

Basic Theory of Morality from a Pluralist Perspective

Belonging to Business Ethics for International Business Studies

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Introduction

<i>Central question</i>	<i>In this article, the nature of moral problems is explored. The focus will be bad behaviour in (an international or intercultural) organizations. Central will be the question why people in general and in an intercultural context do not comply with the values and norms that exist in an organization?</i>
<i>Basic theory of morality</i>	<i>Before dealing with the problem of morally bad behaviour, first the basics of morality are explained, dealing with the nature of values, norms, principles, virtues and vices and moral dilemmas.</i>
<i>Pluralist perspective</i>	<i>Within the academic discipline of ethics, various explanations for bad moral behaviour are given, ranging from religious to secular. In this article, a pluralist¹ perspective will be taken. This means that diversity in morality and worldviews is accepted and taken as a starting point, without favouring one of them in particular.</i>
<i>Worldview behind a morality</i>	<i>A morality is always imbedded in a worldview. In a religious worldview, the belief in God is central. In a secular worldview, the human world is the starting point. A worldview always has an explanation why there is suffering in human life and why there is injustice in societies. It contains ideals how a personal or social life should be lived. Norms and values are an intrinsic part of a worldview. They are needed, not only to regulate social life but also to reach the ideals for personal life and society.</i>
<i>View of human nature</i>	<i>The explanations that are given why people behave badly, are not only dependent of the worldview, but also of the view of human nature that is being held. This ranges from optimist / positive to negative / pessimist ones. In practice, the view of human nature is a central force in deciding what kind of strategy is best to combat the moral problems. The problem is that this view of human nature of the persons responsible for the ethics management system is often hidden under the surface. It is important to become conscious of it and make it explicit before taking the measures to combat moral problems.</i>
<i>Diversity in worldviews</i>	<i>There are many different worldviews in the world, so consequently, there is also a variety of moralities. For ethics management in an intercultural or international context, this renders the problem that non-compliant behaviour of staff from another moral or cultural background is not always recognised as being 'bad'. Also not all measures to combat moral problems, such as a code of conduct, will be accepted by the staff.</i>
<i>Relativist or</i>	<i>With regard to the acceptance of moral diversity, either a universalist² or</i>

¹ Pluralism is the philosophical perspective that accepts diversity and does not favour one in particular as it is believed that there is no higher judge in the world that can decide which one is right or wrong. A pluralist even values and appreciates this diversity, as long as these worldviews and moralities do not promote violence and don't impose their views on others.

² Moral universalism is the philosophical perspective in which it is believed that there is a set of values and norms that is absolute and applicable for all people all over the world.

universalist position *a relativist³ approach can be taken. Both approaches are possible, yet managers are not always aware which perspective they are likely to take?*

Unconsciousness *Before drawing up a business ethics management system, it is advisable to first become aware of your moral position in these philosophical matters. The negative effects of choosing the wrong approach could be avoided. Self-reflection and dialogue are instruments to clarify the presuppositions that are held.*

1. Basic moral theory

1.1 Morality: values, norms, principles

Norms and rules	Each group of human beings, whether it is great or small, has a morality. Whenever a group of people lives together, one of the first things they do is make a set of rules and norms how to behave towards each other. In this way, members of the group can live in peace with each other. Morality is important for the survival of the group. With the set of rules, they can cooperate because they know what kind of behaviour they can expect from one another.
Morality	This set of rules and norms is called a ‘morality’. These rules and norms start out as oral and unwritten, but when they are considered to be important they appear in written codes of conduct and even legislation with police officers and a justice system to ensure compliance.
Ethics	The terms ‘morality’ and ‘ethics’ are often used as synonyms. Officially ethics is the academic or philosophical discipline that studies the nature of morality. In practice, the terms are interchangeable.
Values	Apart from norms and rules, there are also values. Values are abstract terms that refer to the ideals for the personal and social lives. For instance, honesty or reliability. A value is a more abstract than a norm. A norm refers to a value. For instance, when honesty is the value, the norm could be: Under oath it is forbidden to lie.
Worldview	Behind norms and values (a morality), there is always a worldview. A worldview is a set of ideas how a personal life and social life should be lived. Often a worldview is religious, for instance Christianity, Islam, Hinduism or Buddhism. A worldview could also be secular (non-religious), for instance Humanism or Communism. The norms and values should help to realize this personal and social ideal. For instance, in most world views it is important that members of the group are reliable and honest to each other, so there are rules against cheating and lying.
Good or bad?	The morality of a group need not necessarily be ‘good’. What is bad in our eyes, may be considered to be good in other groups. An important rule of for instance the Italian mafia is: “When you betray one of your fellows, you will be assassinated”.

