

The effect of culture on international business



The field of moral philosophy involves systematizing, defending, and recommending concepts of right and wrong behavior. The term “morality” can be used either 1. descriptively to refer to a code of conduct put forward by a society or, a. some other group, such as a religion, or b. accepted by an individual for her own behavior or 2. normatively to refer to a code of conduct that, given specified conditions, would be put forward by all rational persons.

What “morality” is taken to refer to plays a crucial, although often unacknowledged, role in formulating ethical theories. To take “morality” to refer to an actually existing code of conduct put forward by a society results in a denial that there is a universal morality, one that applies to all human beings. Recently, some comparative and evolutionary psychologists (Haidt, Hauser, De Waal) have taken morality, or a close anticipation, to be present among groups of non-human animals, primarily other primates but not limited to them. “Morality” has also been taken to refer to any code of conduct that a person or group takes as most important. Philosophers today usually divide ethical theories into three general subject areas:

1. Metaethics

The term “meta” means after or beyond. Metaethics is the study of the origin and meaning of ethical concepts. Metaethics investigates where our ethical principles come from, and what they mean. Are they merely social inventions? Do they involve more than expressions of our individual emotions? Metaethical answers to these questions focus on the issues of universal truths, the will of God, the role of reason in ethical judgments, and

the meaning of ethical terms themselves. Two issues, though, are prominent: (1) metaphysical issues concerning whether morality exists independently of humans, and (2) psychological issues concerning the underlying mental basis of our moral judgments and conduct.

a. Metaphysical Issues: Objectivism and Relativism

Metaphysics is the study of the kinds of things that exist in the universe. Some things in the universe are made of physical stuff, such as rocks; and perhaps other things are nonphysical in nature, such as thoughts, spirits, and gods. The metaphysical component of metaethics involves discovering specifically whether moral values are eternal truths that exist in a spirit-like realm, or simply human conventions.

b. Psychological Issues in Metaethics

A second area of metaethics involves the psychological basis of our moral judgments and conduct, particularly understanding what motivates us to be moral. We might explore this subject by asking the simple question, “ Why be moral?” Even if I am aware of basic moral standards, such as don’t kill and don’t steal, this does not necessarily mean that I will be psychologically compelled to act on them. Some answers to the question “ Why be moral?” are to avoid punishment, to gain praise, to attain happiness, to be dignified, or to fit in with society.

2. Normative Ethics

Normative ethics involves arriving at moral standards that regulate right and wrong conduct. Normative ethics takes on a more practical task, which is to

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arrive at moral standards that regulate right and wrong conduct. This may involve articulating the good habits that we should acquire, the duties that we should follow, or the consequences of our behavior on others. We should do to others what we would want others to do to us. Since I do not want my neighbor to steal my car, then it is wrong for me to steal her car. Since I would want people to feed me if I was starving, then I should help feed starving people. Using this same reasoning, we can theoretically determine whether any possible action is right or wrong. So, based on the Golden Rule, it would also be wrong for us to lie to, harass, victimize, assault, or kill others. The Golden Rule is an example of a normative theory that establishes a single principle against which we judge all actions. Other normative theories focus on a set of foundational principles, or a set of good character traits. The key assumption in normative ethics is that there is only one ultimate criterion of moral conduct, whether it is a single rule or a set of principles. There are three strategies/theories used in normative ethics:

a. Virtue Theories

Many philosophers believe that morality consists of following precisely defined rules of conduct, such as “ don’t kill,” or “ don’t steal.” Presumably, we must learn these rules, and then make sure each of my actions live up to the rules. Virtue ethics, however, places less emphasis on learning rules, and instead stresses the importance of developing good habits of character.

Historically, virtue theory is one of the oldest normative traditions in Western philosophy, having its roots in ancient Greek civilization. Plato emphasized four virtues in particular, which were later called cardinal virtues: wisdom, courage, temperance and justice. Other important virtues are fortitude,

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generosity, self-respect, good temper, and sincerity. In addition to advocating good habits of character, virtue theorists hold that we should avoid acquiring bad character traits, or vices, such as cowardice, insensibility, injustice, and vanity. Virtue theory emphasizes moral education since virtuous character traits are developed in one's youth. Adults, therefore, are responsible for instilling virtues in the young. Aristotle argued that virtues are good habits that we acquire, which regulate our emotions. For example, in response to our natural feelings of fear, we should develop the virtue of courage which allows one to be firm when facing danger. Analyzing 11 specific virtues, Aristotle argued that most virtues fall at a mean between more extreme character traits. With courage, for example, if we do not have enough courage, we develop the disposition of cowardice, which is a vice. If we have too much courage we develop the disposition of rashness which is also a vice.

