

Conference Report

# Business, Ethics and Spirituality: Europe–Asia views

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The Business Ethics Center of the Corvinus University of Budapest organized the ‘Europe–Asia Dialogue on Business, Ethics and Spirituality’, which took place 30 June–2 July, 2006 in Budapest, Hungary. The conference was a continuation of the dialogue between European and Asian scholars and practitioners presented in the book *Spirituality and Ethics in Management* (edited by Laszlo Zsolnai, Kluwer Academic Publishers, 2004).

The 2006 Europe–Asia conference was co-organized by the European SPES Forum located in Leuven, Belgium. The mission of the *European SPES Forum* is to open up spirituality as a vital resource in social and economic life. ‘SPES’ is an acronym for ‘*SP*irituality in *E*conomics and *S*ociety’, but it is also the Latin word for Hope, the virtue that sustains our belief in a better future. The European SPES Forum has a focus on experience-based spirituality that succeeds in making a connection between day-to-day activities and the inner, pluriform quest for meaning ([www.eurospes.be](http://www.eurospes.be)).

Forty academics, businessmen and NGO people participated in the Europe–Asia conference in Budapest representing Austria, Belgium, China, France, Germany, Hungary, India, Indonesia, Italy, Norway, Sweden, the United Kingdom and the United States. Sponsorship provided by MALEV Hungarian Airlines was greatly appreciated.

The main themes and points of the conference are summarized below to stimulate the development of an agenda for Europe–Asia Dialogue on Business, Ethics and Spirituality. References to particular contributors are noted in parentheses; their presentations are then summarized in the appendix.

## Spirituality and business

There is no inherent conflict between spirituality and business in the major Eastern and Western traditions. In the Hindu tradition, material accomplishments provide a strong and stable foundation in personal and organizational life while spiritual wisdom charges business with a higher purpose (Sanjoy Mukherjee). The Christian tradition requires a three-dimensional goal-portfolio in which humans measure themselves on three layers: material (financial), intellectual and spiritual. Here, the stakeholder list becomes full: we not only care about and support our own employees and their environment but all who are in need (Tibor Héjj).

However, recent studies explore the juxtaposition between the material social structures and the structures of spirituality, which counter the ego-self. Approaches to ethics, accountability and sustainability, which are not rooted in an understanding of spirituality, will lead to cynicism and a mere instrumental approach to ethics in business (Michael Thompson). There is a gap between personal spiritual orientation and the macro level

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of the economy. The neo-liberal concepts on which the modern economy is based impose agnostic, spiritually nihilistic structures (Martin B scher).

## Changing Asian values

The mainstream religions of Japan survive in rituals but have lost their spiritual force. Confucianism that governed ethics and behaviour for centuries has been losing its impact on people's value systems. Japan's role as a leading economic player is going to be affected by the ethical misbehaviour of people in business, in politics and in everyday life (Judit Hidasi).

The relevance of traditional Chinese values is dubious in today's performance of the Chinese economy. Corruption, poor safety performance and environmental destruction show that the Chinese people need facilitation to rediscover the importance of ethics and responsibility that is conveyed in traditional Chinese values (Henri-Claude de Bettignies).

Guanxi is a prime example. Deeply rooted in the Confucian tradition, it involves relationships between or among individuals, creating obligations for continued exchange and establishes trust and credibility. When guanxi becomes a pure exchange, a degradation process of displacement and a process of commodification enter the relationship (Peter Verhezen).

India can be considered as a good example of value-detainment in times of constant interventions. India seems to be able to assimilate and incorporate values without losing its soul. This can be seen in the Indian organization that rests on four pillars: good paternalism, emotional hierarchy, extended in-group trust and transcendent spirituality (Bengt Gustavsson).

## Spirituality and globalization

Globalization driven by consumerism endangers spiritual values. Business has a special responsibility in the aftermath of globalization. Business leadership must be developed into a quantum leadership, where spirituality can find its proper

place. Redefinition of business requires new concepts and principles from the humanities to understand business. It also requires leaders who show by their examples that business can be transformed (Bengt Gustavsson).

In the world economy, we could see some connections between religious background and competitiveness. Western societies can learn from the solidarity among the members of the big families in the East. The overstressed individualism costs a lot and makes societies non-competitive on the world market (Katalin Botos).

The current wave of globalization has undermined traditional values by painting them as forces of backwardness. The effort to create a system that is based on a denial of non-rational conduct is doomed to failure. Progress can be expected if initiatives try to understand the respective cultures of multinational companies and the local communities with which they interact (Prakash Sethi and David B. Lowry).

