

# Global Business Environment: Reconsidering Ethical Issues

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**Abstract:** Following the implementation of globalization and liberalization policies, the phenomenon of business ethics in a globalized business environment has emerged as a critical issue, attracting business and management research scholars to participate in critical debates and discussions at both the local and international levels. This is because, as a result of globalization policy, business risks, changing demographics, and a push for diversity have resulted in corporate business cultures that are less homogeneous and more competitive. This study finds its significance in the day-to-day infractions of business ethics in today's globalized corporate climate and believes that commercial organizations must accept responsibility for these violations or omit at their peril. The business malpractices that we continue to see are centered on the self-indulgent, introspective, and myopic perspectives of business organizations that are unable to transform their thoughts in order to consider all possible perceptions and ramifications of their actions. Despite the different aims of relativism, imperialism, and universalism as philosophies aimed at finding global solutions to ethical quandaries, we maintain that they are far from the solution. The phenomenon that, unlike established laws whose infraction is directly penalized in a court of law, business ethics is self-regulatory is a barrier to global corporate ethics. What remains challenging is determining what is and is not ethical. Though an alternate technique—the relational approach—is proposed in this article, we accept it as a traditional strategy with some support from the present body of literature.

**Keywords:** Ethical Dilemmas, Relativism, Imperialism, Universalism, Relationship Approach, Globalization Policy.

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## 1. INTRODUCTION

As a result of liberalization and globalization policy, the emergence of a global knowledge society with information-driven economies and increased cross-border trade is placing new demands on business organizations for more innovative approaches in business ethics at both the local and global levels (Nissanke and Thorbecke, 2020). Brownlie et al. (2017) state, "What is it like to think new thoughts... to undo the fragile web of assumption... to render new images to the familiar... to look anew at the world... to see the ordinary and everyday from a fresh perspective?" Many research scholars today agree with this viewpoint, indicating that what they took for granted, assumed, believed, and worked for has been upended by those who argue that in order to 'get it right' in a global business environment, organizations must reconsider their business ethics approach. Sheth and Sisodia (2017) back up this hypothesis by claiming that the ethical context in the global business environment is changing fundamentally. Acceptance of law-like generalizations must be "either enhanced or modified," as they suggest. The old belief that business ethics is "an oxymoron" or that "business organizations lack ethics" (Laczniak and Murphy, 2016) is being reconsidered. Business ethics is increasingly being questioned from multiple perspectives (Brownlie et al., 2017), and research researchers are establishing the subject to challenge the ethical complacency that existed in the past. Business ethics is fundamentally an ethics of power, of how to handle business authority and how it is acquired, increased, and wielded. The need for corporate ethics has never been stronger, precisely

because the influence of business has never been so diverse and extensive as it is today (Mahoney, 2019). The term "ethics" has traditionally been used to refer to the rules and principles that govern right and incorrect behavior. It everything comes down to morality and good or bad behavior. Business ethics is a set of rules that govern how businesses and their employees should conduct themselves (Aldag and Stearns, 2019). "I consider ethics as a mission-critical issue.... deeply interwoven in who we are and what we do," says DiPiazza (2019). It is equally as critical as our product development cycle or distribution system... It is about developing a culture based on honesty and respect, not on dealing with the crisis of the day... Every day, we ask ourselves, "Are we doing the right things?" According to Sheth, Gardner, and Garret (2018), ethical decision-making in business is exceedingly complex, and supposedly "guilty business practitioners have quite legitimately declared that they honestly did not comprehend that their activities may possibly produce ethical problems." International business organizations frequently discover that several countries disagree on what is regarded incorrect or appropriate in a business market. As a result, this paper presents some fundamental questions about issues of international business ethics that are of importance in the current policy shift and, in particular, the global corporate environment. For example, whose ethical standards should be applied and followed in a global business setting?

According to a growing body of literature in international business ethics, operating across boundaries entails dealing with complicated and multidimensional ethical concerns (Arthaud-Day, 2020; Buller and McEvoy, 2017; Falkenberg, 2017; Windsor, 2017). They range from varying legal, political, economic, and cultural conditions that present a challenge for business executives seeking to meet moral expectations across borders and integrate an ethical dimension into their strategic decision-making processes. Bowie (2016) contends that all countries differ in a variety of ways, including physical location, economic development, and literacy rates, and that even if truly universal moral principles existed, they would be subject to differing cultural circumstances. As a result, even if cultures agree on underlying universal moral concepts, ethical behavior will differ between cultures.