According to Aristotle, it is not an easy task to find the perfect mean between extreme character traits. In fact, we need assistance from our reason to do this. After Aristotle, medieval theologians supplemented Greek lists of virtues with three Christian ones, or theological virtues: faith, hope, and charity. Interest in virtue theory continued through the middle ages and declined in the 19th century with the rise of alternative moral theories below. In the mid 20th century virtue theory received special attention from philosophers who believed that more recent approaches ethical theories were misguided for focusing too heavily on rules and actions, rather than on virtuous character traits. Alasdair MacIntyre (1984) defended the central

role of virtues in moral theory and argued that virtues are grounded in and emerge from within social traditions.

b. Duty Theories

Many of us feel that there are clear obligations we have as human beings, such as to care for our children, and to not commit murder. Duty theories base morality on specific, foundational principles of obligation. These theories are sometimes called deontological, from the Greek word *deon*, or duty, in view of the foundational nature of our duty or obligation. They are also sometimes called nonconsequentialist since these principles are obligatory, irrespective of the consequences that might follow from our actions. For example, it is wrong to not care for our children even if it results in some great benefit, such as financial savings. There are four central duty theories. The first is that championed by 17th century German philosopher Samuel Pufendorf, who classified dozens of duties under three headings: duties to God, duties to oneself, and duties to others.

Concerning our duties towards God, he argued that there are two kinds: 1. a theoretical duty to know the existence and nature of God, and 2. a practical duty to both inwardly and outwardly worship God. Concerning our duties towards oneself, these are also of two sorts: 1. duties of the soul, which involve developing one's skills and talents, and 2. duties of the body, which involve not harming our bodies, as we might through gluttony or drunkenness, and not killing oneself. Concerning our duties towards others, Pufendorf divides these between absolute duties, which are universally binding on people, and conditional duties, which are the result of contracts

between people. Absolute duties are of three sorts: 1. avoid wronging others, 2. treat people as equals, and 3. promote the good of others.

Conditional duties involve various types of agreements, the principal one of which is the duty is to keep one's promises. A second duty-based approach to ethics is rights theory.

Most generally, a "right" is a justified claim against another person's behavior – such as my right to not be harmed by you. Rights and duties are related in such a way that the rights of one person implies the duties of another person. For example, if Vivian has a right to payment of \$10 by Bianca, then Bianca has a duty to pay Vivian \$10. This is called the correlativity of rights and duties. The most influential early account of rights theory is that of 17th century British philosopher John Locke, who argued that the laws of nature mandate that we should not harm anyone's life, health, liberty or possessions. For Locke, these are our natural rights, given to us by God. A third duty-based theory is that by Kant, which emphasizes a single principle of duty. Influenced by Pufendorf, Kant agreed that we have moral duties to oneself and others, such as developing one's talents, and keeping our promises to others. However, Kant argued that there is a more foundational principle of duty that encompasses our particular duties. It is a single, self-evident principle of reason that he calls the "categorical imperative." A categorical imperative, he argued, is fundamentally different from hypothetical imperatives that hinge on some personal desire that we have, for example, "If you want to get a good job, then you ought to go to college."

By contrast, a categorical imperative simply mandates an action, irrespective of one's personal desires, such as "You ought to do X." Kant gives at least four versions of the categorical imperative, but one is especially direct: Treat people as an end, and never as a means to an end. That is, we should always treat people with dignity, and never use them as mere instruments. For Kant, we treat people as an end whenever our actions toward someone reflect the inherent value of that person. Donating to charity, for example, is morally correct since this acknowledges the inherent value of the recipient. By contrast, we treat someone as a means to an end whenever we treat that person as a tool to achieve something else. It is wrong, for example, to steal my neighbor's car since I would be treating her as a means to my own happiness.

The categorical imperative also regulates the morality of actions that affect us individually. Suicide, for example, would be wrong since I would be treating my life as a means to the alleviation of my misery. Kant believes that the morality of all actions can be determined by appealing to this single principle of duty. A fourth and more recent duty-based theory is that by British philosopher W. D. Ross, which emphasizes prima facie duties. Like his 17th and 18th century counterparts, Ross argues that our duties are "part of the fundamental nature of the universe." However, Ross's list of duties is much shorter, which he believes reflects our actual moral convictions:

Fidelity: the duty to keep promises

• Reparation: the duty to compensate others when we harm them •

Gratitude: the duty to thank those who help us • Justice: the duty to

recognize merit • Beneficence: the duty to improve the conditions of others •

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Self-improvement: the duty to improve our virtue and intelligence •

Nonmaleficence: the duty to not injure others Ross recognizes that situations will arise when we must choose between two conflicting duties. In a classic example, suppose I borrow my neighbor's gun and promise to return it when he asks for it.