E. F. Schumacher's frugality-based economic paradigm can be useful for both East and West. Although frugality is contrary to consumerism and excessive growth, it is not contrary to usefulness and productivity. Schumacher's alternative, intermediary economics would favour globalization in another, more human way. This is what we could call the 'Other Globalistic Movement' (Hendrik Opdebeeck).

## Spirituality and well-being

Spirituality can be described as a praxis of freedom, a way of living concentrated on discovering, who you are and how you want to act. It can be seen as a critical exercise in caring for the self. This vision of spirituality has a cross-cultural relevance with much correspondence between Asian and ancient Greek spiritual anchors (Suzan Langenberg).

For example, in Zen Buddhist practice, basic human qualities are involved, which are also recognized by Western psychotherapy. These qualities are trust, simplicity, feeling and understanding of Self, and allowing-oneself-to-become, which are no mere transcendental flights or

special behavioural features, but are emotionally grounded in the hearts and minds of persons, systems and organizations (Diethard Leopold).

Buddhist methods can contribute to creating the 'empowered' modern workplace by addressing power and releasing the creativity and sense of community of individuals. Using Buddhist practices, one can gain a greater sense of interconnectedness and transcend an isolated sense of self (Bronwen Rees and Tamas Agocs).

Western economics have been focusing on 'standard of living' measured by GNP/GDP per capita. But more people, especially in the West, are interested in 'well-being' and 'quality of life' rather than material wealth. Eastern spirituality with its more organic and holistic world-views can catalyse this important shift from 'standard of living' to 'well-being' (Knut Ims and Ove Jacobsen).

The 'Europe-Asia Dialogue on Business, Ethics and Spirituality' proved to be a successful step in a long journey. The Business Ethics Center of the Corvinus University of Budapest and European SPES Forum in Leuven are committed to continuing the Europe-Asia dialogue. We believe that Europe and Asia can get many inspirations from each other, especially if they return to and apply creatively their own spiritual foundations.

#### **APPENDIX: SUMMARY OF PRESENTATIONS AT THE 'EUROPE-ASIA DIALOGUE ON BUSINESS, ETHICS AND SPIRITUALITY'**

*Henri-Claude de Bettignies*

(China Europe International Business School, Shanghai, China & INSEAD, Fontainebleau, France)

'Leadership and responsibility in China: relevance of Chinese and Western approaches'

In his lecture, Henri-Claude de Bettignies explored how leadership and responsibility are internalized in the current fast growth process of China. He questioned the relevance of traditional Chinese values to better understanding today's performance, with its dysfunctions, and examined what could be done to enhance the development

of both leadership and responsibility in China. He argued that we need to transcend the 'either-or' epistemology (e.g. the West-East, West-the rest, North-South), and question the effectiveness of Western approaches and models to understand the development of the modernity process. Bettignies emphasized that the Chinese government explicitly states its concern about leadership and responsibility and its intention to walk the talk. It has recently embarked on some initiatives to nurture leaders that are more responsible, e.g. it has established national executive leadership academies; cracked down on corruption and poor safety performance; made visible its wish to protect IPR, etc. The Chinese people will need facilitation to rediscover the importance of ethics and responsibility that is conveyed in traditional Chinese values. Business schools have a critical role to play. Research must be carried out to identify the most effective way to obtain results, particularly on how to leverage traditional values to anchor responsibility and ethics. The road will be long.

*Katalin Botos*

(Pazmany Peter Catholic University, Budapest, Hungary)

'The role of the business ethics teaching of religions in the East-West dialogue'

In her lecture, Katalin Botos stated that, in the world economy, we could see some clear connections between religious background and competitiveness. It is indirect, rooted in traditions, but strong enough to influence the behaviour of participants in the market. We may find similarities and differences but very common is the role of ethical standards. Western market fundamentalism and consumerism cannot be deduced from religious convictions. Western societies can learn from the solidarity among the members of the big families in the East. The overstressed individualism costs a lot and makes societies non-competitive in the world market.

*Martin Büscher*

(Institute for Church and Society, Iserlohn & University of St. Gallen, Switzerland)

'Macro-spirituality: the spirit of society, hermeneutics and economic rationality'

In his presentation, Martin Büscher focused on the gap between personal spiritual orientation and the macro level of the economy. There is the personal orientation of spirituality and a pious individual longing. But what is the spirit of the structures? He focused on Max Weber's Spirit of Capitalism and on what Werner Sombart called Understanding Economics ('Verstehende Nationalökonomie') referring to the general economic spirit. Büscher contrasted the neo-liberal concepts and their agnostic, spiritually nihilistic structure to spiritual categories and raised some methodological questions in economics.

