

# Global Business Moral Order and the Challenge of Ethical Relativism in International Business Practices

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## Abstract

In the field of applied ethics, there is intimidating recurrent issue of universalized, globalized and internationalized value system in view of protracted antithetical posture of ethical relativism. The potency of ethical relativism as an antithesis to ethical universalism is accentuated by the pervading tendencies of culture specifics in moral value-analysis. As efforts are being made by scholars to isolate the sense in which the subject matter of ethical relativism can suitably be articulated as basis for moral assertions, the increasing spate of globalized value-system in practical human socio-political and economic activities have continue to emphasize the ubiquitous nature and importance of universal approach to moral value analysis. The paper examines the emerging phenomenon of Global Business Moral Order (GBMO) against the backdrop of the threatening defiance of ethical relativists' posture in international business practices. It concludes that global business moral order is not impossible if available contradictions are resolved in favour of uniform moral order to regulate international unethical business practices.

**Keywords:** Ethical Universalism, Business Moral Order, Ethical Relativism

## Introduction

The doctrine of ethical universalism often insist, that moral values must necessarily hold for all men, occasion and societies across cultures regardless of time and space McGraw, (1992). It also requires us to think morality as an objective science that requires unbiased observation and confirmation in all instances, Brooke,N.& Robert (1994). On this, scholars have worked assiduously to develop and articulate some of the fundamental principles which underlie ethical universalistic project. Nayya, (1997). Scholars particularly Colero, (2002) have also worked to identify the conditions and contexts under which the doctrine of ethical universalism and its objectivity characters make sense. Many of these universalistic projects have found expressions in works of various philosophers that have established common objectivist benchmark for core-philosophical issues particularly in moral philosophical analysis. From Rene Descartes of the "foundationalist's" fame whose moral philosophy can be described as radical absolutism in ethical universalistic sense to others such as Immanuel Kant, the author of universal source of moral obligation through supreme principles of morality and Jeremy Bentham's Universal hedonism. Burns.J & Hart.A (1976). Other specific efforts by philosophers at establishing universalized approach to ethical explanations include the works of Any,(1962) and with her objectivist approach to universalism based on self interest. John Rawls, (1971) postulated the distributive justice as it applies to global realm. We also have Sidgwick' axioms of prudence as postulated in his methods of ethics and the Spencer's data of ethics. Fisher,(1993). All these efforts by apologists of ethical universalism are typically with absolute prejudice to ethical relativism.

Ethical Relativism however insists that ethical judgments are necessarily tainted by subjective cultural lens. Trompenaar,(1993). It denies any absolute approach to moral analysis. To ethical relativists, cultural variances and differences are fact of life and there is nothing anyone can do about it. The entire globe is filled with different societies with distinct idiosyncrasies and cultural sensibilities. These cultural differentials in each society form the bedrocks of moral value judgments. For this reason, it is agreeable to say that what is right in one culture may be wrong in another. With this, it is obvious according to Carl, (1975) that ethical universalistic project is essentially not in tandem with ethi.al behavioral analysis of relativists' proponents. To him, ethical relativism asserts that the consequence of ethical evaluation is based on cultural differences and takes the forms of diversities. The diversities and differences constitute the super structure for moral value judgments. In every group or society culture remains the only context of interpretation of moral value judgments.

The above position notwithstanding, ethical universalism insists that there is possibility of straight-forward universalistic route to moral-value judgments. It affirms that the results of emerging activities in practical human

ethical behaviors have continued to give clear indication to the effect that ethical universalism is pervasive. For instance, the unstoppable globalization of human activities Stephen, (2002) has led to the development of global moral benchmarks for regulating activities in international realm. This and other scenario has propped up increased confidence as regards the ever-present nature of universal approach to ethical value-system. Specifically the globalization whirlwind which has overtaken our planet like a colossus and the accompanying multiplicities of global moral orders have not only assisted in reinforcing ethical universalistic project, it also goes a long way in challenging the approach of ethical relativism to a palpable duel.

### **Global Business Moral Order as Ethical Universalistic Project**

The phenomenon of global business is a major feature of emerging world economy. The attributes of global business include expanding global geographical scope for business interaction of market across national boundaries and the gradual comprehension of the entire globe into one unipolar market due to improved communication, transportation and financial payment system Cotton,(1984, Dickson, (2003). Global business is more or less a fall out of renewed tendencies to entrench one market and one global village as dictated by the powerful force of globalization. Global business and global market competitiveness have virtually thrown national borders wide-open for various types of culture and business contacts. The culture contact in global sphere has necessitated renewed calls and imperatives for benchmarks for international understanding and interactions. Recent events in international business arena of globalization have called for total re-think. Some of the moral dilemma that have arisen in global business activities that warrants international moral benchmarks include business-induced poverty, dumping of sub-standard goods, air and water pollution by corporate entities; child labour, human right abuses Addo,(1999), consumer exploitation among others Adeboye, (2002). These and other untoward activities have opened a new vista towards new human value-system with concomitant effects on the imperatives of entrenching appropriate moral regulatory framework to address emerging international business ethical challenges.

