pursue or whom to count as being owed aid) is one thing, while an account of how to make those decisions is another. How should business and other leaders arrive at a determination of which policies and practices to adopt?

Here, the Afro-communal theory parts ways with much of both the East Asian and Western traditions of philosophical thought about leadership. Typical Western thinkers and managers, appealing to Kantian (or Lockean) ideas, consider consent to be ruled to be sufficient to give managers the authority to determine the course of a firm. Basically, the fact that a worker has contracted to submit her labour-power to the direction of a firm's managers in exchange for a wage is enough to warrant her obedience to managerial decree. East Asian thinkers and managers, appealing particularly to Confucianism, consider superior qualifications sufficient to give managers the authority to govern the workplace (e.g. Ip, 2009:469-470). Both traditions can of course recommend consultation with employees as often being a useful way to further the proper final ends of a firm. However, neither approach entails that input, let alone authorisation, from employees is morally required as a way to give them their due.

Afro-communal leadership, in contrast, does. Perhaps the most salient theme in the literature on good leadership in the sub-Saharan tradition is the idea that leaders

should normally deploy consensual democracy when making decisions (Bhengu, 1996, 2006:191-193, 230; Nussbaum, 2003; Mbigi & Maree, 2005:8, 29-30, 58-60; Khoza, 2006; Boon, 2007:82-93, 103-109, 125, 150-152; Mbigi, 2007:299-300; Louw, 2010; Ncube, 2010:79-80). By this approach, it is not enough to consult with employees or even to give them a vote; in addition, all in the firm should usually be expected to agree to the essentials before going forward. Agreeing does not imply that everyone comes to share the same judgement, but instead means, at the core, that no one has objections to the proposal so strenuous as to hold back the rest from acting on it.

Such an approach seems to follow directly from the Afro-communal ethic expounded above. If a key goal is to realise communion in a firm or other organisation, then a leader will aim to ensure that all genuinely *share* a way of life, which includes sharing the power to create it together. Sharing a way of life, as explained above, is not merely people living the same way, which way of life could be imposed from above. Instead, it essentially includes cooperative participation, prescribing unanimitarian democracy when feasible, not merely when it comes to (representative) political legislation, but also other major public spheres of life.

Two additional facets of communion would be reliably fostered by consensual democracy. Such an approach to decision making would best enable people to enjoy a sense of togetherness, thinking of themselves as a "we" and taking pride in their collective accomplishments. And, then, consensual democracy would usually be expected to realise solidarity (on which see Gyekye, 1997:130-131, 142). Everyone's interests are most likely to be promoted when everyone freely signs onto a policy consequent to deliberation about it.

4.4 How should a workplace be organised?

In the 21st century efficiency is invariably sought by means of managerialism, in both the East and the West. That is, in order to maximise outputs and minimise inputs, subordinates are steered, usually with money or power, in ways that call for the production of standardised outputs according to measurable criteria. Such an approach is thought to be justified philosophically either by the idea that managerialist production would benefit society or that it has been freely agreed to by workers. Afro-communal leadership, however, is ambivalent about the aptness of such a mode of production.

On the one hand, a firm has moral reason to commune with shareholders and with consumers, which provides some reason for it to "squeeze" employees to do what it takes to produce goods/services efficiently. If managerialism best fostered efficiency of a sort that was likely to make the lives of shareholders and consumers objectively better off, that would be some reason for a leader to use it to orient the workplace.

On the other hand, managerialism is on the face of it "anti-social" when it comes to the way that managers treat employees (as per Metz, 2017c). It hardly fosters a sense of togetherness between these two groups of people. Its use of steering mechanisms, such as financial incentives and punitive threats, is prima facie incompatible with cooperative

participation on the part of workers. Although workers might gain financially from doing well by managerialist criteria, their own good in the production process is of little interest beyond avoiding health and safety violations. Finally, managerialism is unlikely to foster sympathy, and probably encourages managers to view workers as human resources, not so much as people whose interests matter for their own sake.

In addition, managerialism plausibly alienates workers from each other, too, not just from managers. If workers are competing against each other for scarce rewards, as is often the case, then a spirit of camaraderie amongst them and an inclination of some to sacrifice for the sake of others are discouraged.

It appears, therefore, that the value of communion pulls in different directions when it comes to how to organise a workplace. As two scholars have recently noted (Woermann & Engelbrecht, 2017), by an African ethic that prizes communal relationship, employees are particularly important stakeholders (or "relationholders"). Typically the relationship between them and the firm is especially intimate and long-standing, meaning that the firm owes them quite a lot, and that their needs are not invariably to be sacrificed for the sake of the interests of shareholders and consumers. Even so, there are some clear and substantial benefits from managerialism, at least in terms of making money and satisfying demand – which could be ways of meeting needs.

The natural resolution of the tension is compromise. Here are two examples of how a leader inspired by Afro-communal values might proceed.

First, he might retain the use of numerical targets that workers must meet, but not set them down unilaterally. Instead, he could go beyond merely consulting with workers about targets by obtaining their unanimous agreement to them, upon discussion of what would be best for all those affected by the firm.

Second, a leader might retain the use of a year-end bonus to express appreciation and to motivate, but not allocate it strictly in proportion to the quantified output of individuals. Instead, he could award the same bonus to all those who have done well enough, if not share profits in a more robust sense with them (briefly suggested by Bhengu, 2006:179-180, 192; and Ncube, 2010:79).

4.5 How are emotions of relevance to an organisation?

Any plausible view of leadership will entail that a leader is good insofar as she takes employees' emotions into account. However, what stands out about the Afro-communal approach to leadership is that cultivating certain feelings and attitudes is good for its own sake, not merely as a means to an end in order to motivate employees to perform, the natural approach of Confucianism and Kantian contract theory.

A communal relationship is not merely behavioural, that is, not merely a matter of coordination and mutual aid. In addition, it is, in part, essentially psychological and specifically emotional. For one, part of a communal relationship involves a sense of

togetherness such as feeling pride in what others accomplish and liking being with others. For another, communion includes feeling sympathy and compassion for others.

Insofar as one major task of a leader is to forge communion in a firm, she must therefore be committed to prompting such feelings and attitudes, and do so as ends in themselves. Such a theoretical rationale explains why some African leadership proponents have been right to recommend – fascinatingly – that an organisation include ritual, prayer, song and dance (Mbigi & Maree, 2005:50-52, 102, 108; Bhengu, 2006:186-187; Boon, 2007:68, 83; Rukuni, 2009:119-120). These would be ways to bring people closer together on an emotional level and thereby to realise communion along a certain dimension.

4.6 How should conflict be resolved?

Consider two ways of dealing with actual and potential problems in the workplace that Afro-communal leadership would abjure. First, note that American managers are known for having the discretion to fire at will for under-performance or misbehaviour. At the end of the 20th century, more than two-thirds of American workers could be dismissed immediately for failing to perform (or even for no cause at all, on which see Hiley, 1985:1), an approach that is on the face of it consistent with a contractual ethical orientation.

Second, think about the reputation that Chinese managers in Africa have for hiring Chinese labourers, and not so much African ones, because the former are expected to be more highly skilled and compliant than the latter. Although it appears that such practices are in fact not so widespread (on which see Sautman & Hairong, 2015; and Xiaoyang, 2016), it is worth considering what would be wrong with them from an Afro-communal perspective.

There is an underlying similarity between immediately dismissing someone perceived to be a problem in the workplace and not even hiring those expected to be: exclusion. In contrast, inclusion is a salient theme in the literature on African leadership. It highlights using emotional intelligence to address conflict, trying hard to develop weak employees and enabling everyone to feel part of a community (Blunt & Jones, 1997:15; Nicholson, 2005:261; Boon, 2007:62-63; Msila, 2014:1107). Conspicuously absent from African thought about leadership are ideas of using fear, imposing retribution or simply removing an employee altogether (without having tried to bring him up to speed).

Again, a focus on communion provides a plausible theoretical explanation of why inclusiveness should be the overarching approach of a good leader. If what matters morally about us is our capacity to commune and to be communed with, then respect for that special value will mean creating relationships and repairing them when they have broken down. Instead of summarily dismissing an employee who has made a mistake, a good leader would try to ascertain why she did so, consider whether the employee could be reformed and, if so, offer a second chance. And instead of avoiding hiring people who might be more difficult to work with as employees, a good leader would give them a chance and do what he could to develop their abilities, particularly if he were a visitor in their land.

For one inspiring vision of what inclusiveness can mean, consider the tale of a 19th century southern African military leader who, upon having successfully repelled an attack, sent the losing party cattle as a present (Mofuoa, 2015:28, 32; Prozesky, 2015:10). There is something dignified here, which would be missing if the leader had instead sought to make an example of the defeated warriors, imposed retribution on them for their wrongful attack, or even simply left them to fend for themselves in disarray. A compelling question is how such an attitude might be displayed in a business context.

5. Conclusion: some additional issues

It is not obvious what makes someone a good leader, particularly in the light of conflicting value systems around the world. This article has expounded a conception of good leadership that is under-appreciated in the English-speaking literature on the topic. Specifically, it has drawn on the African intellectual tradition to develop a normative theory of leadership in terms of prizing people by virtue of their capacity to relate communally. Although some of its concrete prescriptions have already been recommended in the literature, this article has aimed to show how they can all be theoretically grounded on the basic value of communion that is prominent in African philosophical discussions of morality. It has also sought to argue that these prescriptions constitute plausible alternatives to what characteristically East Asian or Western accounts of leadership support.

Supposing the attempt to ground various dimensions of good leadership on an Afro-communal ethic has been prima facie attractive, other matters also merit investigation. For example, is communion compatible with innovation and entrepreneurialism, which are so important not merely for business but really any organisation with a significant influence on the public? Or, are these best justified by individualist and so largely Western values? Is there a characteristically indigenous African approach to time, and, if so, is it a function of communion? Is it compatible with (enough) efficiency? Is consensual democracy to be favoured in literally every context, or is it inappropriate when it comes to dealing with, say, children in a family and soldiers during a time of war? If this article has been successful, the reader will agree that these questions merit answers in future work.

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Endnotes

1. This article uses geographical labels such as "African" and "Western" to mean features *salient* in a large array of space and over a long span of time (as per Metz 2015). Hence, these terms imply neither that these features can be found solely in this place, nor that they can be found everywhere in it.
2. This article focuses on contrasting the implications of Afro-communal leadership with common practices that are prescribed by familiar philosophies of leadership in East Asia and the West, not with practices in these latter locales that might be exceptions to the rule. Its aim is to advance a theory grounded on African values that entails and plausibly explains intuitively attractive facets of leadership, which is not to suggest that contexts beyond Africa are devoid of good leadership or some instances of a communal approach towards it.
3. Much of this section borrows from previously published work, particularly Metz (2016). What is intended to be new here is not the theoretical interpretation of African ideas about community, but rather their application to considerations of leadership.
4. For a survey of how several sub-Saharan peoples understand these maxims, see Nkulu-N'Sengha (2009).
5. For contrasts with the ethic of care, see Metz (2013).
6. For a much fuller account of the status of these practices as African, and reason to think that the communal ethic best justifies them, see Metz (2017a).
7. There are strands of African ethics that are similarly corporatist, ascribing final value to a group, and not to individuals insofar as they are capable of relating in certain ways. For one clear example, see Ake (1987).
8. Although typical Western moral theories have difficulty accounting for this sort of duty, Confucian ethics, which is relational, does so easily (see discussion of *guanxi* in, e.g. Chang & Holt, 1991).

