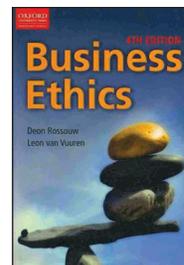


## Book Review

# Business Ethics (2010): A review essay<sup>1</sup>

Book title: Business Ethics  
By: Deon Rossouw and Leon van Vuuren  
Oxford University Press  
Cape Town, South Africa, 2010, 341 pages, soft cover  
ISBN: 978 0 19 598269 5  
Review by Piet Naudé\*



### BUSINESS ETHICS: THE GROWTH OF A REMARKABLE TEXT-BOOK (1994-2010)

The four editions of this book represent an outward movement in the form of concentric circles that stretch from Southern Africa to Africa and subsequently to the global context. This is reflected in the titles: *Business ethics. A Southern Africa perspective* (1994) became *Business Ethics in Africa* (2002), and then acquired a more “global” character in the plain title of the editions three and four in 2004 and 2010: *Business Ethics*.

### BUSINESS ETHICS. A SOUTHERN AFRICAN PERSPECTIVE (1994)

The first book is a contribution to the development of Business Ethics as a discipline in South Africa specifically (1994: ix). The Southern African focus is motivated from the different context of business in this region as compared to Northern America and Western Europe. The Southern African context poses “some unique moral problems that are uncommon and alien to the context in which the discipline of Business Ethics developed” (1994: x).

In addressing these “unique moral problems” Rossouw was actually reading the signs of the time in a perceptive manner: This is evident from the discussion of affirmative action (chapter 5) at a very sensitive stage of South Africa’s political development, i.e. the last phase of a negotiated political settlement (1994) and quite some time before the acceptance of the Employment

Equity Act in 1998 that legislated affirmative action as part of the new labour dispensation. Similarly, the issue of corporate responsibility in post-apartheid South Africa (chapter 5), was crucial to address at a stage when the future commitment of an emerging ANC-government to the free market, and the role of the private sector, were in the balance.

A self-confessed “unique feature” of the first book is the discussion of the relation between Christian ethics and business (chapter 8). This is motivated from two perspectives: the predominantly Christian character of South African society, and as “a useful aid in ministering to the needs of believers within the business environment” (1994: xi). This reflects the author’s own background in theology and a commitment at that stage to integrate matters of faith and matters of ethics in business.

Looking back, the 1994 edition achieved at the level of content what it set out to do. It was indeed a contribution to Business Ethics in South Africa that took the pioneering work of Stellenbosch philosopher, Willie Esterhuysen, *Sake-etiek in the praktyk* [Eng. Business Ethics in practice] (published two years earlier), to a higher level.

### BUSINESS ETHICS IN AFRICA (2002)

The second concentric circle is that of Africa. By this time the author had built up a considerable network in Africa, *inter alia* via the foundation of the Business Ethics Network of Africa (BEN-Africa) of which

<sup>1</sup>Revised and substantially updated version of a hitherto unpublished book review and response session at the annual conference of the Business Ethics Network of Africa in Botswana, August 2005. The response section of the original discussion is omitted here.

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he became the founder president. The title deliberately included Africa, in order “to convey that it is a book for Africa and born of Africa” (vii). The scope of the book was further enriched by the work of post-graduate students and colleagues, establishing the first roots of the multi-authored 2004 -edition two years later, even further enhanced in the new 2010 edition.

In my view there are three marked shifts in the 2002 book. The first is the illuminating inclusion (for the first time) of different approaches to Business Ethics in chapter one. This already signalled the first author’s interest in the development of Business Ethics as an academic discipline, published as separate monograph in 2004 (see Rossouw 2004a). The second is the much more extended discussion of the three dominant theories in prescriptive ethics, namely utilitarianism, deontology and the virtue approach.

The most important, however, was the fourth part on “managing ethics in business”, comprising discussions on corporate governance, codes of ethics, trust and fraud. This represented the move from Business Ethics as academic discipline to the actual practice of Business Ethics in the reality of everyday organizational life. It might also be a reflection of the authors’ own increasing involvement with consulting and training work.

The 2002-edition clearly established Deon Rossouw as one of the foremost thinkers in the field. The fact that it was published by Oxford University Press moved the book’s profile from a local to a much more significant regional contribution. In two short subsequent years, an extended book arose on the sound foundations already laid.

### **BUSINESS ETHICS (EDITION 3, 2004 AND EDITION 4, 2010)**

The third edition – a massive 278 pages in comparison with the 180 and 150 of the two earlier books – does no longer purport to make a regional contribution only. Here we move on the outer circle of Business Ethics as such, though the traces of the earlier contextual foci are still to be detected.

In my view, the third edition’s main contribution lies in “the active management and measurement of ethical performance”, probably reflecting the practical experience and insights from the main co-author, Leon van Vuuren. Parts five and six are where the renewal occurred:

Chapters on ethics and human potential in organisations and whistle-blowing are included for the first time, whilst managing ethics is really strengthened with contributions on ethical risk, (chapter 18), institutionalising ethics (20), and the reporting of ethical performance (21). The multi-

authorship ensured a wider scope and depth that lifted this edition to a book on par with the best in the field.

The fourth edition is not merely a re-issue of the third edition, but a careful restructuring and extension (from 278 to 341 pages) of the previous edition. The logical structure of the new book makes good sense. It commences with a conceptual clarification and then moves to the ethical dimension of business (at the macro, meso and micro levels of ethical inquiry). This is followed by ethical theories (both classical and contemporary). Thereafter the section on ‘Business Ethics matters’ commences with a dispelling of myths around ethics in business and further addresses ethics and corporate reputation, human potential and trust respectively. The next section assists readers with two ethical decision-making strategies, one for making ethical decisions in business, and the other an exposition of the RIMS strategy in resolving ethical dilemmas in business. This is followed by the managing of ethics (including corporate governance and a new chapter on ethical leadership and organisational culture). The book ends with a series of actual and fictional case studies which are a huge advancement on all earlier editions and which significantly increase the teaching utility of the book.

Although the book can now be rated as amongst the foremost in the field globally, the authors maintained a strong contextual awareness of South Africa and the African continent. It is therefore a pity that the unique theoretical contribution of Africa around ubuntu and ubuntu management and its deep ethical foundations are nowhere raised or integrated into the overall argument. This would fit very well under part three and could alert non-Africans to a substantial body of literature on the subject. (John Mbiti and many other contemporary African moral philosophers would enhance the scope of the bibliography!).

As a theologian and part-time business ethicist I am biased in my conviction that a discussion of religion and Business Ethics (still included in the first edition) is an important omission from the book. This relation is important, for the historical origin of moral business lies not with Aristotle but in the Jewish legal traditions dating back to about 950 BCE. Moreover, one might probe the even earlier Chinese philosophers. Why give preference to philosophers like Aristotle, Kant, and Mill, but be silent on the ground-breaking contributions to ethics in business by Luther, Calvin or modern day theologians Sullivan and Tutu? Islamic banking and finance play an increasingly important role in global business, as do screening of investment instruments based on religious (Christian, Islamic and Jewish) moral convictions.

The power of this book lies not in what is omitted (anyone could make a list!) but what has been brought together

over a period of sixteen years. I am proud to judge that this South African-based publication will make a global impact and serve as handbook for teachers and students of Business Ethics far beyond the country's borders.

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