³ Moral relativism is the philosophical perspective in which it is believed that the truth of values and norms is dependent of the group in which a person is raised. There are no absolute norms and values that can be applied worldwide.

Moral values	With regard to values, a distinction should be made between values in general and moral values. A value in general sense could be anything that is desirable to people, varying from being rich to being as beautiful as Miss World. A moral value is a value in which somehow the judgement ‘good or bad’ or ‘just or unjust’ plays a role.
Moral principles	<p>There are also moral principles. Values and moral principles are much alike. A moral principle is a guideline in which a value is mentioned. Simply expressed: a value is a word, a principle is a sentence.</p> <p style="margin-left: 40px;">Moral value: equality Moral principle: man and women should be treated equally.</p> <p style="margin-left: 40px;">Moral value: freedom of religion Moral principle: Religious minorities are free to confess their religion</p>
Difference Between norms and Values	Norms and values are often mixed up. The difference is that from values norms are deduced. The norms in fact refer to those values or principles. The values can only be reached when members of the group comply with the norms and rules. To give some examples of the difference between values and norms:
Examples: values and norms:	<p style="margin-left: 40px;"><i>Value: road safety</i> <i>Principle: the government is responsible for road safety</i> Norm: On the motor way, a chauffeur should not drive faster than 130 kilometres per hour.</p> <p style="margin-left: 40px;"><i>Value: work safety</i> <i>Principle: an employer is responsible for the safety at work</i> Norm: On the building site, each worker should wear a helmet.</p> <p style="margin-left: 40px;">- <i>Value: faithfulness</i> <i>Principle: Married couples should be faithful to one-another</i> In a marriage, when a man meets a more beautiful woman, he should not commit adultery.</p> <p style="margin-left: 40px;"><i>Value: reliability</i> <i>Principle: Diplomas should be issued in a reliable way</i> It is not allowed that a teacher receives a bribe in order to give a student a higher grade.</p>
Code of conduct: be specific	When drawing up a code of conduct, it is important not only to mention the values, but also to be specific by translating the values into norms. The problem with values is that they are too abstract and can therefore be interpreted in different ways. By giving clear norms, staff will know what exactly is expected from them. And when a member of staff does not behave

well and disciplinary action is needed, the concrete norm will also stand in court when the employee does not agree.

A common mistake in a code of conduct is the sentence: "The employee should behave as a good ambassador of the company".

Being a good ambassador is a value, but what is exactly meant by it? Several interpretations are possible. It is better to be specific and apply the values into specific norms. In case of the good ambassadorship, think of specific rules that forbid drinking alcohol or use drugs at work, or not driving too fast in the company car, or to wear clean and representative clothes, etc.

1.2 Virtues and vices

Virtues and vices

The values that a group seeks to realize, has also consequences for the desired behaviour of the group members. It affects the education of young people. Some character traits are regarded as positive for social life and these are called virtues and should be stimulated. Other character traits are considered to be bad for the group and should be discouraged. These are called vices. To give some examples:

Virtues: a person is loyal, brave, punctual, honest, empathetic, reliable.

Vices: a person is greedy, jealous, cold hearted, unreliable.

Durable behaviour

A virtue or vice is behaviour that is shown over a period of time. It belongs to the character of a person. So when you are always in time, and accidentally you miss the bus, you will not immediately be labelled with the vice 'not punctual'.

Difference between virtues and values

Virtues and values are much alike. Virtues are in fact values but not all values are virtues. The main difference is that a virtue belongs to a character of a person and a value can be broader and also apply to society:

A value that is also a virtue: reliability, honesty, integrity, bravery

A value that is not a virtue: democracy, liberty, equality

Virtues and religion

Groups and societies that have a clear vision of what should be a good personal or social life, are usually quite eager to educate their members in a certain set of virtues. Usually these groups are religious and want a community or society that lives according to the rules that God has set out in the Holy Scriptures. Often there is a 'catalogue of virtues' that members should acquire in order to be a good member of the group.