There are calls for international values or codes of practices in view of some obvious, moral dilemma in global business practices. Such effort involves aggregating accepted values in order to normalize activities in international business scene. Part of these is creating common base of norms and values for ethically sustainable business activities. This effort no doubt is in tandem with the character of globalized business. Globalized business falls within the purview of a complex of overlappingness and interactive activities at global level. The implication of interaction at global scene is straight forward. It means that as global business intensifies, there is continuing integration of socio-cultural fabrics. Ethico-cultural and business differences often diminish in favour of universalized value system. In its stead, there emerge new criteria of human ethical value-system to regulate, reorder and entrench appropriate moral codes to take care of business inter and intra transactional behaviours in international scene. With business global ascendancy, there is therefore a new regime of global business moral order as ethical universalists' framework. The basis of global business moral order is that as human business activities increasingly operate in international context and human activities have acquired the character of gradual ascendancy and global reckoning, the interactive modus operandi and the accompanying ethical value-system are expected to address emerging peculiarities of moral activities in international business arena Donalson, (1997).

### **Key Aspects of Emerging Global Business Moral Order**

The moral value system which develops from transactional relationship as a result of global business interactions can aptly be referred to as Global Business Moral Order (GBMO). The Global Business moral order as it were, represents multitude of guides, codes and values for regulating international business interactive behaviour. The global business moral order is broad, and as moral values, they are derived from specific business activities within the global plane. Scholars and practitioners agreed as to the specific nature, principle, character and the details of what constitutes global business moral order.

As to the nature of global business moral order, it is defined as an attempt to inject ethical values into business interactive behaviour in global context Crane.A &Malten.D (2004). The focus of global business moral order is business morality and ethical practices in strict global context. The fundamental principles of global business moral order are in conformity with Colero's framework for global principles. The framework has as its main features, application to all cultures, people, philosophies, faith and activities Colero, (2002). Other guiding principles of global business moral order include global justice, objectivity, fairness, understanding, openness, interdependence and responsibility. As to the character of global business moral order, it is an embodiment of multiculturalism. It takes on the character of multi-culturalism in the sense that it does not recognize language, politics, economic, social or religious dichotomies. Global business moral order has unique character because of its applicability to all business

entities regardless of peculiarities in individual ethico-cultural and political idiosyncrasies. Global business moral order also focuses on moral issues in which there are general understandings across all cultures.

The specifics of global business moral order can be categorized into two. First, there is an aspect that deals with core-fundamental values in global business. The core fundamental values in global business refer to a number of core ethical principles upon which there is consensus in human business moral interactive behaviours across all cultures (Anns.& Rob.(2002). Examples of these include justice, democracy, human rights, equity, child labour and support for sustainable environment among others. The interesting thing about global business moral values is that they are legitimate principles. They are legitimate because they touch on the essence of humanity. For all intent and purposes, they are fundamental values that are central to all human interactive behaviors in a way that they are true for all men regardless of cultural, economic, language and geographical barriers.

The other aspect of global business moral order refers to codes of conducts for business practices. In global business sphere, there are multitudes of international norms, global business codes of practices which are mostly derived as a consequence of activities of international organizations and other multilateral bodies. On this, the United Nations and its associates have enacted various codes, conventions, statues aimed at entrenching global business moral order. The essence of these codes is to guide business interactive behavior in moral sense. Example of these codes includes UN Global Compact; ISO's (ISO 14001, ISO9000); the Global Reporting Initiative (GRI); AA1000; the Ethical Trading Initiative; (ETI) the I.L.O core labor standards with key principles such as workers freedom of association, ends to all forms of forced labour, elimination of child labour, eradication of discrimination in employments and jobs, and presently the efforts of ISO PC 278 which sets to develop anti-bribery management system for all categories of business entities (small, medium and large) across the globe are of particular relevance to the issue of global business moral order. With the above analysis, what are the global business moral order implications for ethical universalism?

First, if it is true that it is possible to have moral truths that should holds for all men, occasions and societies regardless of time and space, then the efforts of global business moral order (GBMO) is a commendable case-study towards this direction. The global business moral order attempts universalized value-systems that are true for all business transactional behaviors across cultural differences. With global business moral order, it has become clear that one can have some moral truths that are universal in character Gauthier,(1986), Donaldson, (1997), Hooker. & Madson (2002) The principles of global business moral order which are embodied in core fundamental values such as honesty, respect for humanity, democracy, equity and justice and the enthronement of moral codes in the form of universal statues and global conventions are all evidences of universal character in ethical value-system.

Furthermore, since ethical universalism pre-supposes that morality is objective, the global business moral order is objective in the sense that it lent itself to obviously unbiased observation of business interactive behaviour as to warrant moral value judgment. For example, all categories of businesses, regardless of its nature and location are expected to subscribe to the values of global business order. The ISO Anti-bribery management system as a sub-set of global business moral orders is clearly objective and independent in Kantian sense. The recent ethical universalistic initiative by the former President of Ireland, the Global Civil Society Groups and the United Nations High Commissioner for human rights to bring in new alliances that would integrate human rights and accountability so as to address global challenge of business ethical short comings such that the outcome of those efforts becomes universal moral guides for global business are also good example.