A typology for the categorisation of ethical leadership research

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Abstract

The article introduces an expanded typology of research approaches applicable to the field of ethical leadership, namely: theoretical-integrative, systematic-analytical, narrative-interpretive, and action-advocacy. An illustrative review identified clear examples of this framework for categorising types of research on ethical leadership. It is concluded that the investigation shows the applicability of a more nuanced perspective on research in the field of ethical leadership. The analysis provides support for the use of the typology beyond the customary quantitative and qualitative dichotomy.

1. Introduction

The term *ethics* refers to sets of standards or value-driven rules governing human behaviour (Racelis, 2010). In the Western tradition, the discussion of ethics dates back to Plato (427-347 B.C.) and Aristotle (384-322 B.C.) (Vogel, 2012). The term is derived from the Greek word *ethos* meaning conduct, character or custom. An early, but comprehensive, literature review demonstrates that ethics is studied in various disciplines (Ciulla, 1995). It has also been an enduring topic for speculation and research in various management disciplines and in organisational studies (Ciulla, 1995; Halisa, Akovab & Tagrafc, 2007; Proios, Athanailidis & Arvanitidou, 2009). It can be concluded that although ethics has its origin in ancient times, it continues to touch all spheres of life and human activity, including the business world (Takala, 2012). It is characterised by a comprehensive body of literature that reflects the use of diverse conceptual and methodological approaches. There has also been an unprecedented upsurge of interest in ethics

within various business contexts (Copeland, 2014; Jones, 2015; Heres & Lasthuizen, 2012) as a result of a number of devastating business and corporate scandals, for example Steinhoff, Worldcom, Enron, and Lehman Brothers.

In the present investigation, the nature of research and published scholarly literature pertaining to the field of ethical leadership is highlighted by way of illustrative examples. Within the broad field of business ethics particular emphasis has been placed on the central role of *ethical leadership* in organisations (Bishara & Schipani, 2009; Hannah & Zatzick, 2007; Ncube & Wasburn, 2006; Palmer, 2013). Kasthuri (2009), as well as Brewster, Carey, Grobler, Holland and Warnich (2008), regard ethical leadership as one of the fundamental challenges of our times. Schoeman (2014) believes that no organisation can be ethical if its leaders are not. Ethical leadership is regarded as a key resource that can either be an asset or a hindrance in shaping behaviour in organisations, in achieving long-term organisational success, and in optimising the competitive advantage of business (Zain-Ul-Aabdeen, Khan, Khan, Farooq, Salman & Ruzwan, 2016). Therefore, the ethical dimension of leadership has been and continues to be a major topic of interest for researchers around the world (Lawton & Påez, 2015).

It is customary to divide methodological approaches employed in organisational and business management research into quantitative and qualitative approaches (Bryman, 2004; Bryman & Bell, 2015). Scholars, amongst them Stentz, Clark and Matkin (2012), also recommend the use of a combination of the two approaches into mixed-method designs in leadership research. Reviews of the literature have shown that these two basic methodological traditions, as well as combinations of the two, have also been used in ethical leadership research (Monahan, 2012).

However, early on, scholars such as Alvesson (1996) expressed dissatisfaction with these conventional approaches to leadership research. Although it is convenient to use the qualitative-quantitative dichotomy, the distinction between the two types of research is very broad and does not allow a more nuanced distinction between research approaches (Allwood, 2012; Parry, Mumford, Bower & Watts, 2014). Janićijević (2011) believes that the understanding of a complex phenomenon could be enhanced by employing a wider array of methodological approaches.

The present study focuses on the nature of ethical leadership research beyond what is usually referred to as *quantitative* and *qualitative* designs. The aim of the study is to perform a typological analysis of research in the field of ethical leadership to expand the range of research methodological applications. A framework of four basic modes of obtaining knowledge is proposed for analysing the nature of ethical leadership research. This approach provides a broader framework for identifying more distinctive methodological options to the study of ethical leadership. It has not previously been used to categorise research in this field. However, it has been successfully applied before in analysing research trends in Human Resource Management (C. Pietersen, 2016) and in organisational culture (Pietersen, 2017), and in considering the nature of knowledge development in the discipline of Industrial/Organisational Psychology (Pietersen, 2005).

2. Ethical leadership

In contrast to other type of contributions (e.g. philosophical, sociological, business management) to what is generally referred to as the field of 'business ethics', leadership ethics is an applied field of ethics (Ciulla, 2005) that typically focuses on behavioural or psychological aspects. Enderle (1987:669) highlights the importance of the ethical dimension of managerial behaviour, which, for him, amounts to "responsible leadership in complex situations". Yukl (2006), as well as Mihelič, Lipičnik and Tekavčič (2010), regard the concept of ethical leadership as an ambiguous construct consisting of various diverse elements. In the leadership literature there seems to be a lack of clarity as to how to define and measure the concept (Yukl, Mahsud, Hassan & Prussia, 2013). In general, ethics provide individuals and groups with a system of rules or principles which serve as guidelines for making decisions about what is right and what is wrong in a given situation (Northouse, 2010). When applied to leadership, ethics is about the character of leaders/managers and their actions and behaviours. The most well-known and frequently used definition of *ethical leadership* is formulated by Brown, Treviño and Harrison (2005:120). They describe the concept as: "…the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision-making".

More recent views of ethical leadership (De Hoogh & Den Hartog, 2008; Yates, 2014) propose that ethical leadership is related to leaders' ability to consistently base their decisions and behaviour on relevant moral values, norms, rules, and obligations, as well as their ability to cultivate ethical decision making and behaviour amongst their followers/subordinates. Brown and Treviño (2006) reviewed the ethical leadership literature, linking it more broadly with the concepts of spiritual, authentic and transformational leadership. They also discuss the influence of individual behavioural aspects such as personality and motivation, and outcomes of ethical leadership such as employee pro-social behaviour, ethical decision making by followers, follower work attitudes, and employee counter-productive behaviour.

The findings of a recent literature review of ethical leadership by Monahan (2012) also show that the concept is complex and a relatively new area of study. In addition, her study reveals four main topics on which researchers have tended to focus, namely, the definition of ethical leadership, the personal integrity and morality of a leader, how a leader ethically influences followers, and current challenges facing ethical leaders (2012:56). Resick, Hanges, Dickson and Mitchelson (2006) compare the degree to which four aspects of ethical leadership, namely, character or integrity, altruism, collective motivation, and encouragement, are regarded across cultures as important for effective leadership. They found that each of these dimensions varied significantly amongst cultures. Plinio (2009) summarised research that shows that there is a global need for ethical leadership. He reports that ethical misconduct in general remains high; employees do not report unethical conduct for fear of reprisal; and that the number of companies reporting the successful establishment of an ethical organisational culture

has declined. His solution is: ethical leadership at the top; supervisor reinforcement; peer commitment to ethics; and embedded ethical values in businesses. Copeland (2014), in turn, reviews the literature in terms of what she describes as "values-based leadership" and identifies three core constructs, namely, authentic leadership, ethical leadership, and transformational leadership. She recommends research that cultivates, develops and measures values-based leadership.

In sum, the ethical leadership literature has substantially increased over the past few decades with increasing attention to various antecedents and consequences, as well as its empirical relationship with other workplace and organisational behaviours.

3. Approaches to ethical leadership research

Various terms have traditionally been used to distinguish between what is now generally described as quantitative and qualitative research. Robson (2011), for example, uses the terms *positivist/objectivistic* instead of quantitative, and *interpretive/subjectivistic* to refer to qualitative research. Although earlier research findings about ethical leadership are largely anecdotal and normative in nature (Brown & Treviño, 2006), the use of quantitative (mainly hypothesis-testing) designs has come to dominate research on ethical leadership (Hodgson, Green & Kodatt, 2012). Plinio, Young and Lavery (2010), as well as Darcy (2010), Marsh (2013) and Resick, Martin, Keating, Dickson, Kwan and Peng (2011) studied ethical leadership from a qualitative perspective. Other scholars, such as Ekaningtias (2016); Kacmar, Andrews, Harris and Tepper (2013); Obicci (2015); and Ruiz-Palomino, Saez-Martınez and Martınez-Canas (2013) investigated the relationship between ethical leadership, individual-level employee behaviour work outcomes, as well as group- and organisational-level variables (such as organisational culture) from a quantitative perspective. Yang, Ding and Lo (2016), for example, investigated the relationship between ethical leadership and multidimensional organisational citizenship behaviours. Zhu (2008) conducted research on psychological empowerment as an underlying influence mechanism through which ethical leadership affects followers' moral identity. Selart and Johansen (2011) studied the relationship between ethical decision making and leadership stress. Shin (2012) investigated the relationship amongst a number of variables, including ethical leadership, ethical climate and organisational citizenship behaviour.

Quantitative research has also been conducted to develop measures of ethical leadership or to relate the concept to existing psychometric tests. Questionnaires to assess aspects of ethical leadership, as well as ethical decision making in the work context, have been developed and/or validated by, amongst others, Boshoff, Kotzé and Nel (2014), Chikeleze (2014), Kalshoven, Den Hartog and De Hoogh (2011a), and Yukl, Mashud, Hassan and Prussia (2013). In addition, Kalshoven *et al.* (2011b) investigated the association between ethical leader behaviour and the *Big Five Factors of Personality*, while scholars, such as De Hoogh and Den Hartog (2008), employed a multi-method design to investigate the relationship between leaders' social responsibility and various aspects of ethical leadership. Mayer, Kuenzi and Greenbaum (2010), criticise the current abundance of quantitative research on the associations between ethical leadership and other manifestations of

employee behaviour. It is also proposed that more research is needed to address the lack of rigorous, theory-based studies of ethical leadership (Brown & Treviño, 2006), as well as the development of models dealing with the implementation of interventions to develop ethical leadership in businesses, in order to enhance leaders' ethical performance, and to find solutions for ethical leadership dilemmas in organisations (Monahan, 2012; Smit, 2013; Webley & Werner, 2008).

3.1 Basic orientations to knowledge development

H.J. Pietersen (2005, 2016) discusses a variety of approaches to knowledge development that have been evident in the history of scholarship. He explains how this has resulted in a number of basic and interconnected orientations or modes of understanding that typically underpin and shape the products of the human intellect, across a diverse range of disciplines and bodies of knowledge. Based on these insights he developed a four-fold framework of interrelated fundamental knowledge orientations. He formulated a number of propositions central to this framework. The first proposition is that clearly recognisable, underlying orientations of mind govern different ideas, theories, and ways of making sense of and dealing with the world. Proposition two suggests that there is a dynamic tension of conflict and complementarity between co-existing orientations in the framework. The third proposition holds that individual or collective thought products bring to light different mixes of the basic orientations, even though dominant (primary) tendencies exist as a result of core predispositions. This implies that no thinker/scholar functions exclusively within a single mode of thought. Thinkers/scholars could also interface with the other modes of thought. Thus, in the present context, ethical leadership *theorists* may, for example, also engage in *quantitative analyses* and/or ethical *improvement* projects. Proposition four alludes to the idea that these underlying intellectual mind-sets appear to be universal – irrespective of whether knowledge endeavours take place in different cultures, societies, disciplines and traditions of thought, and at different levels of analysis. A further proposition specifies that the limitations of one modality of mind are complemented by the strengths of others, in particular diagonally opposite modes (Types I and III; and Types II and IV described below).

