

AFRICAN AMERICAN MANAGEMENT HISTORY

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AFRICAN AMERICAN MANAGEMENT HISTORY: INSIGHTS ON GAINING A COOPERATIVE ADVANTAGE

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INVESTOR IN PEOPLE

Dedicated To Jadon Chidike Prieto

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AN INTRODUCTION TO AFRICAN AMERICAN MANAGEMENT THOUGHT

There is a term from the Akan people of Ghana that is known as *Sankofa*, which means, “go back and get it.” This is precisely what we should consider doing in order to achieve managerial and entrepreneurial success. In this book, we are asking individuals to consider reflecting on African traditions, and start utilizing some of the philosophies from the past in order to reclaim the future. It is important to learn about, and be proud of African traditions and philosophies because most business schools throughout the world only teach management from an Anglo-Saxon perspective, and highlight the contributions of the white pioneers. This book will attempt to demonstrate that there were individuals of African descent who also made significant contributions, and that African American Management Thought that was practiced during the period 1900–1930 (otherwise called “the golden age of black business” by famed historian Dr Juliet Walker), was influenced by traditional African systems of cooperation, and not just by the capitalist economic system. William Clarence Matney (1930), one of the first African American, Harvard Business Graduates (class of 1920), once said that “cooperation offers great promise of being the solution for the economic riddle confronting the Negro.”

When slavery ended, African Americans were thrust in a world where they needed to understand the tenets of capitalism and a free market economy in a country that did not allow them to be truly *free* citizens of the United States. The newly emancipated slaves did not possess financial wealth, but many still possessed the knowledge and traditions that were passed down from Africa, including traditional systems of cooperation that were practiced on the continent. Contrary to popular belief, Africans were engaged in trade and other economic activities. They either produced market goods, or operated as traders, brokers, and merchants (Walker, 1998). In addition, the production of goods and trade and marketing activities were propelled by a high degree of both individual and communally based profit-oriented activities (Walker, 1998).

Jaja of Opobo is just one example of a leader who was very entrepreneurial in precolonial Nigeria. He has been described by scholars as perhaps the most enterprising and accomplished of all African merchant princes on the west coast of Africa in the nineteenth century (Fajana & Biggs, 1976). A British palm oil merchant by the name of Alexander Cowan went to the city of Opobo on business and said the following:

There can be no doubt Ja-Ja was the most powerful potentate the Oil Rivers ever produced. He was just as shrewd and fore-seeing as he was powerful... He could be stern, and he was strict, but he was always just, and the form of government he set up was as near perfect as anything of its kind could be. Every man had the right of appeal, and, though in effect his own authority was never questioned, he conformed to his own rules, and governed through his council of chief. (Pedler, 1974)

Jaja of Opobo is one of Nigeria's first modern capitalist and entrepreneurial giants who built a large business empire,

and he received praise for his ability in organizing his commercial enterprise (Rotimi & Ogen, 2008). However, in Africa, traditional systems of cooperation played a major role in influencing management and entrepreneurship. According to Nzelibe (1986), African management thought emphasized communalism and cooperative teamwork. This stems from the belief that the individual is not alone, but belongs to the community. For instance, if a misfortune such as death befalls a family, it is viewed as a misfortune not for the family alone, but for the community as a whole (Nzelibe, 1986).

Traditional systems of cooperation existed in almost all African societies, and have remained vibrant even in contemporary times, in particular in rural areas and in the urban informal economy (Schwettmann, 2014). In addition, rotating savings and credit associations such as *sou sou* (in Ghana and Trinidad and Tobago), *partner* (in Jamaica), *box hand* (in Guyana), and *chama* (in Kenya) are pervasive in Africa and its Diaspora, and involve large numbers of people, usually for the purpose of saving money in order to open small businesses, purchase property and livestock, and fulfill other purposes for which funds are needed. Social capital and trust are of utmost importance since these groups may handle large amounts of cash without any collateral or security and there are usually no written agreements (Schwettmann, 2014).