Another critical implication of global business moral order for ethical universalism is the commitment to ethical principles that are scientific in the ways they act as guides to moral actions. In this sense, the global business moral order is replenished with universal scientific feature. This is because most of the codes and statues ostensibly articulated by global business moral order follow objective principles. For instance, the Anti-child moral code, ethical trading initiatives etc are based on obvious principles which are intrinsically prospective and objective. There is no doubt that global business moral order fits perfectly into ethical universalistic nomenclature by fulfilling framework for universal principles of ethics in global market place. According to Colero, (2002), the framework for universal principle of ethics in global sphere should include and incorporate shared values in which entrenchment of global justice, placing the world society above all other considerations, social responsibility in global sense are driving forces.

### **The Burden of Ethical Relativism**

The practical nature of global business moral order and its ability to justify ethical universalistic project notwithstanding, ethical relativists' have serious objections to universalization project of global business moral order. The grounds of objections are many: First, ethical relativisms insist that morality is about individual culture. To them culture is the pivot upon which moral value-analysis rests. Secondly, the notion of right or wrong in moral value

judgment according to ethical relativists is based on social norm. Social norms are products of individual culture. Culture is varied. Its character is also specific. It follows therefore that there cannot be absolute moral value judgment. The basis of moral value judgment should derive from facts of relativism which is conterminous with cultural diversities. Thirdly, studies on practical experiences have also confirmed that there are activities in human affairs that can only be understood in specific culture contexts e.g. language, arts Anyanwu., (1978), Otakpor, (1994). Otubanjo, (1988). Finally, the UNESCO insistence on universal declaration of cultural diversities is a confirmation of the overwhelming global recognition of the realities ethical relativism.

If the above position is correct, it means that global business moral order as postulated by ethical universalism may not hold. To ethical relativists, it will be a difficult task to have universal global business moral value-system because moral value system is culture-dependent. Since there are many businesses across different cultures, there are bound to be different business moral values to reflect apparent cultural diversities. The position of ethical relativism may seem plausible in some sense. For instance, while corruption is seen as a fact of life that is permissible in business activities of some African culture Adeyeye, (2000), the same cultural fact is being detested in some Western countries. With the issues of culture-diversity-morality nexus, there has been no clear-cut effort to resolve apparent moral differences across cultures. Let us take the case of corruption in business which is strongly supported in most of the southern countries because it is in consonance with their cultural way of showing gratitude for obligations; Conversely, it has become a moral fact that has been denied by northern culture. The effort through ISO project on Anti-Bribery management system for instance is a welcome development; nevertheless, the effort by ethical universalism at reconciling apparent divergences through possible mid-point moral alternatives to take care of different realities in the two different cultures is a good one. But the attempt by global business moral order to unilaterally declare corruption as immoral without consideration to the moral sensibilities of culture that approve of corruption as a moral fact may also be morally unfair. On this very important issue, it is important for ethical universalism to realize that societies and countries de facto have different time concepts and thought-pattern which does not in any way make them inferior but only different

Be that as it may, the existence of global business moral order is no doubt a successful attempt at practical expression of ethical universalism in grand design. This is against the backdrop of the design of various forms of uniform guides to address business moral transactional dilemmas in a global sense. It may seem that the global business moral order project is predicated on Descartes' foundational source while possessing the universal objectivism of Immanuel Kant. It may have directed its focus towards a globally inclined distributive justice of John Rawl, while expecting businesses to be morally prudent based on the data of moral truth in the Spencerian tradition. The nagging problem of ethical dilemma propelled by moral truths of divergent cultures based on differences in cultural background, life experiences and interests naturally contradicts the notion of universalism. While it may be said that relativism of truth does not allow for absolute sets of moral value judgment thereby denying absolute moral belief, the ethical relativists position which is hinged on moral progress argument that individual cultural difference in moral value-analysis at some point must necessarily acquire the character of universalism based on the imperatives of tolerance and the need to live with one another in our planet world make great sense. In that wise, it may not be impossible to talk of morality that derives from the admixture of cultures inherent in our planetary world.

## Conclusion

As the argument rages on, there remains the knotty challenge of reconciling obvious dilemma arising between ethical universalism and ethical relativism on global business moral order project. While the need for business moral order has become truly expedient because of the problems of business moral dilemma in business inter and intra transactional behaviour in global scene, ethical theorists are being challenged to work out an acceptable moral benchmark for business moral value system in that context. Although subsequent attempt such as legalistic ethics, responsibility model of moral value-system, the pragmatic and the modern scientific model for ethical decision in business are efforts in that direction, one hope that it will not take much time before we arrive at ethical Eldorado for global moral business transactional behaviour that is far from the current ethico-philosophical cross-firing.

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