The typology of four interrelated knowledge orientations is categorised as: The *Theoretical-integrative* (Type I) mode, the *Systematic-analytical* (Type II) mode, the *Narrative-interpretive* (Type III) mode, and the *Action-advocacy* (Type IV) mode. The Type I approach to research is *theoretical* in nature and is predominantly associated with abstract theory-building. The Type II mode has an *empirical* focus and is primarily characterised by impersonal/objective scientific rationality (also known by terms such as positivism). Both the Type III mode and Type IV mode, conversely, are predominantly associated with human needs, goals and values. The aim of the *Narrative-interpretive* mode of knowledge is to *understand* and *describe* the meaning of phenomena. It could also be described as experiential in nature. The *Action-advocacy* mode is focused on the *improvement* of the human condition (e.g. creating a just society). In the work environment it is pragmatic in nature and geared towards interventions and the development of human potential.

The major differentiating characteristics of each of the four types of knowledge in studies of ethical leadership are shown in Table 1.

Table 1: Four types of knowledge in ethical leadership research

Type I	Type II
Ethical leadership theory	**Ethical leadership science**
Aim: Conceiving ethical leadership	*Aim*: Explaining ethical leadership
Mode: Theoretical-integrative	*Mode*: Systematic-analytical
Type III	**Type IV**
Ethical leadership interpretation	**Ethical leadership cultivation**
Aim: Describing ethical leadership	*Aim*: Developing ethical leadership
Mode: Narrative-interpretive	*Mode*: Action-advocacy

4. Method

4.1 Research design

The purpose of the present article is to introduce a more expanded typology of possible research approaches to the field of ethical leadership. Thus, the purpose of the study was *not* to conduct a comprehensive, full-scale review of ethical leadership research as such. The analysis was also *not* aimed at a critical analysis and detailed exposition of various leadership ethics models, empirical details and interpretations, as the case may be. Instead, an illustrative review was conducted and a number of articles with a primary focus on each of the four basic knowledge development orientations, was identified for inclusion as clear examples of, as well as in support of, a more comprehensive framework to categorise types of research on ethical leadership.

Databases, including FreeFull PDF, EBSCOhost Discovery, Academic Search Complete and scholar.google.com were accessed over a period of four months. Scholarly publications explicitly addressing the key search term: *ethical leadership* were obtained. In essence, this procedure is analogous to the one used by Monahan (2012) to examine dominant research approaches to the study of ethical leadership within a business context.

4.2 Sampling and sample

Purposive sampling was used to identify clear-cut examples of each of the four categories. A purposive sampling strategy is selected when selected units are judged to be *typical* of a population/universe of events under investigation (Bless & Higson-Smith, 2013) and is also useful when researchers continue to add units to a sample until they judge that data saturation has been reached (Fusch & Ness, 2015; Robson, 2011). Working back from most recent publications on the topic, a few scholarly ethical leadership articles were chosen for illustrative purposes as clearly identifiable examples of each of the four research types in terms of the framework described above.

In other words, ethical leadership publications were included that manifestly focused on either: *theory-building* proposals (Type I); *empirical* (hypothesis-testing) research (Type II); *narrative-interpretive* descriptions and accounts of ethical leadership activities and experiences (Type III); or *ethical leadership development and improvement* research (Type IV).

4.3 Procedures and analysis

The data collection and content analysis procedures used in the present study are, to a large extent, based on the process used by Pisani (2009) and Pietersen (2016). Full-text (pdf) ethical leadership articles were downloaded into a folder. Each of the articles was inspected in detail in terms of the following criteria: (a) its stated aims; (b) the nature of its methodology; and (c) its conclusions, to arrive at a selection for further investigation.

An analysis was then conducted with the aid of the four-fold framework of knowledge development orientations described earlier. An article's primary focus, as demonstrated by its *aim*, *method* and *reported results* and *conclusions*, was judged to be the determining factors to decide under which one of four conceptual categories in the typological framework a specific article should be classified. Thus, the procedure consisted of a conceptual analysis of chosen publications for classification purposes.

Articles in which the primary purpose of the investigation is the construction or development of theories and models of ethical leadership are considered to be examples of Type I research. Articles which are empirical in nature and primarily focused on hypothesis-testing represent Type II research in the conventional mode of quantitative studies. Articles in which the focus is mainly on narratives (or stories) of perceptions and experiences of respondents of ethical leadership were categorised as Type III research. Articles in which the primary focus is on managing and developing ethical leadership in organisations, in terms of interventions and evaluation or policies and procedures, were judged to typify Type IV research.

The trustworthiness of data generated by means of a process of content analysis has to be addressed throughout the data analysis process. Evidence for the trustworthiness of the typological framework used in the present study is provided by the way in which results were prepared, organised and reported (as recommended by Elo, Kääriäinen, Kanste, Pölkki & Kyngäs, 2014). See the Results section in terms of repeated cases of published research articles for each of the basic modes of research.

5. Results

The results of the content analysis are given by way of a convenient selection, instead of all-inclusive, number of articles deemed to be clear-cut evidentiary examples of each of the four fundamental types of research aim and design utilised in ethical leadership research. The reason for this choice is that the purpose of the presentation of the results is to provide credible support for the typological framework used in the present study.

In doing so, a broader perspective on the nature of, and approaches to, research endeavours in the field of ethical leadership has been introduced, supported by illustrative examples.

5.1 Type I: Ethical leadership theory

As indicated previously, the aim in this mode of research is to conceive of and formulate inclusive models and taxonomies which, ideally, strive to produce full-blown and coherent theories of ethical leadership in organisations. Much of the attention is directed towards specifying relevant antecedents and consequences of ethical leadership. Jones (1995) proposes the character traits of the ascetic leader as the best guarantee of ethical leadership. The ascetic personality is characterised by, amongst others, self-control, self-discipline, and responsibility. This kind of leader is averse to wastefulness and to greed for its own sake, and strongly feels "…a sense of stewardship about everything in life…" (1995:868). Zhu, May and Avolio (2004) discuss the impact of ethical leadership on employees and suggest a conceptual framework that posits the psychological empowerment of employees as mediating factor between ethical leadership, employee commitment and trust in leaders. Knights and O'Leary (2006:125) recommends a "…hybrid of MacIntyre's virtue ethics and Levinas's ethics of responsibility [that] may serve as an inspiration for both educators and practitioners". Hansen (2011:42) proposes a so-called multifocal social exchange model of ethical leadership that includes attention to the moderating influence of a variety of contextual factors such as the ethical culture of the organisation, ethical predispositions, and its impact on task performance, commitment and job satisfaction (2011:42). Table 2 provides further examples of ethical leadership studies in the *theoretical-integrative mode* of knowledge.

Table 2: Illustrative examples of Type I research in ethical leadership

Author(s)	Year	Description
Caldwell, Bischoff & Karri	2002	Proposes a Four Umpires Model of EL, concluding that the *Facilitating Idealist* (Umpire Four) model is best.
Palmer	2009	Proposes a three-level model of different EL issues, namely: *individual morality*, *means of leadership* and the *leadership mission* itself.
Mihelič, Lipičnik & Teka	2010	Proposes the following qualities of the ethical leader, namely: thinking about long-term consequences; aiming at the *greater good*; striving for *fairness*; taking *responsibility*; showing *respect*; setting *high ethical standards*; serving as *role model* (*honest*, *trustworthy*, *courageous*, *demonstrating integrity*).
Eisenbeiß & Giessner	2012	Proposes an EL framework consisting of manifest and latent *contextual factors* at three different levels of analysis: *society*, *industry*, and *organisation*.
Van Wart	2014	Proposes a model of EL in terms of basic approaches, namely: *virtue* (personal integrity and authentic/positive leadership); *deontological* (moral management), and *teleological* (socially responsible, transforming leadership).

5.2 Type II: Ethical leadership science

The ethical leadership literature shows that, as is the case with many other management and organisational behaviour topics, the quantitative/explanatory (or hypothesis-testing) approach characteristic of the standard scientific (Type II) knowledge paradigm, is dominant. Mayer, Aquino, Greenbaum and Kuenzi (2012) tested a number of hypotheses of antecedents and consequences of ethical leadership, showing a positive relationship between ethical leadership and *leader moral identity* and employee work outcomes, as well as a negative relationship between "…ethical leadership and unit unethical behaviour and relationship conflict" (2012:151). Ghahroodi, Ghazaliand and Ghorban (2013) examined the impact of ethical leadership on follower work outcomes and found that where leaders are considered as role models, employees tend to have higher levels of job satisfaction and commitment, and are less inclined to leave their jobs. Onorato (2013) tested a number of hypotheses showing that unethical leadership results in workplace bullying. Yates (2014) investigated the potential of ethical leadership to foster higher levels of employee job satisfaction, organisational commitment, and organisational citizenship. Her findings show that employees led by highly ethical leaders reported greater job satisfaction and organisational commitment than did employees led by less ethical leaders. No significant difference was reported amongst employees regarding the impact of ethical leadership on their level of organisational citizenship behaviour. Köse and Köse's (2016) study of healthcare personnel reveals that ethical leadership impacts positively on employee identification with the organisation, and that ethical climate mediates ethical leadership behaviour. Table 3 provides further examples of ethical leadership studies in the *systematic-analytical mode* of knowledge.

Table 3: Illustrative examples of Type II research in ethical leadership

Author(s)	Year	Description
Zhu	2008	*Hypothesis-testing* study (N = 335) of ethical leadership, follower morality and psychological empowerment.
Caldwell, Hayes & Long	2010	*Hypothesis-testing* study (N = 296) of ethical leadership, trustworthiness and stewardship.
Kalshoven, Den Hartog & De Hoogh	2011	*Hypothesis-testing* study (N = 98) of ethical leadership and the big five personality factors.
Selart & Johansen	2011	*Hypothesis-testing* study (N = 38) of EL and stress.
Avey, Wernsing & Palanski	2012	*Hypothesis-testing* study (N = 845) of ethical leadership, psychological well-being and job satisfaction.
Shin	2012	*Hypothesis-testing* study (N = 263) of ethical leadership, ethical climate and organisational citizenship behaviour.
Kacmar, Andrews, Harris & Tepper	2013	*Hypothesis-testing* study (N = 136) of ethical leadership, organisational politics and political skill.
Ruiz-Palomino, Saez-Martinez & Martinez-Canas	2013	*Hypothesis-testing* study (N = 151) of ethical leadership and job motivating potential.
Yates	2014	*Hypothesis-testing* study (N = 199) of ethical leadership, job satisfaction, organisational commitment and organisational citizenship behaviour.
Obicci	2015	*Hypothesis-testing* study (N = 160) of ethical leadership and employee performance.