Another crucial research topic presented in this article is: what parameters constitute a set of universal ethical norms acceptable to everybody and applicable in a global corporate environment? The analysis and debate in this article that stems from the two research questions mentioned above is ostensibly what we believe is critical and could contribute to theory development in ethical issues on a global scale. Parker (2020) backs up this premise, arguing that the primary challenge associated with the impact of globalization on ethics in the global business environment is balancing, conflicting, and (or) competing objectives such as the apparent trade-off between profits and social responsibility, individual and collective interest, autonomy and collaboration, innovation and order, heterogeneity and homogeneity. As a result, Lacznik (2016) claims that it is more difficult to ignore the "ethical gap" between what societies want and what business professionals offer. According to Carroll (2017), the focus of global business ethics necessitates cutting-edge thinking and practice as companies spread their products and services globally. Perhaps it is necessary to develop conceptual models and applications to assist management executives in recognizing and preparing for the ethical implications of worldwide strategic decisions (Robertson and Crittenden, 2018). As a result, the purpose of this study work is to fill this knowledge gap. It is intended that the knowledge gained from this article would serve as a foundation for better ethical decision-making among management leaders, particularly those involved in cross-border trade.

This article is divided into the sections listed below. The next section describes the study's methodology. The third portion focuses on the conception of an ethical paradigm shift in the global corporate environment. The fourth half of the paper attempts to convey some complicated and demanding ethical challenges faced by businesses engaged in international business, which necessitate what we call hard business judgments, while keeping the idea of self-regulation in mind. The fifth section of the article includes a critique of three schools of thinking on global corporate ethics. The final portion is the article's conclusion.

## 2. METHODOLOGY

This is a desk study that examines ethical issues in the global business environment. A descriptive research design is used in this study. This means that our study heavily relies on a desk research database of previous empirical and theoretical studies conducted by other eminent scholars in this field to generate conclusive results. The author obtained these results by surfing the internet and conducting a thorough survey of reputable research data banks for business scholars maintained by Blackwell, Emerald, and Jestor, which Maseno University-Kenya subscribes to. The qualitative analysis and presentation of results in this article are purely descriptive in nature.

## GLOBAL BUSINESS ETHICS CONCEPTUALIZATION

We stated in the introduction section that the paradigm shift in the global business environment caused by globalization and liberalization policy has forced the business community in general to rethink new approaches to conducting business. This is due to the fact that globalization policy has resulted in business uncertainties, changing demographics, and a push for diversity, resulting in corporate business cultures that are less homogeneous and more competitive. These global business environment challenges are complicated and unsatisfactory.

Globalization is not a single phenomenon; it has become a catch-all term to describe a variety of friends and forces that lead to economic openness, integration, and interdependence. Many writers argue that globalization is a process with multiple interpretations (Bigsten and Durevall 2018), but it is universally acknowledged to reflect increasing global integration, not just from commodity and factor market liberalization, but also from cross-border movements of labor and capital, transfers of income and technology, and an increase in communication and information flow between countries. In economic terms, it is a process involving the global integration of economies in which the world economy is viewed as a single market and production area with regional sub-sectors rather than a collection of national economies linked by trade and investment. We see cross-border operations of economic activities such as production, investment financing, technology utilization, and marketing as a result of globalization. This scenario has resulted in the most efficient use of global resources, including competitive input sourcing for cost competitiveness in productive economies of scale in operations and efficient technology utilization.

As a result, competitive production and markets have become global in nature, and goods and services have become less distinct or recognizable with their nation of origin. There has also been the removal or reduction of tariffs or non-tariff barriers; re-structuring, de-layering, re-engineering, privatization, enhanced transparency of trade policies and regulations; trade facilitation measures that simplify practices; and deregulation of domestic regulatory measures, such as relaxations of investment and capital flows between countries. Economic circumstances and factors that drive liberalization include: easy movement of production factors across national borders; increased global acceptance and commitment to the free trade principle; increased efficiency in production enabled by increased specialization; and advancements in transportation, communication, and information technology networks, which have resulted in lower cost transactions and global business. Because these changes are occurring in combination rather than isolation, there are conceptual and practical demands for interpreting any isolated part of global change while keeping an eye on global corporate ethical practices. The current globalization policy's long-term influence on the corporate world and the business community in general is a sea change in the "rules of thumb" by which business is supposed to operate in harmony with the global social context. The external environment of the corporation, as represented in public policies and expectations, is becoming an important component in major strategic business choices. Furthermore, changes in social values and ideologies have a significant impact on the role that business is expected to perform in society.