One day, in a fit of rage, my neighbor pounds on my door and asks for the gun so that he can take vengeance on someone. On the one hand, the duty of fidelity obligates me to return the gun; on the other hand, the duty of nonmaleficence obligates me to avoid injuring others and thus not return the gun. According to Ross, one will intuitively know which of these duties is actual duty, and which is apparent or prima facie duty. In this case, our duty of nonmaleficence emerges as our actual duty and we should not return the gun.

c. Consequentialist Theories

It is common for us to determine our moral responsibility by weighing the consequences of our actions. According to consequentialism, correct moral conduct is determined solely by a cost-benefit analysis of an action's consequences: Consequentialism: An action is morally right if the consequences of that action are more favorable than unfavorable.

Consequentialist normative principles require that we first tally both the good and bad consequences of an action. Second, we then determine whether the total good consequences outweigh the total bad consequences. If the good consequences are greater, then the action is morally proper. If the bad consequences are greater, then the action is morally improper.

Consequentialist theories are sometimes called teleological theories, from the Greek word telos, or end, since the end result of the action is the sole determining factor of its morality. Consequentialist theories became popular in the 18th century by philosophers who wanted a quick way to morally assess an action by appealing to experience, rather than by appealing to gut intuitions or long lists of questionable duties. In fact, the most attractive feature of consequentialism is that it appeals to publicly observable consequences of actions. Most versions of consequentialism are more precisely formulated than the general principle above. In particular, competing consequentialist theories specify which consequences for affected groups of people are relevant. Three subdivisions of consequentialism emerge:

- Ethical Egoism: an action is morally right if the consequences of that action are more favorable than unfavorable only to the agent performing the action.
- Ethical Altruism: an action is morally right if the consequences of that action are more favorable than unfavorable to everyone except the agent.
- Utilitarianism: an action is morally right if the consequences of that action are more favorable than unfavorable to everyone.

All three of these theories focus on the consequences of actions for different groups of people. But, like all normative theories, the above three theories are rivals of each other.

They also yield different conclusions. Consider the following example. A woman was traveling through a developing country when she witnessed a car in front of her run off the road and roll over several times. She asked the hired driver to pull over to assist, but, to her surprise, the driver accelerated nervously past the scene. A few miles down the road the driver explained

that in his country if someone assists an accident victim, then the police often hold the assisting person responsible for the accident itself. If the victim dies, then the assisting person could be held responsible for the death. The driver continued explaining that road accident victims are therefore usually left unattended and often die from exposure to the country's harsh desert conditions.

On the principle of ethical egoism, the woman in this illustration would only be concerned with the consequences of her attempted assistance as she would be affected. Clearly, the decision to drive on would be the morally proper choice. On the principle of ethical altruism, she would be concerned only with the consequences of her action as others are affected, particularly the accident victim. Tallying only those consequences reveals that assisting the victim would be the morally correct choice, irrespective of the negative consequences that result for her. On the principle of utilitarianism, she must consider the consequences for both herself and the victim. The outcome here is less clear, and the woman would need to precisely calculate the overall benefit versus disadvantages of her action.

3. Applied Ethics

Applied ethics is the branch of ethics which consists of the analysis of specific, controversial moral issues such as abortion, animal rights, or euthanasia. In recent years applied ethical issues have been subdivided into convenient groups such as medical ethics, business ethics, environmental ethics, and sexual ethics. Two features are necessary for an issue to be considered an “ applied ethical issue.” First, the issue needs to be

controversial in the sense that there are significant groups of people both for and against the issue at hand.

The issue of drive-by shooting, for example, is not an applied ethical issue, since everyone agrees that this practice is grossly immoral. By contrast, the issue of gun control would be an applied ethical issue since there are significant groups of people both for and against gun control. The second requirement for an issue to be an applied ethical issue is that it must be a distinctly moral issue. On any given day, the media presents us with an array of sensitive issues such as affirmative action policies, gays in the military, involuntary commitment of the mentally impaired, capitalistic versus socialistic business practices, public versus private health care systems, or energy conservation. Although all of these issues are controversial and have an important impact on society, they are not all moral issues. Some are only issues of social policy.