*Bengt Gustavsson*

(University of Stockholm, Sweden)

'Globalization and values in the Indian context'

In his presentation, Bengt Gustavsson stated that globalization driven by consumerism and materialism, communication and information endangers spiritual values. But India is a prime example of value-detainment in times of constant interventions. India seems to be able to assimilate and incorporate values without losing its soul: tolerance of dissonance captures the Indian approach to values. This can be seen in the Indian organization that rests on four pillars: good paternalism, emotional hierarchy, extended in-group trust and transcendent spirituality. Gustavsson claimed that business has a special responsibility in the aftermath of globalization. Business leadership must be developed into a quantum leadership, where spirituality and transcendent values can find their proper place. Redefinition of business requires new language, new concepts and new principles to understand business from the humanities. It also requires leaders who show by their examples that business can be transformed.

*Tibor Héjj*

(Pro-active Consulting, Budapest, Hungary)

'Holistic stakeholder value matrix at spiritual companies'

In his lecture, Tibor Héjj stressed that we need a three-dimensional goal-portfolio in which humans measure themselves on three layers: material (financial), intellectual and spiritual. Here, the stakeholder list becomes full and even global: we

not only care about and support our own employees and their environment but all who are in need. We support – as much as our resources enable us to – the poor and/or disabled and others in need. Héjj presented the special approach and operating methods of such spiritual companies, giving examples of how they practise their mission, vision, strategy, plans and relationships with their stakeholders. The basis for this spiritual-based business praxis is the Focolare Movement's 'Economy of Communion' idea, which is implemented in the author's own companies.

*Judit Hidasi*

(College of Commerce and International Trade, Budapest, Hungary)

'Changes in values – transformations in business ethics in early 21st century Japan'

In her presentation, Judit Hidasi reflected on the specific nature and interdependence of ethics and religion in Japan. The mainstream religions of Japan – Buddhism and Shintoism – survive on the level of rituals but have lost their spiritual force. Confucianism that has governed ethics and behaviour for centuries has been losing its impact in Japan on people's thinking and value systems. Hidasi pointed out that Japan's role as a leading economic player is going to be affected by the ethical behaviour of its people in business, in politics and in everyday life. Measures taken at the government level and at the community level to improve the situation are numerous but so far not sufficient to restore the ethical standards of earlier times.

*Knut Ims*

(Norwegian School of Economics and Business Administration, Bergen, Norway)

*and Ove Jacobsen*

(Bodo Graduate School of Business, Norway)

'From welfare to well-being'

In their presentation, Knut Ims and Ove Jacobsen stated that in the last three centuries most Western economists have been focusing on 'standard of living' measured by GNP/GDP. Studies focusing on 'well-being' understood as 'quality of life' represent a fairly new tradition in Western economics. This change of perspective is inspired by people who are not satisfied with an ever increasing 'standard of

living'; instead, they are searching for 'life quality' or 'well-being'. Ims and Jacobsen discussed to what extent a dialogue between the Western materialistic, mechanic worldview, and a spiritual, organic worldview inspired by Buddhist philosophy, is sufficient to catalyse the shift from 'standard of living' to 'well-being'.

*Suzan Langenberg*  
(Project21.be, Belgium)

'Spirituality and critical organizational boundary'

In her presentation, Suzan Langenberg argued that when spirituality can be described as a praxis of freedom, as an individual way of living concentrated on discovering who you are and how you want to live and act, it can be seen as a continuous critical exercise in caring for the self. This vision of spirituality functioned as a key concept of care in ancient Hellenism. Cross-cultural research shows a lot of correspondence between Asian and ancient Greek spiritual anchors. Langenberg believes that through ethics as criticism, we can develop a cross-cultural notion of the practice of freedom.

*Diethard Leopold*  
(Vienna, Austria)  
'Zen-coaching'

In his presentation, Diethard Leopold stressed that in Zen Buddhist practice, basic human qualities are involved. Western psychotherapy is also able to detect and recognize these qualities, filter them from their traditional context and work on them in special settings. These qualities are trust, simplicity, feeling and understanding of Self and allowing-oneself-to-become. Leopold showed that the basic qualities of Buddhist teaching and of Martial Arts training are no mere transcendental flights or special behavioural features, but are emotionally grounded in the hearts and minds of persons, systems and organizations.