Virtues in a Christian community are often based on the Highest Commandment that "One should love God above all and your neighbour as yourself". This means that virtues such as being caring, loving, faithful are cherished. Vices such as selfishness, unfaithfulness, greed should be avoided.

the conflicting values should have priority. We start with moral problems, the topic of part 1 of this course. We shortly deal with moral dilemmas, which will be elaborately dealt with in part 2.

1.3.1 Moral problems

Moral problem
Non-compliance

A moral problem occurs when a person does not comply with the rules and norms that is set out by the group in which he or she lives. Compliance is the term that is being used when people act according to the rules. Non-compliant behaviour is the opposite, when people know the rules and yet choose not to obey them. There are many explanations for non-compliant behaviour, but the most given one is selfishness. When people steal or deceive other people, they usually do this to enrich themselves.

Ethics or integrity management

In order to avoid moral problems within the organisation, an ethics management or integrity management system is needed. A code of conduct is drawn up including education programs to teach staff how to behave. There are even ethical performance systems to assess whether or not the moral targets have been met.⁴ For the various effective methods to avoid ethical problems within organizations, there are several texts⁵ available.

Stakeholder management

Nowadays, an ethics management system also includes the responsibility for (external) clients and stakeholders. They can also be treated badly by staff or management, so their interests also have to be taken into account. To govern the external behaviour towards clients and other stakeholders, a stakeholder management system should help directing behaviour in the right direction.⁶

1.3.2 Moral dilemmas

Moral dilemma

The main difference between a moral problem and a moral dilemma, is that in principle, there is nothing wrong with the moral actor or his or her behaviour. The person is confronted with a difficult choice between two (or more) options. Behind these options are values. Opting for option A has advantages and disadvantages and can be judged as good or wrong and choosing option B has pros and cons which may lead to fair or unfair situations. The person wants to realize both values and avoid the disadvantages, yet this is not possible. The two options and values behind them clash. They cannot be combined and a choice needs to be made. The dilemma has nothing to do with the nature of the values themselves. Both options are in principle good and legal, only in combination with each other, the values behind them

⁴ In the article "Managing Business Ethics", taken from Business Ethics, A. Crane and Dirk Matten, Oxford University Press, more tools and techniques are given to implement business ethics management.

⁵ See part "Effective methods to avoid ethical lapses", from chapter: "A look at the Source of Ethical Problems in Business and How to Prevent Them", taken from "Business Ethics, A Managerial Approach, A.C. Wicks, R.E. Freeman, P.H. Werhane, K.E. Martin, Prentice Hall, 2010.

⁶ In the article "Managing Business Ethics" also tools are given to set up a stakeholder relationship management.

clash. (When one of the options is illegal or morally wrong, then we are dealing with a moral problem and not a dilemma).

An example of a moral dilemma in international business is to decide to pay a decent income to your workers in a country to which you have outsourced your production. A decent income is a salary that would enable a normal family life. Mum and dad only need to work 8 hours a day and can afford to send their children to school. You already pay the legal minimum wage, but in practice this is too low to enable a normal family life. However, competition is fierce and if you would pay more, your product would become more expensive.

Resolving dilemmas:	Moral dilemmas cannot always be avoided in life and in business. Without seeking them, in life each person will encounter difficult dilemmas and choices. Values, however good, can conflict with each other in certain situations. To resolve a dilemma, reflection is needed. In the specific situation, priority has to be sought between the two conflicting values. This is difficult as for each value and option there are good reasons. Reflection is needed, which usually consists of writing down the pros and cons of each option, looking at what your religion has to say about the dilemma, or seeking advice from the classical moral theories.
Reflection of priorities	
Classical moral theories	During the 18 th and 19 th century, philosophers have given thought to the problem of resolving moral dilemmas in a secular (non-religious) way. The two classical moral theories that are up to now the most common are duty based ethics (also called deontology or principle ethics, which is based on the philosophy of Immanuel Kant), or utilitarian ethics (also called consequentialist ethics, based on the philosophy of Jeremy Bentham and John Stuart Mill). In (international) business, the stakeholder analysis method is also used as an alternative. ⁷
Stakeholder analysis	In the second part of this course, we will deal with moral dilemmas in an international context. In the first part, we will focus on moral problems.