5.3 Type III: Ethical leadership narrative

As the designation for this type of research indicates, narrative-interpretive studies of ethical leadership are concerned with the meaning and experiences of ethical leadership as recounted by employees in work organisations. Although this approach to human knowledge and understanding has gained a substantive following in many areas of organisational and management studies and is often referred to as qualitative research, it seems to be under-represented in the ethical leadership field, mostly as a result of the strong focus on hypothesis-testing (Type II) research (see previous section). Narrative studies of ethical leadership typically use small samples and methods such as in-depth interviews, content analyses and case studies to obtain information. Examples of this type of research are studies conducted by Darcy (2010) and Plinio, *et al.* (2010). In addition, Pelletier and Bligh (2008) investigated employees' reaction to the unethical behaviour of top management in their organisation and found that employees attributed the poor ethical leadership to a number of causes, such as deficient moral reasoning, breaches of trust, hypocrisy, and poor role modelling. The result was much increased levels of cynicism, pessimism and fear amongst staff. Table 4 provides further examples of the narrative-interpretive (Type III) approach to the study of ethical leadership.

Table 4: Illustrative examples of Type III research in ethical leadership

Author(s)	Year	Description
Murphy & Enderle	1995	*Content analysis* of CEO profiles in terms of ethical leadership influence on their businesses.
Resick, Martin, Keating, Dickson, Kwan & Peng	2011	*Interview content analysis* of the meaning of EL for managers in six societies.
Koning & Waistell	2012	*Metaphor analysis* of Chinese managerial narratives to determine EL aspirations.
Marsh	2013	*Interview content analysis* of perceptions of EL by business executives.
Jones	2015	*Phenomenological interviews* of EL practices of Fortune 500 leaders.

5.4 Type IV: Ethical leadership development

Ethical leadership research in the action-advocacy (Type IV) mode is concerned about programmes and activities for cultivating and improving ethical leadership in organisations. The focus is on what actions can be taken to improve the ethics situation, especially as regards leader values, policies and conduct. Whereas ethical leadership research in the other three modes of knowledge provides often detailed information and quantitative analyses of various ethical leadership concepts and its organisational antecedents and consequences, Type IV research is concerned with application and betterment of the situation in the workplace and with evaluating ethical improvement intervention efforts. Adobor (2006) discusses the role of corporate ethics officers, concluding that persons with certain competencies and approaches are better suited to this position. Moreno (2010) discusses the managerial responsibility for ethical

communication and proposes a number of aspects for improving ethical leadership, namely: communicating with integrity, to the right people at the right time and place. Abrhiem (2012) discusses the moral development of leaders and how they can retain their ethical values in different business environments. Table 5 provides further examples of ethical leadership scholarship in the *action-advocacy mode* of knowledge.

Table 5: Illustrative examples of Type IV research in ethical leadership

Author(s)	Year	Description
Ncube & Wasburn	2006	Outlines a mentoring framework for promoting ethical decision making by managers.
Webley & Werner	2008	Recommends EL requirements in terms of organisational policies, process and practices.
Bishara & Scipani	2009	Outlines a programme for the detection, prevention and eradication of corrupt leadership practices.
Kasthuri	2009	Recommends a programmatic framework for improving EL practices in organisations.
Beeri, Dayan, Vigoda-Gadot & Werner	2013	Evaluation of the impact of an ethics programme on employees.

6. Conclusion

It is believed that the aim of the investigation, namely to introduce a broader, more nuanced, typology of research in the field of ethical leadership and to contribute to existing knowledge by expanding the range of such research efforts, has been met. The discussion provides support for the use of the typology to achieve a finer distinction amongst research endeavours conducted in the field and to augment the customary quantitative and qualitative dichotomy in ethical leadership research. All four basic modes are evident in ethical leadership thought, research and practice.

Research published in the Type I mode of understanding gives evidence of the theoretical-integrative pursuit to develop all-inclusive ethical leadership theories and models. Type II research typically employs the hypothetico-deductive method. Type III research is analogous to traditional qualitative research. It is focused on reconstructing and describing the meaning and lived experiences of ethical leadership. A range of various methods (for example, in-depth, unstructured interviewing, case studies, content analysis, and metaphor descriptions), traditionally associated with the qualitative paradigm, are used in this mode of research. Type IV research is focused on empowering leaders to be more ethical. The purpose of this mode of research is to develop and evaluate interventions, activities and programmes aimed at developing, influencing and changing the nature of ethical leadership to enhance the congruence between the practice of ethical leadership and a healthy and productive organisational environment.

The study provides a good indication of the appropriateness of the paradigmatic framework for classifying research in the field of ethical leadership. It is recommended that the typology be considered by ethical leadership scholars and researchers for the purpose of further knowledge development in the field of study. Managers and

practitioners could also broaden their horizons by taking cognisance of the idea that research on ethical leadership could be conducted, not only by using a preferred (and traditional) modality, but also by considering and employing multiple modalities.

The use of a small sample could be regarded as a limitation of the study. However, the focus of the present article was merely to provide illustrative examples of each of the four types of research in the field of ethical leadership. In view of the aim of the article, this is not regarded as a serious limitation, as long as clear examples of each of the four knowledge development orientations that shape the products of the human intellect have been provided.

Lastly, the use of the typology of four interrelated knowledge orientations to analyse ethical leadership research provides a broadened perspective on the nature of different approaches to studying and understanding in this field of interest. This could assist in expanding scholarly horizons and should provide a more rounded perspective on the nature of enquiry and study in the field.

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"First, do no harm"? An overview and ethical evaluation of South Africa's climate change mitigation commitments in light of the Paris Agreement

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Abstract

South Africa ratified the Paris Agreement in 2016 and thereby committed to reducing Greenhouse Gas (GHG) concentration levels as part of its self-determined goals in its Nationally Determined Contribution (NDC). This article viewed the targets in the NDC through an ethical lens. It was demonstrated that the commitment below the 'business-as-usual' (BAU) level allowed for large increases in South Africa's emissions without explaining how these were consistent with a specific understanding of what equity required. Also, the NDC targets were found to be highly insufficient. Consequently, South Africa's climate change mitigation commitments were deemed inconsistent with the ethical 'no-harm' principle.

1. Introduction

South Africa ratified the Paris Agreement on Climate Change in 2016 and thereby committed to reducing Greenhouse Gas (GHG) concentration levels as part of its self-determined goals in its Intended Nationally Determined Contribution (INDC). When South Africa ratified the Paris Agreement, the INDC (which was previously submitted in 2015) was converted into the Nationally Determined Contribution (NDC). It is the latter document to which we refer in our analysis. In this article, we view the targets in the NDC through an ethical lens, by evaluating South Africa's climate change mitigation commitments under the 'first, do no harm' principle.

The article commences with a brief historical overview of the evolution of climate change agreements from the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, to the current Paris Agreement. This is followed by

an exposition of ethical principles in the context of climate change. Next, we analyse South Africa's commitment to limit carbon emissions by evaluating the country's policy responses, national carbon budget and NDC targets. The article concludes with an appraisal of South Africa's climate change mitigation commitments.

2. Historical orientation on climate change agreements: From Rio (1992) to Paris (2017)

The UNFCCC is an international environmental treaty that was produced at the UN Conference on Environment and Development (informally known as the Earth Summit) in Rio de Janeiro in 1992. This treaty took effect in 1994 and attempts to embrace the interests and needs of all countries.

The Kyoto Protocol from 1997 elaborates on the UNFCCC by placing more specific obligations on developed countries and Countries with Economies in Transition (Glazewski & Du Toit, 2016:para 3.2.2.1). Essentially, the Kyoto Protocol translated the UNFCCC into a specific action plan. Annex I countries (i.e. developed economies) were obliged to reduce their overall emissions of six GHGs by at least five per cent below 1990 levels between 2008 and 2012 (the first commitment period) (Glazewski & Du Toit, 2016:para 3.2.2.1).

Non-Annex I countries (i.e. developing economies) were not required to make any comparable cuts unless they chose to do so (Glazewski & Du Toit, 2016:para 3.2.2.1). Thus, although South Africa is a non-Annex I country in the Kyoto Protocol, it is a signatory. It had ratified the Kyoto Protocol on 31 July 2002, but as a developing country, does not have targets under the protocol.

The underlying concern of the UNFCCC is that the earth's climate system is threatened by a rise in atmospheric GHG concentrations resulting from increased anthropogenic GHG emissions (Blodel, Meyer-Ohlendorf, Schlosser-Allera & Steel, 2006:21), as reflected in its ultimate objective to 'achieve, in accordance with the relevant provisions of the Convention, stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic [originating in human activity] interference with the climate system' (UNFCCC, 2002:Art 2). This objective is qualified in that food production should not be threatened and that economic development should be able to proceed in a sustainable manner.

We are now at a critical juncture in the climate change timeline, when policymakers, academics and other climate-related stakeholders are contemplating the transition from the Kyoto era to the advent of the landmark Paris Agreement which came into force on 4 November 2016. South Africa had ratified the treaty on 1 November 2016.

The main achievement of the Paris Agreement is that consensus was reached to confine global GHG emissions to a limit that will ensure that the planet's global temperature will not increase by more than 2°C above pre-industrial levels. As a primary step towards meeting this target the Paris Agreement obliges parties to prepare, communicate, and

maintain successive NDCs with the aim of achieving the objectives of the UN Framework Convention on Climate Change (UNFCCC). Each NDC represents a nation's voluntary commitment to pursue actions, policies and regulations deemed necessary to achieve a self-determined goal to mitigate GHG emissions and adapt to a changing climate (Crowell & Moring, 2015).

The Paris Agreement articulates two long-term emission goals: first, a peaking of emissions as soon as possible, followed by a goal of net GHG neutrality in the second half of this century. In respect of the first goal, the Centre for Climate and Energy Solutions (CCES) (2015:3) remarks that the Paris Agreement recognises that it will take longer for developing countries; as regards the second goal, this neutrality is expressed as 'a balance between anthropogenic emissions by sources and removals by sinks'.

The agreement commits parties to 'pursue domestic measures with the aim of achieving the objectives' of their NDCs (Paris Agreement, 2015:Art 4(2)), but does not make the implementation or achievement of NDCs a binding obligation (CCES, 2015:3). It also encourages, but does not require, countries to develop and communicate long-term low-emission development strategies.

The core mitigation commitments are common to all parties, but there is some differentiation in the expectation set: developed countries 'should' undertake absolute economy-wide reduction targets, while developing countries 'are encouraged' to move towards economy-wide targets over time (Paris Agreement, 2015:Art 4(4)). In addition, developing countries are to receive support to implement their commitments (Paris Agreement, 2015:Art 4(5)). The wording of this section of the Paris Agreement echoes one of the key concepts underlying the UNFCCC, namely that of 'common but differentiated responsibilities', as introduced in Art 3(1) of the UNFCCC. It reflects the argument that developed countries have greater responsibility for the (then) current level of GHG in the atmosphere attributable to their past economic growth and should, accordingly, accept greater responsibility for solving the climate change problem.