*Sanjoy Mukherjee*  
(Indian Institute of Management, Calcutta, India)

'Igniting spirit in business: Indian insights'

In his lecture, Sanjoy Mukherjee stressed that Indian spirituality embraces all dimensions of our life-world including business. There is no inherent

conflict between material pursuits and spiritual fulfilment. While material accomplishments provide a strong and stable foundation in personal and organizational life, spiritual wisdom charges business with a higher purpose. Mukherjee referred to J. N. Tata, the father of Indian industrialization. The great Indian sage Vivekananda's spiritual insights contributed toward shaping the vision of Tata, the oldest, and one of the largest business houses of India. Human values, ethics and social responsibility were built into the DNA of the Tata House from its inception and the tradition continues today. In recent years, the Tatas were the pioneers in developing a comprehensive Tata Code of Conduct. Mukherjee believes that Indian spiritual wisdom carries the seeds for spiritualization of business worldwide. Probably, Western countries that have achieved material flourishing are a good terrain for applying spiritual wisdom and undergoing this transformation in the years to come.

*Hendrik Opdebeeck*  
(University of Antwerp, Belgium)  
'Frugality-based economics'

In his presentation, Hendrik Opdebeeck discussed E. F. Schumacher's Buddhist economics from a Western perspective. He showed the specific philosophical and spiritual foundation of Schumacher's frugality-based economic paradigm. He argued that, although frugality is contrary to consumerism and excessive growth, frugality is not contrary to usefulness and productivity. Schumacher developed an alternative, intermediate economic system. It is not pro- or contra-globalization but globalization in another, more human way. This is the essence of what we could call the 'Other Globalistic Movement'.

*Bronwen Rees*  
(Anglia Polytechnic University, UK)  
*and Tamas Agocs*  
(East-West Research Institute, Buddhist College, Budapest, Hungary)

'The East-West crucible: exploring the application of Buddhist theory and practice in the modern organization'

In their lecture, Bronwen Rees and Tamas Agocs presented the conditions of the so-called

'empowered' modern workplace, and showed how a secularized Buddhist method, combined with action research methodology, can address issues of power, and thereby release the creativity and sense of community of individuals. They argued that Buddhist spirituality can be conceived of as a set of practices, a methodology, through which one can gain a greater sense of interconnectedness, and 'transcend' an isolated sense of self.

*Prakash Sethi*

(International Center for Corporate Accountability, Inc. and Baruch College, CUNY, New York, USA)

and *Rev. David B. Lowry*

(Christ Church, Manhasset, New York, USA)

'Coping with cultural conflicts in international operations: modern corporations and tribal societies – the case of Freeport-McMoran in Papua, Indonesia'

In their presentation, Prakash Sethi and David B. Lowry argued that the prophets of the current wave of globalization have deliberately undermined traditional values by painting them as forces of backwardness. It is suggested that these traditional values must be moderated to ensure their compatibility with the values, expectations, behaviour patterns and notions of distributive justice in competitive markets. They believe that the effort to create a system that is based on a denial of non-rational conduct – i.e. conduct that might be considered irrational in the strict sense of economic and market-based logic – is doomed to failure. Sethi and Lowry used the case of Freeport mining company's conflict with local tribes in Papua, Indonesia. Progress can be expected if initiatives are created to understand better the respective cultures of the company and the local community. These are continuing challenges for all parties, but the recognition and the will to look beyond country and region-wide value issues to local cultural issues is a step in the right direction.

*Mike Thompson*

(GoodBrand & Co., London, UK)

'The practice of spiritual dynamics in business: religious perspectives from East–West anthropologies'

In his lecture, Mike Thompson pointed out a feature of post-modernism, the heightened interest in a spirituality that transcends religious boundaries and yet is informed by them. He referred to recent studies that have sought to explore the universal sense of the juxtaposition between the material-rational social structures and the structures of spirituality, which counter the ego-self. Thompson argued that approaches to ethics, accountability and sustainability, which are not rooted in an understanding of spirituality, will lead to cynicism and an instrumental approach to ethics in business.

*Peter Verhezen*

(CIMAD & C–Consulting, Indonesia)

'Guanxi: instrumental or pragmatically ethical?'

In his lecture, Peter Verhezen stressed that deeply rooted in the Confucian Chinese tradition, guanxi involves relationships between or among individuals, creating obligations for continued momentum of exchange and building trust and credibility. When guanxi becomes a pure exchange, a degradation process of displacement and a process of commodification enter the relationship. This is why business guanxi has gained such a notorious reputation, in China and abroad. Guanxi is a form of 'social capital' that aims at building up symbolic capital, a phenomenon that takes the form of 'face' in China and throughout most of the Asian world. Someone who has a reputation for having a great deal of face and thus influence in networks can use it to accomplish a great deal. The more the social, symbolic or economic capital at his disposal, the more powerful the person's socio-economic standing.