They often include an element of mutual social assistance in addition to the savings and credit function (Schwettmann, 2014). For example, burial societies, which are a form of micro-insurance, are often found in Southern Africa and Ethiopia. Also, in Cuba during the times of slavery, many enslaved Africans belonged to *cabildos* (a type of mutual aid society) that provided members with assistance related to healthcare, burial expenses, and religious ceremonies (Concha-Holmes, 2013). The *cabildos* were an important institution to maintain African traditions and philosophies.

Mutual work-sharing schemes for labor-intensive ventures, such as house construction or crop harvesting, can be found everywhere in Africa and its Diaspora. For example, in Trinidad and Tobago, there is a philosophy that is still practiced that came from West Africa known as *gayap* which means “lend a hand,” and it involves the tradition of the community coming together to achieve a common goal, such as helping to build a neighbor’s home without pay (Brereton, 1996).

Within the African American community, there have been efforts to reclaim African traditions and philosophies, and in 1966, Dr Maulena Karenga did just that by creating the African American holiday of Kwanzaa. This holiday incorporated what Karenga called the seven principles of African heritage: (1) Umoja (unity), (2) Kujichagulia (self-determination), (3) Ujima (collective work and responsibility), (4) Ujamaa (cooperative economics), (5) Nia (purpose), (6) Kuumba (creativity), and (7) Imani (faith). Each of the seven days of Kwanzaa were dedicated to the principles which embodied a communitarian African philosophy (Karenga, 1989).

A prominent African tradition that embodies the spirit of cooperation within African societies is “Ubuntu” in Southern Africa, which can be translated to mean “I am, because we are.” According to Mangaliso (2001),

Ubuntu can be defined as humaneness – a pervasive spirit of caring and community, harmony and hospitality, respect and responsiveness – that individuals and groups display for one another. Ubuntu is the foundation for the basic values that manifest themselves in the ways African people think and behave toward each other and everyone else they encounter.

According to Bangura (2005), there are three main tenets of Ubuntu, namely (1) spirituality, (2) consensus building, and (3) dialogue. It is recommended that managers and leaders be

guided by these tenets when they lead organizations (Bangura, 2005; Nafukho, Wawire, & Mungania-Lam, 2011).

SPIRITUALITY

The philosophy of Ubuntu calls for managers and leaders to attend to the spiritual needs of the people they serve (Nafukho et al., 2011). It should be noted, however, that spirituality does not have to pertain to religion or religiousness. Spirituality can also embrace values, finding meaning and purpose in work, interconnectedness with others, as well as being part of a community, and it can encompass virtually every positive human experience such as love, hope, thankfulness, appreciation, harmony, peace, and comfort (Badrinarayanan & Madhavaram, 2008; Koenig, McCullough, & Larson, 2001).

Later on in this book, you will learn that the management style of Charles Clinton (C.C.) Spaulding (black business pioneer) was based on his spirituality. This was not surprising because in African societies, spirituality plays a significant role in uniting people to live in harmony as a community (Nafukho, 2007). Spaulding did just that by creating a strong organizational culture within the North Carolina Mutual Life Insurance Company (The Mutual), which was grounded in unity, fairness, and caring for one another. Spaulding's style of management, the primacy of religion, reverence for the founders, a sense of mission and family, and a firm commitment to racial cooperation and uplift combined to form the salient features of the company's culture (Weare, 1973). Spaulding (1951) once said that

before every board meeting I stop outside the boardroom to ask myself this question: Am I fit to be an executive? This repeated check on humility always reminds me that I am an instrument of God. His ideas direct our company policy.

According to Nafukho et al. (2011), the founding fathers of great institutions must be remembered and respected. Ubuntu also promotes a deep respect and regard for beliefs and practices, which are intended to guide employees within an organization (Nafukho et al., 2011). Spaulding also subscribed to this based on his establishment of a work culture known as the “Mutual Spirit.” For example, the “Forum,” which will be discussed later on in this book, was implemented as a way to increase company spirit, and it expressed much of the Mutual’s personality. Spaulding fashioned it after a devotional ceremony he saw at a black fraternal society and it incorporated elements of spirituality and rituals (Weare, 1973).