The goal of economic prosperity does not always result in social advancement. It often results in a deteriorating physical environment, a hazardous workplace, unnecessary exposure to dangerous substances on the part of workers and consumers, prejudice against specific groups in society, urban deterioration, and other social problems (Leonard and McAdam, 2018). These environmental concerns have been frequently highlighted. For example, Beauchamp and Bowie (2017) claim that there are other fundamental ethical difficulties related with international corporate ethics, such as bribery, extortion, facilitation payments, and human rights, on the one hand. Global ethical challenges, according to Ferrell, Fraedrich, and Ferrell (2019), include human rights, sexual and racial discrimination, pricing discrimination, bribery, dangerous products, pollution, and telecommunications issues. In this context, it is no surprise that senior management, governments, and society are focusing on corporate governance, corporate accountability, and corporate social responsibility (CSR) (Hazarika, 2020). The illustration in the conceptual framework (see appendix A) is an attempt to link the implications of globalization policy and the paradigm shift in global business ethics, specifically the complex ethical challenges that have evolved in the business environment while keeping in mind the difficult situations that business organizations find themselves in as business ethics is intended for self-regulation. The next section of this article seeks to discuss the complicated ethical dilemma difficulties faced by firms engaged in international business and how tough it is to arrive at 'hard decisions of choice'.

**ETHICAL DILEMMAS: DIFFICULT DECISIONS IN GLOBAL BUSINESS**

Dilemma is derived from the Greek word Di-lemma, which means "two propositions," and refers to a circumstance in which a decision must be made to gain or avoid between two equally urgent but cunningly irreconcilable choices. True, decision-making involves choosing between two unpleasant choices, which is frequently a conundrum. According to Hampden-Turner (2021), di and lemma are two opposing propositions, so choosing between them is difficult. There are some dilemmas that cannot be solved because the individual inflicting the problem is determined to destabilize the victim's value system. Hampden-Turner (2021) regards them as difficulties since the author contends that any value – such as universality or rule orientation – must account for many specific instances or deviations to its rule. According to Hampden-Turner (2021), problems are frequently regarded as choices between unfavorable options. This would undoubtedly exacerbate the quandary, but it is also a quandary to have to choose between two options when one would prefer to have both. According to Hampden-Turner (2021), one must extend dilemma theory to capture a very common situation, such as management seeking quick expansion and good profitability but finding it difficult to achieve both. Elevated levels of ethics in business thought are frequently the result of company crises, low employee morale, lower turnover, and (or) a loss of public trust (Nash, 2021). Perhaps this is the complicated scenario in which global commercial enterprises have become entangled. Parker (2020) contends that the primary challenge associated with globalization's impact is balancing conflicting and (or) competing objectives, such as the apparent trade-off between profits and social responsibility, individual and collective interest, autonomy and collaboration, innovation and order, heterogeneity and homogeneity. He goes on to say that an organization not only shelters various people, but also diverse systems, structures, and ways of thinking and acting. He contends that combining multiple perspectives becomes possible with a better grasp of how the world is currently regarded or may evolve, as well as how those opinions affect business positions. This indicates that, as a result of global change, change and growing complicity undermine the trustworthiness of management tradition and enhance the need to establish a more dynamic and sophisticated picture of the organization in global contexts.

Responsible marketers in a global business environment learn what consumers want and respond with marketing offers that provide value for purchasers in order to acquire value in return. Some marketing firms engage in questionable methods and marketing acts that appear harmless to them but have a significant impact on society as a whole. Consider the tobacco market. According to Parker (2020), the way firms conduct their commercial activities in terms of business ethics performance is becoming increasingly essential to their consumers, as well as other stakeholders of the corporation and society in general. Customers are growing more aware of, and discriminating against, firms that fail to meet their standards for acceptable versus unacceptable ethical business practices and management concepts. The dynamics of corporate ethics as a function of time and culture are depicted in Table 1. Goran and Wood are correct in pointing this up (2018).