2. The nature of moral problems

2.1 Why do people behave badly?

Various explanations	Moral problems are caused by people who break the rules. Why do people, who often know perfectly well what is expected from them, decide not to comply with the norms and values set out by their societies? It is a philosophical question to which there is no fixed answer. There are religious and secular efforts to give an explanation.
Christian answer	According to orthodox Christian religion, all human beings have been affected by the original sin committed by Eve and Adam. Human nature is in fact corrupt and all human beings have a tendency to behave selfishly and

⁷ See: "Moral Dilemmas in International Business", Connie Aarsbergen, Phd, Windesheim, 2016

break the rules. A conversion to the faith in God and Jesus is needed, yet it won't lead to a saintly life. Also during a Christian life, a constant forgiving of the sins is needed.

Islamic answer	According to the Islam, the state of human nature is not as negative as in orthodox Christianity, but human beings do have the tendency to act in a wrong way. However, they are also capable of doing the good. The confession that Muhammed is the true prophet of Allah / God is needed in order to become a Muslim and when a Muslim complies with the rules of their faith, to be found in the Quran or in the sharia, then a peaceful life (Salam) can be lived.
Secular answers	Within secular explanations why human beings do not comply with the rules (or can even be criminal), help is sought of psychological, sociological or philosophical thinkers. Within the group of secular views, there are positive and negative views of human nature.
Nietzsche	A secular philosopher such as Friedrich Nietzsche was rather pessimist about the human nature and thought that all people are driven by 'the will to power'. In order to gain personal power, people are ready to disregard the interests of their fellows. Morality is in his view a product of weak people (<i>Untermenschen</i>), who try to influence the strong people (<i>Übermenschen</i>) to behave in a way that suits their interests.
Marx	Karl Marx was more optimist about human nature and believed that human beings do wrong things because they are poor and the goods and capital in the world is unequally divided between the 'haves' and the 'have-nots'. In a socialist society where possessions are equally divided, there will be no reason for people to behave badly.
Optimist: liberal	The most optimist view of human nature can be found with liberals. In their view, unsocial and criminal behaviour is caused by a wrong socialization and education. In essence, human beings are capable of doing the good, and therefore the need to have as much as freedom as possible to make their own choices in life. Freedom can only be limited when a person becomes harmful to others. Only a small minority cannot bear the responsibility connected with freedom and when they become criminal, they should be locked up in prisons and resocialize afterwards.
Adam Smith	An example of an optimist liberal philosophy is given by Adam Smith. This 19 th century thinker regards human beings as self-interested creatures driven by greed. This may sound negative, but self-interest is good. When people would not take their personal interests seriously, they would not take care of themselves and that is even worse for society. According to Smith, the market system is therefore the best because greed is also for most of us the incentive to work and perform. One of the most famous quotes of Adam Smith is the following:

“It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.”⁸

Lawrence Kohlberg

Also the humanist thinker Lawrence Kohlberg, has a positive view of human nature. All human beings not only develop themselves in intellectual sense, but also in moral sense. He distinguishes various stages in moral development, starting with the pre-conventional level (in which children and a small group of adults are still aimed at their own interests), the conventional level (that most teenagers and adults reach, accepting the values and norms of their society and being able to take the interests of others into account and post conventional (which a minority of human beings reach and in which they can sacrifice their own interests for the greater good). Bad moral behaviour can be explained by not progressing from the pre-conventional to the conventional level. Moral education can help to learn to include the perspective of others.⁹

Can be dependent of personal experience

Within religions, positive views of human nature can be found, and with secular worldviews, also negative views of human nature and the other way around Why do people vary in their optimism or pessimism in their view of human nature, even within a shared world view? Another important factor is personal experience. A negative view of human nature can grow after having been a victim of crime, fraud, theft or deceit. Which such negative experiences a person could become rather negative about the behaviour of fellow human beings and becomes reluctant to trust anyone beforehand.