The UNFCCC acknowledges that, on a per-person basis, developing countries contribute 'only a small portion' of GHG emissions (UN Climate Change Secretariat, 2007:3). Furthermore, it is recognised that the particular needs of developing countries in adapting to climate change is of critical importance, as the problem of climate change is interlinked with development, i.e. economic growth is essential for developing countries to improve the health, economic livelihood and quality of life of their citizens (UN Climate Change Secretariat, 2007:3). The challenge, therefore, is to sever the link between economic development and GHG emissions.

It is evident that the causes and effects of climate change are global and require 'complex collective action' (Bodansky, Brunée & Rajamani, 2017:2). The conundrum lies in getting countries to operate not only in their own best interest, but also for the good of all (Bodansky *et al.*, 2017:3). The authors explain that significant investments to reduce GHG emissions will only be in a country's individual self-interest if they are reciprocated by other states.

Thus, the problem of climate change can only be dealt with if all states – or at least the major GHG-emitting countries – overhaul their energy production and consumption (Bodansky *et al.*, 2017:2) in search of the global good instead of short- and medium-term national good.

The question then arises as to what ethical guidelines could foster such a global commitment to mitigate the cumulative impact of climate change?

3. "First, do no harm" in the context of climate change

Ethical questions related to climate change are primarily concerned with issues of distributive and restorative justice. Thus, how should the burden of mitigating climate change be equitably distributed and who is ethically responsible for the past damages caused by climate change?

The answers are not readily available due to a lack of consensus about what equity and climate justice entail. This is because some focus on historical responsibility and others on duties to future generations (Bodansky *et al.*, 2017:7). Also, some concentrate on a fair division of burdens based on current means, while others adhere to the egalitarian principle that people have an equal right to atmospheric space (Bodansky *et al.*, 2017:8).

If one approaches climate ethics from a deontological perspective (Shaw, 2011:60-67) the question arises as to which principles should constitute our obligations and guide our actions? In this context, O'Hara & Abelsohn (2011:27) suggest four principles:

- The principle of non-maleficence ("first, do no harm"), which is sometimes stated as *primum non nocere*;
- The principle of equity;
- The principle of distributive justice; and
- The principle of free and informed consent.

The focus of this article is on the 'no harm' principle. For the purpose of this article, it is deemed sufficient to state that the principles of equity and distributive justice are closely related, as both deal with the fair and just distribution of benefits and burdens within a society (O'Hara & Abelsohn, 2011:28). In their simplest form, they may be explained as stating that each person has an equal but limited entitlement to emit GHG (O'Hara & Abelsohn, 2011:29). Similarly, while any single entity or nation can discharge GHGs into the atmosphere, the potential climate effects will be experienced by all (O'Hara & Abelsohn, 2011:29).

The principle of free and informed consent flows from the 'no harm' principle (which is discussed in more detail next), i.e. no country may put another country or its peoples at risk without the knowledge and consent of the latter (O'Hara & Abelsohn, 2011:35). This principle confers on all nations who are at risk from the effects of climate change, the right to participate fully in discussions regarding risks and responses (O'Hara &

Abelsohn, 2011:36). In other words, every person or representative nation must have a voice in formulating responses to climate change issues, and there must be transparent information on each country's actions in this regard.

Let us now shift our focus to the principle of "first, do no harm". This maxim is well-known in bio- and medical ethics and attempts to regulate physicians' interventions on the basis that the primary ("above all" or "first") consideration should be to act in such a way that no foreseeable harm is caused for the patient (Smith, 2005). When transferred to ecological ethics and the specific matter of climate change mitigation, it suggests that each country should take as primary guide not to act in such a manner that it may cause foreseeable harm to its own communities, other countries and, by implication, to the global community, which includes future generations.

The 1992 Rio Declaration on Environment and Development carried the notion that each person has a fundamental and primary obligation to avoid doing harm to others into the climate ethics discussions. In that same year, nations who ratified the UNFCCC agreed to the 'stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system' (UNFCCC, 1992:Art 2). By ratifying the UNFCCC, these nations have acknowledged the normative force of the 'no-harm' principle (Gilder *et al.*, 2016:7-10).

Consequently, it can be argued that these parties have a moral and legal obligation to prevent their GHG emissions from rising to levels that will create serious harm to others (Gilder *et al.*, 2016:7-9). It is important to note that – as forcefully argued by eco-feminists – the object of the no-harm principle exceeds other human beings to include the ecosystem and other non-human species (Swanson, 2015).

Following on this, any national target may be viewed as an implicit position on a 'satisfactory' and morally acceptable concentration of atmospheric GHGs (Gilder *et al.*, 2016:7-9). This is based on the premise that all GHG emissions have the potential to contribute to atmospheric GHG concentrations (Gilder *et al.*, 2016:7-9). At its core, the targeted concentration level is an ethical issue because the level that is chosen will determine the proportion of harm or not that is experienced by vulnerable people and the ecological systems on which they depend (Gilder *et al.*, 2016:7-9), as well as the contribution to global GHG concentration levels.

A related concern is that the harmful effects of climate change are in violation of a number of key human rights, including the rights to life, equality, human dignity, and an environment that is not harmful to a person's health or well-being (Gilder *et al.*, 2016:7-10). The Universal Declaration of Human Rights was proclaimed by the UN General Assembly in Paris in 1948. It was the first time that fundamental human rights were to be universally protected. Many decades later, at the COP16 in Cancun in 2010, Parties agreed that all climate change related actions should fully respect human rights (UNFCCC, 2011). Failure to do so could result in catastrophic events. Indeed, the Global Humanitarian Forum (GHF) ascribes 300 000 human deaths per year to climate change (GHF, 2009:11). Other human rights that are sometimes violated include the rights to

self-determination, water, an adequate standard of living, adequate housing, education and property (Gilder *et al.*, 2016:7-10).

All of the foregoing concerns should, from an ethical point of view, influence how nations commit themselves to GHG reduction targets. To that end, the next section focuses on the specific issue of a global "carbon budget" and evaluates South Africa's climate change mitigation pledges in the context of the Paris Agreement and in relation to the "first, do no harm" principle.

4. Limiting GHG emissions in terms of a global carbon budget

Countries respond to climate change through mitigation and/or adaptation efforts. The former is interested in preventing climate change, while the latter pertains to adjusting to climate change in order to limit its harmful effects. To word it differently, while mitigation consists in addressing the causes of climate change by, for example, reducing the emission of GHGs, adaptation means coping with the negative resultant effects of climate change, for example, developing more heat-resilient crops (Jagers & Duus-Otterström, 2008:577).

The first step in a mitigation strategy is to establish a carbon budget. A carbon budget can be defined as a 'tolerable quantity of GHG emissions that can be emitted in total over a specified time' (WWF, 2014:2). Not to be confused with the use of targets, thresholds or emission-reduction targets, a carbon budget represents a finite limit to the amount of emissions which can be allowed before humans run into disastrous climate change (WWF, 2014:2).

The Intergovernmental Panel on Climate Change (IPCC) posited in 2014 that in order for the planet to have a 50 per cent chance of avoiding a dangerous global average temperature rise of 2°C or more above pre-industrial levels, GHG concentrations must stabilise at 450 parts per million (ppm) CO_2 equivalent (CO_2e) (IPCC, 2014:20). A recent update to this study (which includes global CO_2 emissions in 2016) alarmingly concludes that four years of current emissions would be 'enough to blow what's left of the carbon budget' for a good chance of keeping global temperature rise to 1.5°C (Carbon Brief, 2017).

A study commissioned by the WWF set the desired concentration limit at 400 ppm CO_2e in order to improve the chance (66 per cent likelihood) of staying below 2°C of global warming. The study translates this ppm limit into a global carbon budget for the period 1990 to 2100. The year 1990 was selected as the start year because the Kyoto Protocol allows for emission reduction targets against 1990 emission levels.

The study concludes that collective emissions may not exceed 1600 $GtCO_2$ over the period 1990 to 2100 (Höhne & Moltmann, 2009:5). Due to significant emissions in the last 20 years, the remaining budget is approximately 870 $GtCO_2e$ from 2009 to 2100, after which we need to approach zero net emissions (Höhne & Moltmann, 2009:11).

The carbon budget is a global one, because of one shared atmosphere. However, economic activity (which causes emissions) is located within countries and sectors, which result in many different ways of dividing the budget up amongst countries. The overall budget, though, cannot change substantially. Therefore, if one country increases its emissions, another country will have to reduce its emissions to compensate.

The remaining carbon budget is a scarce resource which must be divided fairly between countries (WWF, 2014:5). Issues that come into play in this debate include (WWF, 2014:5):

- responsibility for historical emissions;
- state of economic development and the right to be able to develop to a certain level;
- size of population and per capita emissions; and
- financial, technological and other capacity to reduce emissions.

These issues are the subject of ongoing political negotiations between states and contribute to tension between developed and developing countries. At the heart of this debate is the viewpoint that developed countries have been industrialised for longer and have historically been emitting GHGs that have built up to today's concentrations in the atmosphere (WWF, 2014:5).

Developing countries also contend that they should be allowed to emit so as to continue their own economic development (WWF, 2014:5). As such, we now shift our focus to South Africa in order to consider this country's commitment to limiting carbon emissions.

5. South Africa's commitment to limit carbon emissions: a critical analysis

5.1 South African policy responses to climate change

The South African government through its lead agent for South Africa's climate change response – the Department of Environmental Affairs – has recognised its responsibility to curb GHG emissions and has accordingly put a number of policy and legal measures in place, thereby crystallising South Africa's obligations under the UNFCCC. These include the *National Climate Change Response Strategy for South Africa to Address Climate Change* (NCCRS) (Department of Environmental Affairs, 2004), the *National Climate Change Response White Paper* (NCCRP) (Department of Environmental Affairs, 2011) and Chapter 5 'Environmental Sustainability and Resilience' of the National Development Plan (NDP) (National Planning Commission, 2011).

The NCCRS outlines the steps that should be taken by government and other role players at a national level to respond to climate change. These include the establishment of a national inventory of GHGs, the Long Term Mitigation Scenario (LTMS) and the Technology Needs Assessment (TNA) Report. The LTMS project informed South Africa's long-term climate policy as well as contributing to South Africa's negotiating position in terms of the UNFCCC (Winkler, 2007). The TNA can be used by developed countries

as a means to cooperate with developing countries in order to meet their obligations in terms of technology transfer with respect to climate change (Department of Science and Technology, 2007:v).

The NCCRP builds on the NCCRS report by conveying the South African government's vision for an effective climate change response via two overarching objectives, namely to effectively manage climate change impacts and to stabilise GHG concentrations. Although the NCCRP indicates South Africa's commitment to making a fair contribution to the global effort in reducing GHG emissions, it does so against the 'overriding national priorities' of, amongst others, sustainable development, job creation and poverty eradication (Kotzé *et al.*, 2016:1-6). In other words, the NCCRP promotes mitigation measures to effect sustainable development in socio-economic, as well as environmental terms.

Generally speaking, the NDP sets out a vision until 2030 for South Africa's energy sector, including a reference to environmental sustainability through efforts to reduce pollution and mitigate the effects of climate change (National Planning Commission, 2011). The NDP supports procurement of at least 20 GigaWatt (GW) of renewable energy by 2030 in its outline of the country's development path (Greencape, 2016:22).