**Table 1: Dynamics of Business Ethics Model**

		Company's view	
		Acceptable	Unacceptable
Others' Views	Acceptable	Congruence	Positive dissonance
	Unacceptable	Negative dissonance	Congruence

Source: Goran Svensson and Grey Wood (2018) Emeralds databank.

However, from the standpoint of the customer, ethical consumption is a developing phenomena that is viewed as a significant driver of ethical trading practices, which are increasingly being embraced by both large and small businesses (Mintel, 2017; Brinkman and Brinkman, 2019; Hosmer, 2019; Tallontire, Erdenechimeg and Blowfield, 2019). That is,

ethical consumerism is the decision to buy things that consumers believe were made using ethically sound practices (The Co-operative Bank, 2019). The ethical consumer considers issues such as labor practices and human rights violations. This is consistent with the United Nations Emergency Children's Fund (UNICEFcurrent)'s call for ethical policies to address the underlying causes of practices like child labor and inadequate core labor provisions. According to available data, one out of every six children aged five to 17 is exploited by child labor around the world (The International Labour Organization, 2018). Child labor norms have been formalized internationally (The International Labour Organization, 1973). Convention No. 138, which outlaws all economic participation by children under the age of 12; and Convention No. 182, which prohibits and calls for the abolition of all child labor for children under the age of 18. Despite the fact that an increasing number of countries have committed to these accords, they have not yet been uniformly ratified. China appears to have the highest number of violations of Gap's Inc. vendor code of conduct (VCC), with over 50% of Chinese factories found to be violating local working laws; 10% to 25% of factories identified as using psychological or verbal abuse against its workers; and 1% to 10% found to be non-compliant with child labor laws. The unwillingness to exchange documentation (25-50 percent) was also a prominent cause of contract terminations in China (The Gap, 2017b).

Critics also claim that there are too many intermediaries in the global corporate world, and that the intermediaries are inefficient or provide superfluous or redundant services. As a result, distribution costs skyrocket, and consumers foot the bill in the form of higher pricing. Business corporations are frequently accused of raising prices in order to fund extensive advertising and sale promotion. Even so, businesses are occasionally accused of misleading techniques that mislead customers into believing they will receive greater value than they actually do. Another concern is that the products do not meet the required quality and safety standards. Critics have also claimed that some manufacturers engage in planned obsolescence, causing their items to become obsolete before they should. Other manufacturers have been accused of withholding enticing functional features and then introducing them later to render older versions obsolete. According to Kotler and Armstrong (2017), the business world is causing "culture pollution." "Advertising video clips are continuously assaulting our senses:

Commercials interrupt important programs, and pages of adverts, esoteric periodicals, and billboards detract from magnificent views. These disruptions continue to contaminate people's minds with themes of materialism, sex, power, or prestige." While it has been stated that corporate organizations must be environmentally friendly, the consumerism and environmentalist movements urge that people and organizations behave with greater environmental sensitivity. They are concerned about environmental harm caused by strip mining, forest decline, acid rain, ozone depletion, hazardous wastes, and litter. They are particularly concerned about recreational areas and the rise in health problems caused by polluted air, contaminated water, and chemically treated food. Pedigo and Marshall (2017) discuss international ethical quandaries confronting Australian managers, indicating that major cross-cultural ethical quandaries confronting Australian managers were bribery, breach of contract, human rights, and confidentiality difficulties. Pricing, deception, the environment, and software piracy, on the other hand, emerged as significant industry-specific ethical quandaries. According to the findings of this study, managers typically responded to ethical quandaries by taking an imperialist attitude and refusing to participate in behaviors that violated their own ethical beliefs. Some managers believed that this method was more successful in addressing cross-cultural ethical quandaries than the classic techniques of imperialism, relativism, and universalism mentioned in the literature. Individual relationship building and understanding was preferred to establishing general global codes of conduct and guidelines as a response to resolving cross-cultural ethical dilemmas in international business dealings (Beauchamp and Bowie, 2015; Hendry, 2017; Donaldson and Dunfee, 2014; De George, 2016b; Dobson, 2021).