In contrast, when a person has had a happy childhood, has lived in a reliable society and has been lucky enough not to have experienced crime or deceit by their fellows, an optimist view of human nature may colour his or her view on society. Of course the optimists realise that there are people who commit crimes or disobey the rules, but this is just a small minority. In essence, human beings are capable of doing the good and can be trusted They can assume moral responsibility and can act for the greater good.

Can be independent of personal experience

Having said this, it could also be that positive or negative experiences in life may not have effect on one’s view of human nature at all. The influence of their (secular or religious) worldview may be much stronger. This explains why there are people who despite of tragic events, still remain to have faith in their fellow human beings. It also clarifies why people who have never

⁸ See further: “Human nature and self-interest” from chapter: “A look at the Source of Ethical Problems in Business and How to Prevent Them”, taken from “Business Ethics, A Managerial Approach, A.C. Wicks, R.E. Freeman, P.H. Werhane, K.E. Martin, Prentice Hall, 2010.

⁹ See part “The Case for Moral Development”, from chapter: “A look at the Source of Ethical Problems in Business and How to Prevent Them”, taken from “Business Ethics, A Managerial Approach, A.C. Wicks, R.E. Freeman, P.H. Werhane, K.E. Martin, Prentice Hall, 2010.

experienced crime or hatred, still can have a basic negative orientation towards human nature.

Why is it important to know the nature of one's view of human nature? One of the reasons is that holding a pessimist or optimist view of human nature, has a serious effect on the orientation of the ethics management system that is being chosen.

3. Combatting moral problems

3.1 Orientation in ethics programmes and view of human nature

When an organization is confronted with moral problems, one of the first reactions is to set up a business ethics management system or integrity management system. Basically the following four orientations can be distinguished:¹⁰

- *Compliance orientation*: preventing, detecting, and punishing violations of the law.
- *Value orientation*: defining organizational values and encouraging employee commitment to certain ethical aspirations.
- *External orientation*: satisfying external stakeholders instead of the company values
- *Protection orientation*: protecting top management from blame for ethical problems and legal violations.

In practice, the chosen orientation is highly dependent of the view of human nature and the stage of moral development held by the (top) management. The more negative and pessimist one's view is of human nature, the more likely it is that the ethics programme is based on strict compliance of the rules. When a more positive view of human nature is assumed, a value orientation is more likely. In that case, the management trusts staff and gives them the necessary freedom to govern their behaviour according to the organizational values. A management that has barely reached the conventional level of Kohlberg, will probably opt for a protection orientation. However, when a conventional or post-conventional level has been reached, it is more likely that the ethics programme has an external orientation, also taking the interests of the external stakeholders into account.

3.2 Advantages and disadvantages of a compliance or value orientation

Compliance strategy

The choice for a compliance strategy is not only influenced by the view of human nature, there are more practical reasons to opt for it. There are organizations in which safety comes first (health care, chemical industry, construction industry) and that means that rules have to be followed according to fixed procedures. Also in the USA, where there is a sue culture, it helps to avoid punishment and paying compensations when it can be shown to the

¹⁰ See "Formal ethics programs", in "Managing Business Ethics", taken from "Business Ethics, Andrew Crane, Dirk Matten, Oxford University Press, 2015

judge that in principle the company has the right procedures but that staff has made an error.

Advantages	Central in a compliance strategy is a code of conduct which needs to be obeyed. It is often combined with authoritarian leadership. Leaders should give the right example and see to it that rules are obeyed. The advantage of a compliance strategy is that it is quite reliable. Because staff will be punished when they do not comply with the rules, in most cases they will act according to the wishes of the organization. The organization can almost predict how its members of staff will act.
Disadvantages	There are also disadvantages. Especially the higher educated people may feel treated as small children. In their decision making, they may feel imprisoned in a strait jacket. Rules and procedures have to be followed without being able to give one's own professional opinion whether this is the right choice. This could lead to frustration.
Value oriented strategy	Not only a positive view of human nature, but also more practical reasons can be the cause to opt for a value oriented strategy. In this strategy, staff is given much responsibility. Instead of drawing up all kinds of rules and regulations, these organisations set certain goals and values that should be reached. Staff is free to determine how they should reach these goals.
Advantages	The advantage of a value oriented strategy is that it stimulates creativity to find the best solution for a certain situation. Sometimes obeying the set rules is not the best way and an alternative action needs to be found. Also it motivates higher educated people, as they can express abilities more freely.
Disadvantages	The disadvantage, however, is that a company does not know for sure whether or not procedures are followed and rules are obeyed. Behaviour cannot always be predicted and that could lead to dangerous situations. Furthermore, the freedom to make choices at one's own discretion, can be abused to make decisions in one's own interest. In the Dutch language there is an expression: "When you give one finger, your whole hand will be taken."