Other policies emanating from the NCCRP are, for example, the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) of 2009, and the *White Paper on the Renewable Energy Policy* (Department of Minerals and Energy, 2004). South Africa's REIPPPP was amongst the programmes identified as a climate change flagship programme in the NCCRP. The White Paper recognises that the development of fiscal, financial and legislative instruments will be required to stimulate the increased use of renewable energy technologies (Department of Minerals and Energy, 2004:27). One example of a fiscal instrument, is a carbon tax.

South Africa already makes use of two specific carbon taxes, namely an electricity levy and a CO_2 emissions levy on new motor vehicles imported into or manufactured in South Africa. Following recommendations from energy scholars, the South African government has proposed the introduction of a comprehensive carbon tax. It is anticipated that the carbon tax will come into effect in a phased manner at a marginal rate of R120 per tCO_2e in 2019. Parties that conduct various activities in the manufacturing, construction, mining and transport sectors will be affected. For an exposition of the key features of the carbon tax, as well as fiscal incentives for renewable energy, see Steenkamp (2017).

South Africa's climate change and energy policies informed the foundation for its targets under the NDC, which is examined next.

5.2 The nationally determined contribution (NDC)

According to the International Energy Agency (IEA), South Africa is amongst the top 25 GHG emitting countries globally, and accounts for more than one-third of the total energy-related CO_2 emissions on the African continent (IEA, 2015:64). With the

exception of Russia, South Africa also outranks the other BRICS member countries on a per capita basis.

According to the World Bank (2017), CO_2 emissions for 2014, measured in metric tons per capita, were as follows: Brazil (2.6), Russia (11.9), India (1.7), China (7.5) and South Africa (9.0). Of course, India and China have much larger populations than South Africa (thus resulting in a lower per capita ranking). However, South Africa's ranking is a cause for concern and its climate change pledges under the Paris Agreement – as espoused in its NDC – have to be viewed through a critical lens.

The South African NDC (South Africa, 2016:6) targets a reduction in GHG emissions of between 398 and 614 $MtCO_2e$ over the period 2025 to 2030. The country's NDC is consistent with its pledge under the Copenhagen Accord, which proposes emissions reductions below business-as-usual (BAU) levels by 34 per cent in 2020 and 42 per cent in 2025. The NDC also highlights the fact that economic and social development as well as poverty eradication are South Africa's top priorities.

The carbon budget emanating from South Africa's NDC pledge should be viewed in conjunction with estimates put forward by other prominent stakeholders. This benchmarking exercise is done in the next paragraph.

5.3 Setting South Africa's carbon budget

The configuration of South Africa's carbon budget is the subject of ongoing debate and varies depending on stakeholders' interests. Table 1 below offers an overview of a number of estimates for the country's carbon budget, ranging from fairly conservative to rather ambitious. Note that the NDC's carbon budget only covers the years 2021 to 2030, while the other estimates span a longer period.

Table 1: South Africa's carbon budget estimates

Estimate (in $GtCO_2e$)	Period	Stakeholder	Source
9–16	2009–2050	WWF	Höhne & Moltmann (2009)
7–11	2000–2049	BASIC countries report	Winkler *et al.* (2011)
15–23	2010–2050	NCCRP	Department of Environmental Affairs (2011)
10.2	2011–2050	South African Corporate Leaders Group on Climate Change	Brown & Cutifani (2011)
1.99–3.01 1.99–3.07	2021–2025 2026–2030	NDC	Department of Environmental Affairs (2015)

The last official GHG inventory for South Africa was for the year 2000. Total emissions were found to be at 421 $MtCO_2e$, accounting for approximately one per cent of global emissions (WWF, 2014:12). Based on an average carbon budget of 10 $GtCO_2e$ to be emitted from 2011 to 2050, and an estimated emissions rate of 450 $MtCO_2e$ per year, South Africa has less than 23 years before having to cease CO_2 emissions (WWF, 2014:13).

In the absence of an international agreement on dividing up the global carbon budget, South Africa has derived its own carbon allowance for the period 2010 to 2050. The apportionment of this carbon budget is discussed in the next paragraph.

5.4 Apportioning the carbon budget

When determining how to apportion the carbon budget, two approaches are used. The first is a resource-sharing approach, wherein a country could give economic sectors each a share of the national carbon budget (WWF, 2014:8). Thus, it is a top-down approach working down from an overall budget and sharing it out (WWF, 2014:8).

The second is an effort-sharing method, where targets for reducing emissions are set (WWF, 2014:8). This bottom-up approach is more risky, because there is no guarantee that if all the emissions reductions are added, the country will still be within its carbon budget (WWF, 2014:8). The emissions targets can be set by reference to either a 'base year' or a 'base line'. South Africa has adopted the latter approach.

Box 1 below illustrates the difference between the base year and base line approaches (derived from WWF, 2014:8).

Box 1: Base year vs. Baseline

- **Base year**: emissions are cut down from the measured emissions in a certain base year in the *past*. The UNFCCC looks at cuts relative to 1990 levels. A base year target is an *absolute* reduction, for example 'cut 30% compared to 1990 level by 2030'.
- **Baseline**: climate change models predict what emissions will be in *future* years, if no action is taken to reduce them, This yields a hypothetical baseline, often referred to as the 'business-as-usual' (BAU) line. Cuts are made down from the levels described by the BAU trajectory. A BAU target is a *relative* reduction, for example 'cut 34% below BAU by 2020'.

From the above illustration, it is evident that a BAU approach results in shifting targets. This is because baselines by their nature are projections and thus open to manipulation (WWF, 2014:10). For example, it might be in the interest of a particular stakeholder to artificially inflate the baseline projections. Thus, if growth in the baseline is high and percentage reduction is modest, a reduction against the baseline may still allow growth in emissions in absolute terms (WWF, 2014:8). This is the main concern with South Africa's commitments in its NDC, as outlined next.

5.5 BAU levels

South Africa's commitment to reduce emissions by 34% and 42% below BAU are based upon the LTMS. However, the LTMS does not explicitly state how its commitments will achieve any safe atmospheric concentration goal (Gilder *et al.*, 2016:7-16). Notwithstanding that the LTMS acknowledges the need to limit global warming to 2°C, no explanation is provided as to how national emissions reductions might relate to any quantitative global carbon budget goal (Gilder *et al.*, 2016:7-16). Thus, despite acknowledging that national commitments must be based on equity and acceptable warming limits, South Africa does

not explain how the specific GHG emissions reductions commitments were derived or influenced by ethical principles, such as historical or per capita emissions.

In fact, because the South African target is based on a commitment below BAU – and not a particular year's emissions as a base year – it allows for large increases in the country's GHG emissions by 2020 and 2025 without explaining how these increases are consistent with a specific understanding of what equity requires. The risk exists that by basing a target on BAU levels determined in, say, 2020 this would result in no actual reductions in 2020 from actual emissions.

Consider the following example, derived from Gilder *et al.* (2016:7-17): BAU emissions in South Africa rise by 50% by 2020. A 32% reduction commitment below BAU amounts to an increase of 18% above current emissions. This is clearly not an emission reduction commitment from existing levels at all.

As a consequence of committing to below BAU levels, the targets in the NDC are considered to be insufficient, as detailed below.

5.6 Insufficient target

Notwithstanding that the South African NDC assumes the finalisation of an ambitious, fair, effective and binding multilateral agreement under the UNFCCC at COP21, it also underscores the fact that economic and social development and poverty eradication are South Africa's top priorities (South Africa, 2016:3;7). Probably the most revealing statement is on page 8 of the NDC:

> In the absence of a multi-laterally agreed equity reference framework, South African experts, applying Convention principles of responsibility, capability and access to equitable sustainable development, determined a carbon budget that is larger than the PPD trajectory range outlined in this INDC. South Africa has used this evidence base to evaluate whether its INDC is a relative fair effort. In the context of this *objective assessment South Africa is of the view that its contribution is both fair and ambitious.* [own emphasis]

The WWF (2015) cautions that while all the other statements in the NDC can be backed by publicly available research and national policy, South Africa has declined to disclose this analysis or even the identity of the experts, which undermines the credibility of this claim. It is therefore questionable how 'objective' the country's assessment is and whether its contribution is indeed 'fair and ambitious'.

Moreover, the estimates used in the NDC implies that South Africa would have to bring its emissions down considerably after 2030, as we would have used up half of our carbon budget by then. We agree with the caution expressed by the WWF (2015) that 'it would serve the country's developmental agenda better, and minimise economic shocks, to aim lower and decline sooner'.

Climate Action Tracker (CAT) – an independent, global scientific consortium – regards South Africa's NDC as 'highly insufficient', as the target falls outside the fair share range

(CAT, 2018). The NDC target is not consistent with holding warming to below 2°C – let alone with the Paris Agreement's stronger 1.5°C limit (CAT, 2018). Alarmingly, this rating implies that if all government targets were in this range, warming would reach between 3°C and 4°C.

5.7 Concluding remarks on South Africa's NDC target

Despite the plethora of climate change mitigation policies mentioned earlier and a strong renewable energy target, South Africa's coal-fired electricity generation is still expected to grow, with new coal plants either planned or under construction. To worsen matters, the flailing state-owned grid operator Eskom stalled the signing of independent power purchase agreements with renewable energy companies and may yet face further opposition from mine workers unions (Ensor, 2018). Moreover, the implementation date for South Africa's planned carbon tax remains uncertain.

If South Africa experiences stronger economic growth rates leading up to 2030, emissions levels under its current policy trajectory are likely to increase (CAT, 2018). The NDC pledge requires a flattening of emissions post-2025. Consequently, it is unlikely that South Africa will remain within its carbon budget.

Although the South African NDC (2016:6) acknowledges that climate policies need to be guided by ethical principles, it does not describe quantitatively how this was accomplished in deriving the carbon budget. In other words, South Africa's actual emissions reduction target does not explain how it is quantitatively linked to an atmospheric warming or the country's fair share of safe global emissions.

Consequently, the NDC could create the impression that economic self-interest influenced the country's actual commitments. This is perhaps most evident from the assumptions stated in the NDC (on page 7), where it is asserted that the achievement of South Africa's targets is contingent on getting financial support from developed countries. In sum, the NDC does not explain how its target emissions reductions are consistent with any equity framework that could be applied universally.

In terms of the "first, do no harm" principle, we infer that South Africa's commitment to mitigate climate change in the specific instance of GHG emissions, falls short of the ethical injunction to not harm its own citizens, neighbouring countries, and – by implication – the global community over the medium to longer term.

6. Summary and concluding remarks

South Africa ratified the Paris Agreement in 2016 and thereby committed to reducing GHG concentration levels as part of its self-determined goals in its NDC. This article viewed the targets in the NDC through an ethical lens. It was demonstrated that the commitment below the BAU level allowed for large increases in South Africa's emissions without explaining how these were consistent with a specific understanding of what equity required. Also, the NDC targets were found to be highly insufficient.

Climate change mitigation requires a multi-pronged approach, with business, society and government working together. To that end, we concur with Brown and Cutifani (2011) that business leaders should support continued scientific research as well as engaging constructively with government and civil society in South Africa to develop a plan for reducing South Africa's emissions while continuing to deliver on our social goals.