According to Beauchamp and Bowie (2017), essential ethical challenges related to international corporate ethics include bribery, extortion, facilitation payments, environmental concerns, and human rights. Bribery is defined as when an informal reward is provided to pay or deliver favors to a person of trust in order to influence their behavior or judgment (Beauchamp and Bowie, 2015). For example, demands for money, entertainment, gifts, prostitution, and junkets by overseas managers are all tied to informal rewards that influenced business operations, including whether a contract was awarded or a competitive tender was successful. Human rights issues are another key ethical dilemma at global arena. These include child labor, hazardous working conditions, worker discrimination, and worker exploitation. They present managers with a conundrum in terms of business potential versus their social conscience for the wellbeing of others. According to Ferrell et al. (2019), global ethical challenges include human rights, sexual and racial discrimination, pricing discrimination, bribery, dangerous products, breach of commercial contracts, pollution, and telecommunications issues.



The paradox of ethics is that, unlike established laws, which are immediately punitive, ethics is primarily intended to assist individuals and groups in self-regulation.

To analyze ethical decision-making processes in corporate organizations, the study used the business ethics model established by Ferrell, Daniel, and Ferrell (2020). The first stage in this methodology is to identify stakeholder interests and concerns (see appendix B). Individuals, organisations, and communities that can have an impact on a company's actions are known as stakeholders.

Despite the fact that most organizations have prioritized shareholders as the most important stakeholder group, failing to include all relevant stakeholders can result in ethical failures.

Understanding stakeholder concerns and risks helps to identify issues that may trigger the ethical decision-making process. If ethical issues are believed to be tied to the importance of stakeholders' interactions with the firm, a solid framework for judging the importance or relevance of a perceived issue—the intensity of the issue—will exist, as demonstrated in Appendix B. The culture of the organization, as well as the influence of coworkers, bosses, and subordinates, lead ethical judgments in the workplace. In fact, the ethical climate impacts whether particular issues are seen to have an ethical intensity that necessitates a decision (Ferrell et al., 2020).

The reason for this paper is thus the widespread concern in business and other organizations about globalised ethical dilemmas that have had a very serious impact on them, even to the point of jeopardizing their survival. If the underlying elements are recognized, such knowledge can lead to better ethical policy implementation or the development of proactive procedures to prevent unethical behavior and promote ethical behavior in today's commercial organizations. For a brighter tomorrow, business organizations must embrace and infuse ethical ideals in their respective corporate goals, missions, and operational strategic management processes. The following part analyses many principles of ethical philosophies and theories summarized as schools of thought and how they have stood the test of time in order to find solutions to problems of global corporate ethics and the way forward.

#### **WHAT DO THOUGHT SCHOOLS STAND FOR IN GLOBAL BUSINESS ETHICS?**

According to the expanding literature in international business ethics, operating across boundaries entails dealing with complex and multidimensional ethical concerns (Arthaud-Day, 2020; Buller and McEvoy, 2017; Falkenberg, 2017; Windsor, 2017). They range from varied legal, political, economic, and cultural factors that present a challenge for corporate executives seeking to meet moral expectations across borders and integrate an ethical dimension into their strategic decision-making processes. Bowie (2016) contends that all countries differ in a variety of ways, including physical location, economic development, and literacy rates, and that even if truly universal moral principles existed, they would be subject to differing cultural circumstances. As a result, even if cultures agree on underlying universal moral concepts, ethical behavior will differ between cultures.

Three major schools of thought emerged from reviewing the present literature on international business ethics. The first school of thought is relativism, which adheres to the proverb "while in Rome, do as the Romans do" (Kohls and Buller, 2014: 31). According to relativists, one should respect the ethical rules of the country in which they do business. The cultural relativism school, which is based on the ancient Greek philosophy of the Sophists and Skeptics, admits that different cultures have diverse ethical ideas and that it is difficult to claim that one culture's ethical standards are superior to another's. According to cultural relativism, concepts like right, wrong, justice, and injustice acquire their true meaning and worth from the attitudes of a specific culture (Donaldson, 2016: 136). Ethical relativism in business can justify differing ethical standards applied to different countries and evolves through time. There can be no common foundation for resolving moral disagreements or achieving agreements on ethical concerns between corporations and diverse societies if moral relativism (the denial of universal morals) is recognized as the basis for companies' worldwide business activities. It can only foster flexibility, which leads to quite complex connections with consumers in both domestic and international markets with no common reference point.