The aim of social policy is to help make a given society run efficiently by devising conventions, such as traffic laws, tax laws, and zoning codes. Moral issues, by contrast, concern more universally obligatory practices, such as our duty to avoid lying, and are not confined to individual societies.

Frequently, issues of social policy and morality overlap, as with murder which is both socially prohibited and immoral. However, the two groups of issues are often distinct. For example, many people would argue that sexual promiscuity is immoral, but may not feel that there should be social policies regulating sexual conduct, or laws punishing us for promiscuity. Similarly, some social policies forbid residents in certain neighborhoods from having yard sales. But, so long as the neighbors are not offended, there is nothing

immoral in itself about a resident having a yard sale in one of these neighborhoods. Thus, to qualify as an applied ethical issue, the issue must be more than one of mere social policy: it must be morally relevant as well. In theory, resolving particular applied ethical issues should be easy.

With the issue of abortion, for example, we would simply determine its morality by consulting our normative principle of choice. If a given abortion produces greater benefit than disadvantages, then, it would be morally acceptable to have the abortion. Unfortunately, there are perhaps hundreds of rival normative principles from which to choose, many of which yield opposite conclusions. Thus, the stalemate in normative ethics between conflicting theories prevents us from using a single decisive procedure for determining the morality of a specific issue. The usual solution today to this stalemate is to consult several representative normative principles on a given issue and see where the weight of the evidence lies.

Normative Principles in Applied Ethics

Arriving at a short list of representative normative principles is itself a challenging task. The principles selected must not be too narrowly focused, such as a version of act-egoism that might focus only on an action's short-term benefit. The principles must also be seen as having merit by people on both sides of an applied ethical issue. For this reason, principles that appeal to duty to God are not usually cited since this would have no impact on a nonbeliever engaged in the debate. The following principles are the ones most commonly appealed to in applied ethical discussions:

- Personal benefit: acknowledge the extent to which an action produces beneficial

consequences for the individual in question. • Social benefit: acknowledge the extent to which an action produces beneficial consequences for society.

- Principle of benevolence: help those in need.
- Principle of paternalism: assist others in pursuing their best interests when they cannot do so themselves.
- Principle of harm: do not harm others.
- Principle of honesty: do not deceive others.
- Principle of lawfulness: do not violate the law.
- Principle of autonomy: acknowledge a person's freedom over his/her actions or physical body.
- Principle of justice: acknowledge a person's right to due process, fair compensation for harm done, and fair distribution of benefits.
- Rights: acknowledge a person's rights to life, information, privacy, free expression, and safety.

The above principles represent a spectrum of traditional normative principles and are derived from both consequentialist and duty-based approaches. The first two principles, personal benefit and social benefit, are consequentialist since they appeal to the consequences of an action as it affects the individual or society. The remaining principles are duty-based. The principles of benevolence, paternalism, harm, honesty, and lawfulness are based on duties we have toward others. The principles of autonomy, justice, and the various rights are based on moral rights.

Issues in Applied Ethics

As noted, there are many controversial issues discussed by ethicists today, some of which will be briefly mentioned here. Biomedical ethics focuses on a range of issues which arise in clinical settings. Health care workers are in an unusual position of continually dealing with life and death situations. It is not

surprising, then, that medical ethics issues are more extreme and diverse than other areas of applied ethics. Prenatal issues arise about the morality of surrogate mothering, genetic manipulation of fetuses, the status of unused frozen embryos, and abortion. Other issues arise about patient rights and physician's responsibilities, such as the confidentiality of the patient's records and the physician's responsibility to tell the truth to dying patients. The AIDS crisis has raised the specific issues of the mandatory screening of all patients for AIDS, and whether physicians can refuse to treat AIDS patients. Additional issues concern medical experimentation on humans, the morality of involuntary commitment, and the rights of the mentally disabled. Finally, end of life issues arise about the morality of suicide, the justifiability of suicide intervention, physician assisted suicide, and euthanasia. The field of business ethics examines moral controversies relating to the social responsibilities of capitalist business practices, the moral status of corporate entities, deceptive advertising, insider trading, basic employee rights, job discrimination, affirmative action, drug testing, and whistle blowing. Issues in environmental ethics often overlaps with business and medical issues.

These include the rights of animals, the morality of animal experimentation, preserving endangered species, pollution control, management of environmental resources, whether eco-systems are entitled to direct moral consideration, and our obligation to future generations. Controversial issues of sexual morality include monogamy versus polygamy, sexual relations without love, homosexual relations, and extramarital affairs. Finally, there are issues of social morality which examine capital punishment, nuclear war, gun control, the recreational use of drugs, welfare rights, and racism.

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