We submit that care should be taken to ensure that South Africa's emissions reduction target is strengthened to reflect South Africa's responsibility to act based on its historical emissions, as well as the country's comparatively high emissions per capita. As South Africa continues to formulate and refine its climate change policies, the country arguably needs to be guided by ethical and justice issues that are global, but also uniquely South African. As matters stand today, South Africa – despite laudable policy initiatives – has not struck the right ethical balance between self-interest and the global common good.

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Restorying the purpose of business: The agenda of the UN Global Compact

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Abstract

The article argues that there is a paradigm shift in our understanding of the role of business in society and that this move is best understood as a "restorying" of the purpose of business. The term "story" is used here to refer to a pattern of meaning. The organisation leading this movement is the United Nations Global Compact with its ten principles and 17 Sustainable Development Goals (SDGs) designed to overcome global poverty. To illustrate an example of how stories can inspire action and how challenging the decisions involved might be, there is a discussion of how oil and gas companies wrestle simultaneously with trying to realise SDG 7, access to energy, while also meeting the concerns of SDG 13, combating climate change. The article concludes on a hopeful note that the UN Global Compact, with over 9 600 companies in 161 countries "restorying" the purpose of business, can facilitate a better life for all.

1. Introduction

In the last thirty years, society has been asking more of business organisations. There has been an evolving understanding of the role and responsibilities of business. As will become evident, I call this work in progress a "restorying" of the purpose of business.

To be sure, there are passionate advocates of the emerging role of business in society. "It's time that beliefs and theories about business catch up with the way great companies operate and how they see their role in the world today" (Kanter, 2011:68). This quote is from Rosabeth Moss Kanter, a major scholar at Harvard Business School, and sets the stage for the thoughts

which follow. Kanter captures the spirit of our times, which asks more of business than just creating wealth. Kanter argues that the best businesses employ not only a financial logic, but also "a social or institutional logic". "Institutional logic holds that companies are more than instruments for generating money; they are also vehicles for accomplishing societal purposes and for providing meaningful livelihoods for those who work in them" (Kanter, 2011:68). The suggestion here is that we move beyond the neo-classical theory of the firm where the purpose of business is to single-mindedly create wealth to a broader understanding of its purpose, what some specify as the creation of sustainable value for stakeholders (Williams, 2014:30-50). Although a full-blown theory of business is a work in progress (Donaldson & Walsh, 2015:181-207), the reflections here will discuss how what is going on today might best be understood as a "restorying" of the purpose of business (Driscoll & McKee, 2007). While this new understanding of the purpose of business is not in practice in all firms, I argue that it is catching on in the corporate world and is the guiding vision of the United Nations Global Compact (UNGC).

1.2 The Global Compact in brief

All the institutions of the United Nations have a common vision stated in the Preamble to the Charter: "to reaffirm faith in fundamental human rights, in the dignity and worth of the human person" (UN Preamble, 2018; Williams, 2014). The UNGC is the largest corporate social responsibility venture in the world with over 9 600 businesses in 161 countries committed to advancing human rights, labour issues, environmental concerns, and anti-corruption, particularly in developing countries. The first principle of the Principles for Responsible Management Education (PRME), the business school arm of the UNGC, states it well: "We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy" (UN PRME, 2007; Williams, 2004). Note that the purpose of business here is not simply to make money. The key document of the Global Compact advancing its mission, *The Blueprint for Corporate Sustainability Leadership*, reminds signatory companies that "Corporate sustainability is defined as a company's delivery of long-term value in financial, social, environmental and ethical terms" (UN Global Compact, 2011).

1.3 Some history

One symptom of this change in society's expectations of business was the activists' dramatic protests in the 1990s against the so-called "sweatshops". Nike's factories in developing countries that manufactured its high-end athletic apparel were often the poster child for this bad behaviour. The claim was that these sweatshops paid their employees poorly, neglected normal health and safety conditions, and generally had little respect for the dignity of the workers (Zadek, 2004).

In the 1990s, activists continued to protest the abuses of multinational companies in developing countries. The move of MNCs to developing countries was often referred to as globalisation, a term signifying not only the movement of capital, but also of

goods and services, technologies, and people. There is no doubt that globalisation was responsible for advancing many people in poor countries out of dire poverty because of its wealth-creating and job-creating abilities. Yet, this rise in prosperity was often accompanied by bankruptcies, loss of jobs, corporate downsizing, take-overs, human rights abuses, environmental degradation, and disruption of communities. While globalisation caused a huge expansion of the global economy as companies outsourced into poor developing countries, there were growing reports of human rights violations in the outsourced companies. The problem was that without a world government, there was no common agreement on the appropriate moral norms that would guide business in its new environment. Are multinational companies responsible for the human rights violations of their subcontractors? While NGOs argued that they were responsible, Nike argued the typical MNC position and said they were not morally responsible. What are the appropriate moral norms for guiding a company's environmental practice where there is no enforced legal norm in a country? In the late 1990s, it was clear that there was a need for some global organisation to promote and enhance moral norms to guide MNCs in developing countries (Williams, 2014).

In 1999, the United Nations, under the leadership of Kofi Annan, then secretary-general, following the work of some business leaders and academics, proposed that we see the problem in a wider context: businesses must see themselves as connected to a larger community and guided by a higher purpose than simply making money. In Annan's words:

> Let us choose to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations. (Annan, 1999)

Annan was suggesting that if business would embody values such as trust, fairness, integrity, and respect for people, rather than being a problem, globalisation could increase and diffuse the benefits of global economic development. It was with this in mind that Annan proposed in 1999 at the World Economic Forum that the UN and business together form "a global compact of shared values and principles to give a human face to the global market". The UN Global Compact, officially launched in 2000, consists of 10 principles guiding a company in areas of human rights, labour, standards, the environment and anti-corruption (Annan, 1999).

2. The UN Global Compact: an exercise in the restorying of business

While Kofi Annan and other officials of the UN, to my knowledge, never used the term "restorying," in my view, their efforts in the Global Compact are a restorying project. The term "story" is used here to refer to a pattern of meaning that help us understand what our lives are all about (Boje, 1995; Boyce, 1996; Denning, 2006; Fleming, 2001). Most of us employ the logic and patterns of several stories to put form, focus and structure to our

experience; for example, to say you are a father, a business person and a good citizen, means that you take as your own the logic and patterns of each of these stories (Williams & Houck, 1978). For example, the "father story" has a certain set of role expectations and a pattern of meaning that is commonly accepted. The point being made here is that the "business story" is in flux with new and expanded expectations commonly held.

Until relatively recently, the business "story" commonly accepted was that articulated well by the economist Milton Friedman. Friedman states that the purpose of business is "to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom" (Friedman, 1970). "Ethical custom" for Friedman means the honesty, fidelity and integrity required for markets to function. He does not mean employing social and human values in economic decisions. For Friedman, advancing social and human values is solely a government role (Friedman, 1962). Thus, the business "story" is single-mindedly focused on making money for shareholders and other stakeholders are relevant here only insofar as advancing their welfare will result in better returns for shareholders. As one author puts it: "In a sense, workers are prisoners of one storyline in which serfs (workers) are completely loyal to the lord of the fiefdom (corporation) and, therefore, the status quo is maintained at all costs" (Driscoll & McKee, 2006:210). On the other hand, this one storyline explicitly defines how to gain acceptance in the corporation and with its clearly defined standards of excellence and rules for advancement, it has been attractive for generations largely because its logic has meaning which brings security and a kind of peace.

The changing values of society, however, were slowly undermining the traditional business story and a new storyline was emerging. Astute business leaders such as John Mackey, CEO of Whole Foods, and Bill Gates, founder of Microsoft, were attuned to the new expectations for business and argued for a broader role of business in society. The theoretical perspective of this change was advanced by R. Edward Freeman. The purpose of business was not simply to make money for shareholders, but to create sustainable value for all relevant stakeholders (Mackey & Sisodia, 2013; Gates, 2008; Freeman, 1984). So, not only shareholders, but also employees, suppliers, customers, the environment and the community are the concern of business.

3. A higher purpose for business

Kofi Annan, with his appeal to the 1948 Universal Declaration of Human Rights (UDHR) as the underpinnings of the Global Compact, was trying to explicitly connect business to the larger community and to provide a higher purpose. It is important to consider the genesis of the UDHR in order to understand the restorying process. After experiencing the horrors of World War II and the Holocaust, scholars and political leaders came together at the UN to find a way to try to avoid such an affront to human dignity in the future. The goal was to outline what it takes for the full flourishing of human beings. What states of the person and the community are desirable or, in other words, what values are crucial for human fulfilment, respecting the intrinsic value of the person? The basic value

was to have a community where people live and work together in mutual fulfilment. Realising this basic value requires a host of other values such as trust, a just social order, honesty, health, openness, and friendship. This "story" and its vision of the good life, was the background for the UDHR (Morsink, 1999). The Global Compact considers this the "master" story, the story that puts limits on and guides the business story.

What the UN did in 1948 was to proclaim what it would take to realise the values of a humane community. To promote and protect these values, certain principles and rules would be essential and these were proclaimed as human rights. These human rights were designed to protect the values essential for a humane life, to promote the "story" that thoughtful people believed could enable human flourishing.

The point here is to recognise that Kofi Annan was trying to put the business story in the context of a bigger and more meaningful story. His emphasis on the UDHR and subsequent amplifications to human rights were designed to help people in business feel part of a larger community and a more meaningful story. This "story" of a humane community appeals not only to the mind, but also the heart. Principles are abstractions from the story designed to protect and promote the values, appealing primarily to the intellect with little influence on the affective dimension of the person. The insight that a way of life is largely passed on by storytelling was fully understood by religious leaders, for example Jesus Christ, Buddha and Mohammed (Hauerwas, 1975; McClendon, Jr., 1974). This insight has been retrieved by the UN Global Compact.

3.1 The Sustainable Development Goals: stories to transform our world

On 25 September 2015, the United Nations General Assembly passed a set of broad goals "to end poverty, protect the planet and ensure that all people enjoy peace and prosperity" (UNGC, 2015a). Known as the Sustainable Development Goals (SDGs), the 17 goals each tell a story of how life without human rights causes suffering and deprives the person of living in a community envisaged in 1948 by the UDHR. These 17 stories depicted in videos on the UN website are designed to inspire and empower, engendering new understanding and action. Businesses engaging in meeting the SDG goals will have employees who are able to see the connection of their life's work with many other stakeholders, especially the least advantaged. Figure 1 is from a UNGC document and lists the ten principles of the UN Global Compact, the 17 SDGs and the possible linkages between them. The SDG stories put flesh on the 10 principles. Principles are abstractions from the stories and just as a skeleton could never convey the beauty of a complete person, so a principle could never capture the complexity of human action (UNGC, 2016).

Figure 1 illustrates some of the primary linkages between the UN Global Compact Ten Principles and the contribution that these can make towards the achievement of the SDGs. By respecting and supporting universal principles, UN Global Compact business participants can play an important role in helping to realise the SDGs (UNGC, 2016).