The opposite extreme of ethical practices to ethical relativism is the second school, which holds that people should adopt their own cultural ethical principles when functioning wherever in the globe (Donaldson, 2016a; Gopalkrishnan, 2015). According to this viewpoint, organizations are not citizens of the host country. Although they must obey the rules and regulations of the host country, they must also apply moral standards justifiable to their home countries' laws and standards (De George, 2016a) (De George, 2016a). Moral imperialists advocate the maxim "do as you would at home

when in Rome" (Wicks, 2021: 191). Ciulla (2016) says that when faced with the choice between ethical relativism and moral imperialism, it is necessary to shift away from the topic of whose values are better and instead focus on what values are best for enterprises and the cultures in which they operate. According to this author, the ethical decision-making process necessitates both prescriptive and creative viewpoints, which involve the act of conceiving that and imagining how. There are two ways of visualizing that: one, having empathy and understanding what other cultures think is morally correct; and second, the ability to identify an ethical dilemma in a given circumstance. Imagining how leads to the use of one's moral imagination in the creation of a solution. While numerous schools of thought have begun to address the worldwide issue of 'evolutionary ethics,' the primary premise of this perspective is twofold: first, that ethics emerge as a response to an inner need to survive, particularly in circumstances where competition for finite resources is intense. Second, humans seek to negotiate such competitive environments by subconsciously adjusting their cultural morals.

The subsequent adaptive reaction may manifest as an ethic, durable cultural survival, individual fitness, and behavioral normalcy all at the same time. As a result, a worldwide set of agreed-upon norms may appear to be the solution to the question of whose ethics should be used in international trade. Leaders from worldwide enterprises and other fields worked together to develop a global code of ethics designed to give structural order among the occasional turmoil of dynamic markets. The document, dubbed the Caux Round Table (CRT) principles for business (2016), was released in 2014 and has since been translated into numerous languages and distributed throughout the world. The CRT principles address company obligations such as responsiveness to stakeholders as well as shareholders, attempts to establish justice and a global community, and business activity that adheres to both the spirit and letter of the law.

The third school of thought is universalism, which, as the name implies, refers to normative ethical norms or universal guidelines that transcend national boundaries and cultural variations (Donaldson, 2016a; Wicks, 2021). Wicks (2021: 197) defines this dictum as "do as we and the Roman agree to do when in Rome or somewhere else." A normative set of principles typically pertains to corporate transactions as well as fundamental human rights concerns such as employment practices and regulations, consumer protection, environmental protection, political payments and participation, and basic human rights and freedoms (Frederick, 2019). Indeed, as business becomes an increasingly global affair, the appearance of international moral absolutes being developed becomes more obvious (Donaldson, 2016b; De George, 2016a) (Donaldson, 2016b; De George, 2016a). Many global institutions, including Transparency International (Transparency International, 2015), the Caux Round Table (Ferrell et al., 2019; Williams, 2000; Skelly, 2016), the United Nations, and the Organization for Economic Cooperation and Development (OECD) (Dyer, 2020), have proposed broad-based global codes of conduct. There are several potential benefits to a global code of ethics. They, like many company codes, decrease the possibility of significant mistakes and can lessen operational uncertainties. Second, a global code of ethics allows all firms to operate on the same principles, creating the "even playing field" that many organizational leaders desire to play on. A worldwide code of ethical standards also allows for the standardization of actions within and between firms. These ethical norms, however, are not without limitations. Despite what appear to be compelling reasons to embrace company ethics rules, there are restrictions. Because global norms are likely to originate from a negotiation process, they are unlikely to represent universal values and practices. It is not feasible to establish or develop tangible ethical principles that are universally true, according to the theory of dialogic idealism, which is founded on the philosophical ideas of Apel (2018, 2021) and Habermas (1983, 2019). (Nil, 2016a: 44). For example, global codes of ethics produced by western businesses may exclude ethical considerations for other countries. Potential sources of global ethics, such as the concept of human rights, the principle of democratic legitimacy, or the concept of public responsibility, are "too vague to allow the derivation of a full set of precepts for a global ethics" (World Commission, 2016: 40). Furthermore, global ethics may be perceived as a "stamp of approval," and so constitute an end point rather than a starting point for building global ethics. Global ethics, like other norms, can react to change but rarely predict it. As a result, when conditions change, organizations may hide behind global codes, unless there are compelling reasons to keep codes current. Such outcomes may be in the best interests of the majority of stakeholders, many of whom may be surviving at cross-cultural and international business fraternity levels.