In order to achieve a *cooperative advantage*, organizations should play a role in promoting the “spiritual” values (e.g., engendering a spirit of caring and community) of the enterprise that were espoused by the founder(s). Unfortunately, however, many individuals today do not know the history of the organizations that they work for. It is especially important for black businesses to educate their employees of the firm’s rich legacy, and how they intend to chart a way forward by learning from the past. Doing so may let employees know that they are part of something meaningful, and that they are also making history based on their contributions.

CONSENSUS-BUILDING

According to Bangura (2005), African traditional culture has an almost infinite capacity for the pursuit of consensus and reconciliation. African style democracy operates in the form of lengthy discussions. Even though there may be a hierarchy of importance among the speakers, every individual gets an equal chance to speak up until some kind of an agreement, consensus, or group cohesion is reached. This important aim

is expressed by words like *simunye* (“we are one”: i.e., “unity is strength”) (Bangura, 2005). The desire to agree within the context of Ubuntu safeguards the rights and opinions of individuals to enforce group solidarity. In essence, Ubuntu requires an authentic respect for individual rights, and an honest appreciation of differences (Bangura, 2005).

Spaulding once mentioned that

the problem of contact is the chief problem of human intercourse. Personal contact and business contact, if not properly directed and if not based on mutual goodwill and intelligence derived from a common sense education, will develop personal conflict and business conflict instead of personal cooperation and business cooperation.

Spaulding’s view was pretty much aligned with Bangura’s conceptualization of Ubuntu, and it demonstrated the importance of achieving some form of consensus.

In order to achieve a cooperative advantage, the consensus tenet of Ubuntu requires a respect for individual’s rights and cultural values, and an authentic appreciation of differences among various cultures (Nafukho et al., 2011). People also tend to respect managers and leaders who seek the opinions of employees before major decisions are made (Nafukho et al., 2011). The facilitation of employee voice as well as voice from other crucial stakeholders, such as community members, to aid in consensus building influence increased cooperation, improved decision-making, and higher performance.

DIALOGUE

In order to achieve a cooperative advantage, organizational leaders should play a role in promoting dialogue in order to

develop a culture that embraces learning from others, and to find solutions to various problems facing the organization. According to Nafukho et al. (2011), managers and leaders must engage in dialogue to become closer to the people they lead and understand the psychological, spiritual, and physical needs of their employees. Dialogue also plays a role in managers appearing more authentic and caring.

The dialogue tenet of Ubuntu calls for leaders and managers to exhibit a willingness to learn from others, as a way of building their own wisdom and knowledge base (Nafukho et al., 2011). Managers and leaders are encouraged to acknowledge the diversity of languages, histories, values, customs, and norms which make up an organization (Nafukho et al., 2011). In order to understand the diversified thinking of people, dialogue is important (Nafukho et al., 2011). Even Spaulding learned from others in order to develop his prowess as an organizational leader. His university-educated secretary and vice president, John Moses Avery, played a significant role in helping Spaulding polish his image as a respected business leader and national figure by working with him to improve his public speaking and business correspondence (Weare, 1973). Spaulding's relationship with his directors was democratic, and he relied on them for advice and expertise (Rutledge, 1943).

True dialogue allows two-way communication between message senders and receivers, where both parties engage in active listening and genuinely attempt to understand each other's perspectives. This aids the learning process and helps with the consensus-building tenet, as cooperation is fostered.

In the United States, blacks continued African practices after the Civil War and cooperated economically to survive. The recently freed African Americans pooled their resources to purchase land in order to farm and make a living (Du Bois, 1907; Gordon Nembhard, 2014; Jones, 1985). Early African American cooperative economic and entrepreneurial activities