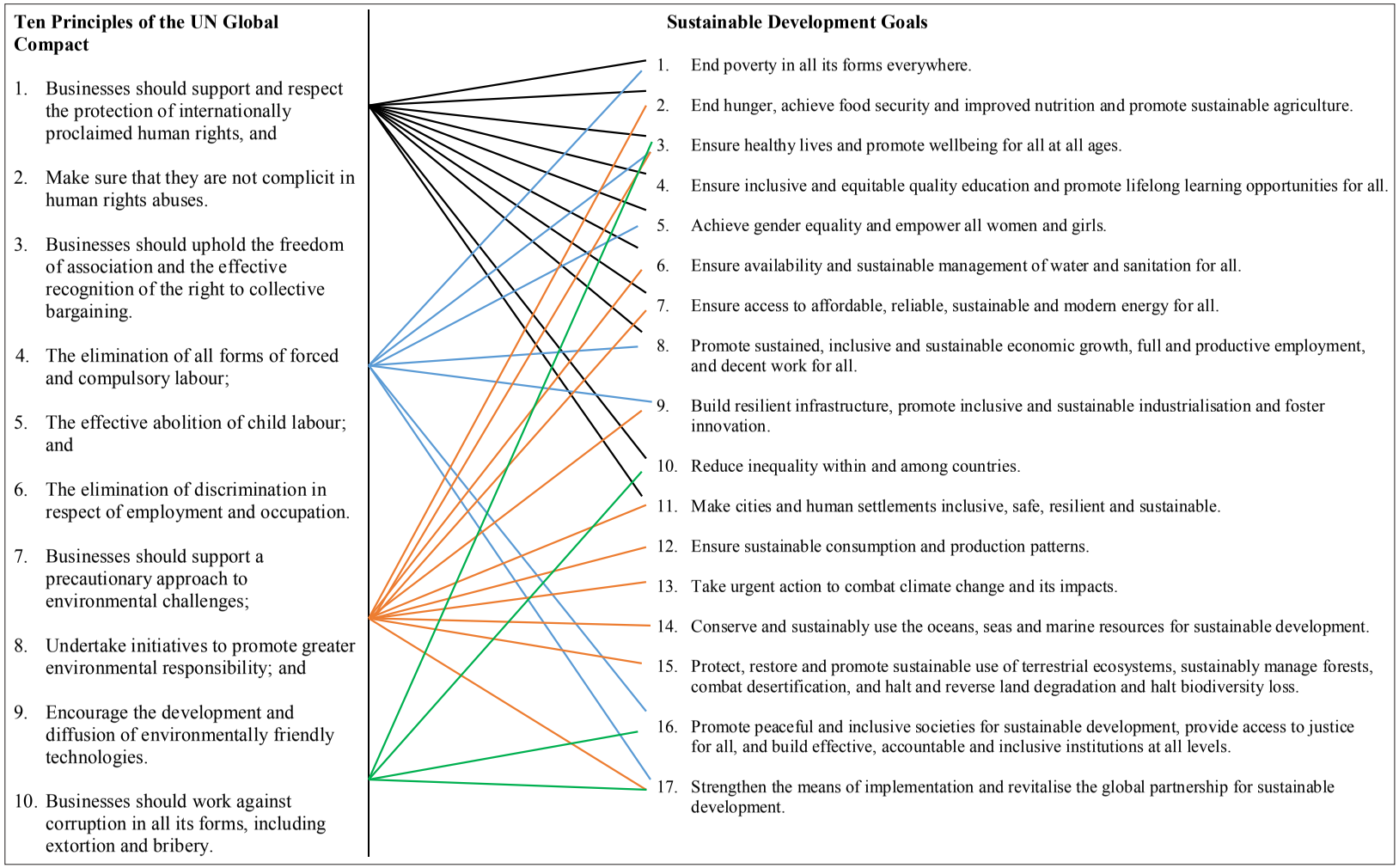

Figure 1: The UN Global Compact ten principles and the Sustainable Development Goals

3.1.1 UNGC action platforms

It became clear after several years working with the SDGs that a more formal structure might be helpful to advance the completion of the goals. In 2018, Action Platforms, bringing together business, UNGC Local Networks, civil society groups, experts, governments and UN partners, were formed in 10 areas. These areas are: Breakthrough Innovation for the SDGs; Pathways to Low-Carbon and Resilient Development; Health is Everyone's Business; Reporting on the SDGs; Financial Innovation for the SDGs; Decent Work in Global Supply Chains; Business for Humanitarian Action; Water Security through Stewardship; Business Action Platform for the Ocean; and Peace, Justice and Strong Institutions. The 10 platforms are designed to realise SDG 17, Partnerships for the Goals – "strengthen the means of implementation and revitalize the global partnership for sustainable development" (UNGC, 2018). The Action Platforms will enable the restorying of business to proceed at a faster pace and, hopefully, yield much fruit. In a way, each Action Platform is a story, a chapter in the master story, which offers a vision and values for the good life.

3.2 The challenge of restorying business

As indicated above, the new "story" of business is to create sustainable value for stakeholders and not simply for the stockholder. The 17 SDGs dramatically portray the suffering of those who might benefit from actions from the business story and are designed to inspire collective thought and action on the part of the powerful to alleviate the deprivation. The hope is that in most cases this business action will be creating shared value where both business and those in deprivation will attain value. Business through creativity and innovation will earn more value and those deprived will gain a better life.

To illustrate the narrative quality of experience and how stories can inspire action, even in the face of apparent conflict, it may be helpful to discuss one issue from the oil and gas industry. In fact, conflicts often arise as companies try to advance the SDGs. Consider one example, the apparent conflict between Goal 7 and Goal 13. Goal 7, Affordable and Clean Energy, seeks to "ensure access to affordable, reliable, sustainable and modern energy for all". Goal 13, Climate Action, asks the global community to "take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy" (UNGC, 2015a). The UN website on the Sustainable Development Goals has several stories for each of the 17 SDGs, which dramatically portray the suffering that people undergo when they live their lives outside of the good life, the master story outlined by the UDHR vision. For Goal 7, there are three stories: "Supporting Mali's women to adapt to climate change"; "Solar empowerment across countries"; and "Honduran women light the way" (UNGC, 2015b). For Goal 13, there are several stories, including: Peru's: "Protectors of our planet's lungs"; Maldives: "Drones for social good"; Montenegro: "A guilt-free holiday"; and Somalia: "In search of water" (UNGC, 2015c).

The suffering endured by those living without electricity can be intense and their numbers are surprisingly high. Of the 1.06 billion people without electricity, 80% of them live in just 20 countries. Excluding North Africa, 37% of Africans are without electricity. In Haiti, 38% and, in Sudan, 45% lack electricity. Only 85.3% of the world's people have electrification.

3.3 Practical wisdom

It has been said that energy is "the golden thread" connecting growth, social equity and environmental sustainability. About half of all energy now provided to the global village is from the oil and gas industry. Yet, the carbon emissions from fossil fuels are a factor in climate change and this is becoming a serious threat. What is an oil and gas company to do? There is clearly a conflict of values; energy from oil and gas provides the possibility of a life lived with dignity, while it also adds to global warming, which threatens health and safety. Knowing how to advance electrification and balancing it against the threat of global warming requires experience, and is what Aristotle called *Phronesis* or practical wisdom or prudence (Aristotle, 1999). What decision is most likely to deliver the well-being sought?

Michael A. Santoro developed "A Fair Share Theory of Human Rights" in his work with ethical issues in China (Santoro, 1998:25-54). Adapting his work to solve the conflict of values for the oil and gas business as it strives to increase access to energy in the world, there are three principles to consider. The premise is that everyone has a right to have their human dignity respected and, in our time, that right involves access to affordable electricity, as well as health and safety. What is in question is who should meet that right, at what social and financial cost, and how?

The suggestion here is that a company deciding whether to accept the challenge of advancing the master story of the UDHR and, more specifically, advancing Goals 7 and 13 of the SDGs should consider the following:

1. Relationship to those whose rights are not met, i.e. in this case, the 1.06 billion people without electricity.
2. The likely effectiveness of the company in remedying the problem.
3. The capacity of the company.

While the first principle is often thought of in spatial terms, in our time it perhaps best refers to the whole array of social expectations that society has of business. Where there is power, there is responsibility, is the common expectation (Globe Scan, 1999). The second and third principles express the common-sense notion that, while companies must do something, they should not be asked to do more than they are capable of doing effectively.

3.4 Meeting the challenge: Total S.A.

While there are many companies in the UN Global Compact that might be discussed to illustrate how practical wisdom can deliver a sustainable future to our planet, this article will discuss one: Total S.A. Based near Paris, the company operates in 130 countries and has over 15 000 service stations. With a revenue of over $125 billion (U.S.), the company has 100 000 employees.

Total is clear on its mission:

> At Total we are committed to finding solutions to the challenge of climate change, while also supporting social and economic development around the world by providing energy that's affordable and sustainable. (Total, 2017)

The company has reduced its own greenhouse gas (GHG) emissions by 23% since 2010, stopped producing coal in 2015, and focused on increasing the proportion of natural gas (the fossil fuel with the least emissions) in the energy mix. In 2014, Total, with other major oil producers, formed the Oil and Gas Climate Initiative (OGCI). Today, with nine companies producing more than one-sixth of the oil and gas in the world, this initiative works toward a reduced carbon-intensive economy. Sharing best practices in energy efficiency, developing renewable energy and enhancing R&D are part of this collective effort. Total also offers a government policy framework that will level the playing field and provide incentives for all in the industry to participate. Many argue that some sort of a carbon tax is essential to lower GHGs. Total has an ongoing lobby not only with governments, but also with other oil companies with the goal of engendering collective action to overcome climate change.

While tackling climate change, Goal 13 of the SDGs, is a priority for Total, equally important is Goal 7, "access to affordable, reliable, sustainable and modern energy for all". In following Total's response to the challenge of Goal 7, it is clear that the company understands itself to be in the **energy** business and not just in the oil and gas business. In 2011, after buying a solar power company, SunPower, Total formed a social business called 'Awango by Total' to provide solar-powered lanterns to poor communities in developing countries. Today more than 5 million people, mostly in rural areas in sub-Saharan Africa and Asia, have solar lamps that enable a quality of life heretofore unavailable. The goal is to have these lamps available to 25 million people by 2020. The company is targeting improved solar kits that will enable televisions, fans and cooking stoves to be powered. Following the model of a social business, Awango by Total ploughs profits back into the company to provide research for further products.

4. Conclusion

While it is clear that there is no full-blown theory of business that informs a theory of the firm and might give guidance to the new expanded set of social expectations for business, it is also clear that many business leaders are moving ahead with a vision to pursue profit and social good simultaneously. They have restoryed the purpose of business. Of the

9 600 businesses in the UN Global Compact following this vision, I have selected Total S.A. to illustrate this endeavour. To be sure, not every business accepts this expanded role of business in society. Howard Schultz of Starbucks perhaps captures the spirit of the times: "We all recognize that with every decision we make, there is a group of people that are not going to agree with us. But you must define your core purpose for being. We stand in the interest of something greater than just making money" (*The New York Times*, 2017). That "something greater than making money" for the signatories of the Global Compact and many other businesses is the challenge of promoting and protecting the human dignity of stakeholders, a restorying of the role of business in society. Meeting the challenge is not only possible, it's happening.

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