Big problems about the function of laws and the legal system in cross-cultural ethical decision-making can be posed. On a larger scale, one may claim that a reasonably thorough international legal framework exists to address the majority of disputes. Should businesses use the system to resolve disputes? According to De-George (2016a), "law is frequently ineffectual outside bounds; expectations differ from society to society or region to area; and interests frequently collide where no clear mechanisms of settling disputes exist." According to Pedigo and Marshall (2018), the use of various

industry arbitrators such as the World Trade Organization and Swiss General Surveillance to provide a means of recourse when dealing with ethical dilemmas such as bribery, breach of contract, and software piracy has failed miserably among Australian managers working in overseas business organizations. Furthermore, while employing a judicial system and applying pressure through diplomatic channels and interest groups are necessary and beneficial, they may not always be the most efficient or successful means to resolve disagreements among corporations in the global commercial environment. Inadequacies in these processes and behaviors are visible, such as in growing global policy issues regarding new technology and intellectual property rights (Shultz and Saporito, 2016). Other corporate ethics academics take a more pragmatic approach, creating an ethical checklist to assist international commerce businessmen. For example, the Global Compact Programme, launched in July 2000 by Mr. Kofi Annan, then UN Secretary General, was intended to promote corporate social responsibility and long-term growth around the world. The global agreement is a collaboration between the United Nations, the business community, the International Labor Organization (ILO), and non-governmental organizations (NGOs). It gives a venue for people to collaborate and improve corporate operations through collaboration rather than conflict. The initiative aims to promote responsible corporate citizenship by encouraging corporations to contribute to societal development while also creating and sharing wealth and prosperity. It asks businesses to embrace, promote, and adopt a set of fundamental values in the areas of human rights, labor, environment, and anti-corruption within their spheres of influence, as well as to adhere to ten internationally acknowledged principles, which are as follows:

**Human rights protection:**

1. Business should support and uphold internationally recognized human rights.
2. Confirm that they are not complicit in human rights violations.

**Labour:**

1. Businesses should support free association and the effective acknowledgment of collective bargaining rights.
2. The abolition of all forms of compelled and forced labor.
3. The complete abolition of child labor.
4. Eliminate job and occupational discrimination.

**Environment:**

1. Businesses should advocate for a cautious response to environmental concerns.
2. Launch programs to encourage greater environmental responsibility.
3. Promote the development and spread of ecologically friendly technologies.

**Anti-corruption:**

1. Companies should combat all forms of corruption, including extortion and bribes (Source: [www.unglobalcompact.org](http://www.unglobalcompact.org))

An organization that adheres to the powerful UN Global Compact Programme recognises universal values, principles, and rights and adheres to them regardless of majority opinion. Organizational action incorporates ethics. According to Falkenberg (2017: 18), only when organizations operate at this level will business decisions be "useful and sustainable in the long run."

When working in foreign markets, firms might follow global, multinational, or transnational strategies in terms of strategy. Global strategy organizations strive for world efficiency by establishing centralized, global-scale operations (Bartlett, Ghoshal and Birkinshaw, 2017). A global strategy organization functions "as if the entire world... were a single entity; it offers the same items in the same way everywhere" (Levitt, 1983: 92-3). Organizations with a global strategy pursue a uniform marketing approach and combine competitive movements from around the world, in addition to uniform products and services (Yip, 1989). Key strategic choices are usually taken centrally by global product divisions and implemented through overseas operations (Bartlett et al., 2017). Organizations pursuing a multinational strategy value local responsiveness and delegate strategic and operational decisions to subsidiaries in each country (Bartlett et al., 2017). This strategy acknowledges that consumer needs, industrial conditions, government regulations, and social conventions



differ by country, and that a company must adapt by adjusting products and services to the needs of local markets. The decentralization of strategic and operational decisions provides subsidiaries with significant liberty to adjust not only their products and services, but also their marketing tactics and competitive moves to the host country's situation (Yip, 1989).

Organizations that use a transnational approach strive for global efficiency as well as national responsiveness (Bartlett et al., 2017). A method like this necessitates both global coordination and local responsiveness. The head office must determine which key resources and capabilities are best centralized within the home country to achieve global efficiencies, which resources and capabilities should be concentrated (but not necessarily in the home country), and which resources and capabilities can be decentralized on a regional or local level (Bartlett et al., 2017). Decision-making is a multifaceted process of coordination and collaboration. The problem for multinational corporations is to create adequate coordinating mechanisms across subsidiaries without losing their ability to respond to the needs of local markets (Bartlett et al., 2017).

The key question that needs to be addressed with all of the above mentioned tactics is "Are these international ethical challenges incorporated into the visions, missions, and global strategies of commercial organizations?" The wide range of ethical quandaries mentioned in section three of the article is a litmus test for many global commercial enterprises. A worldwide strategy may be good, but it may lack global ethical support. The managers of global corporate companies require a middle ground to balance strategy and ethics, which is intriguing because the paradox is the self-regulatory concept, which has proven to be a stumbling block in the quest for balance. Our suggestions for three schools of thought, namely relativism, imperialism, and universalism, present hypotheses for reconsidering other approaches. Relationship building that differs from the typical ways mentioned in the business ethics literature may be a long-term strategy that management leaders might use to avoid ethical quandaries in international commerce. Development trust with abroad colleagues, preserving an ethical reputation, and recruiting overseas nationals to aid in relationship building are all part of the relationship building method.

Dialogic theory is the fundamental theoretical framework that underpins this technique. The proposed approach would create a more level playing field for stakeholders from various cultures to have mutual understanding, as well as assist global business organizations in basing their ethical decisions on norms that, while not universally valid, are acceptable to all parties with vested interests. As in dialogic theory, real contact among stakeholders to develop common norms is vital to arrive at what is acceptable to all participants based on the principles of universality, ideal dialogue regulations, universal objectives, and responsibility. The irony of the ethical process is that at the implementation level, organizations have the ability to make judgments based on the idea of self-regulation. When developing generalizations that may stand the test of time, hard decisions of choice informed by what is accepted but not necessarily acceptable elsewhere might be problematic. We therefore propose additional empirical study to uncover technique that puts the idea of self-regulation on the line and identifies conclusively what is ethical or not ethical in a global business environment, particularly in the aftermath of globalization and liberalization policies.

### 3. CONCLUSION

Customers are won, kept, and grown by businesses that create relationships with them based on exceptional customer value and satisfaction. Understanding clients is a critical first step toward building good customer connections. To obtain a competitive edge, businesses must use this information to create market offers that are more valuable than their competitors' offers. Incorporating professional ethics and excellent business practices into an organization is a critical component for creating and maintaining a sustainable competitive edge. Perhaps, as globalization policy creates more uncertainty in business practices, it is vital to look not only at individual firm's business ethics, but also to rethink and have a broad global view of business ethics. This simultaneous examination of the entire and each of its parts allows for the identification of points of resemblance and distinction, which is critical for sustaining competitive advantage. It is up to global business executives to craft business ethics codes that are relevant to today's global concerns in order to become corporate leaders in today's competitive business climate. Business organizations are becoming aware that business ethics must be approached in a proactive rather than reactive manner. That is, to offer critical questions about the state of knowledge and to connect various schools of thought that promote international corporate ethics. The three critical schools of thought, relativism, imperialism, and universalism, are based on different ideologies but are all focused toward finding solutions to ethical quandaries that arise in international business. Though there is no universal agreement on the ideals they represent, the most difficult challenge for managers today is to understand and apply a middle-of-the-road

position that neither assumes ethics to be obvious and similar in everyone's understanding nor loses relevance in a moral discourse that would immerse the concept in theoretical waters. The article's departure from existing ideas, particularly the business and management literature on global ethical challenges that capture the principles of the three schools of thought, is a testable hypothesis aimed at an alternative strategy. The emergence of a relationship approach that includes building trust with abroad peers, preserving an ethical reputation, and engaging overseas nationals to assist in relationship establishment could potentially grow international business even further. The notion of self-regulation in ethics on the part of corporate organizations is undoubtedly difficult, but the essay maintains that commercial companies must take responsibility for ethical transgressions or risk being penalized. As a result, we strongly urge that global business organizations invest in and embrace proactive methods to ethical protections, which should be viewed as aspects for a better understanding of ethical and unethical activities. They also require solutions that are acceptable to all stakeholders in order to deal with complicated ethical quandaries in a global business context.

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