4. Dealing with moral diversity

4.1 Difficulties in international / intercultural management

Difficulties intercultural Management	When confronted with moral problems, in an organisation that operates internationally and/or who has a staff with various worldviews, it is even more difficult to devise a good ethics management system. This has to do with the acceptance of the rules and the existence of the so-called grey area.
Non-acceptance	In intercultural situations, staff and stakeholders of the host country may have difficulties with the morality of the home country. They therefore have difficulties understanding the reason behind it, and will not accept the values and norms that according to the organization should be obeyed.

Take the example of combatting nepotism. In a lot of African and Asian societies, it is quite normal that when there is a job opportunity, you help the members of your family or your friends. It is even regarded as

a duty to help the next of kin who is in need of a job. However, in Western societies, such as the Dutch, this practice is regarded as a form of fraud. Nepotism is forbidden by law. Instead, in most Western societies, there is a meritocratic system. All candidates should have an equal chance and the job should go to the best candidate, the candidate with the best merits and qualifications.

The rules in the code of conduct will not always be understood, accepted and followed by the members of staff. When a person does not understand the reason behind a rule, he or she will have reluctance to comply with the rules.

Grey areas

Moral diversity could also lead to the problem that it is not always clear for the management whether or not the organization is dealing with a real moral problem or not? A lot of morally difficult situations take place in the so-called grey areas in which it is uncertain whether an act is illegal or not. The juridical systems in the host country differs from the home country. Especially in the so-called low wages countries, workers are not as well protected as in Europe or the USA and the rules to protect the environment and animals are less strict. This means that an act may be quite legal in the local situation, but according to the home morality, it is considered to be morally wrong.

For instance, in a lot of Asian countries, it is normal to pay a customs officer a 'facilitating payment'. In the West this would be considered as a bribe or grease payment, but in the local situation, it is quite normal and regarded as a supplement of the low income of the customs officer.

4.2 Accepting the other morality?

Being confronted with deviating values and norms between the home and host country, could lead to the question whether or not management should respect the moral or cultural deviating practice or not. The answer to this question is dependent of the presuppositions that are held, in this case whether or not a relativist or universalist perspective of norms and values is taken?

Relativism

When a person is a relativist, he or she thinks that morality differs all over the world. There is no true morality and adherence is dependent of where and when a person is born. So in case of deviating moralities, it is best to accept the moral customs of the local situation. "When in Rome, do as the Romans do" is a famous English expression.

So with regard to the example of nepotism, a relativist would argue that when it is custom in a country to favour family and friends, this should be respected. It would mean that in the code of conduct, no measures would be taken against nepotism.

Universalism

A universalist believes that there is a set of values that is universally valid and absolute. Not all values are shared, but there is a small collection that is

applicable to all people all over the world and in all times. Among the universal values are: honesty (no lying, fraud or corruption), protecting life (no wanton killing), right of possession (not stealing), equal opportunity (non-discrimination).

Source universal values?

With regard to the source of these universal values, there is difference of opinion. Christians, for instance, believe that the universal values are derived from the Ten Commandants. Humanists, in contrast, do not think that there is a transcendent source, but have a human origin. All sane human beings have a Universal Reason that is led by the Golden Rule: Treat others as one would wish to be treated oneself’.

In case of nepotism, a universalist would insist that nepotism is a form of fraud. Moreover, it is against the principle of equal opportunity as not all candidates will have an equal chance to get the job. Therefore, in the code of conduct, measures will be taken to combat nepotism and when local staff does not accept it, they will be forced to do so.

Unconscious

The problem within international management, is that the persons who take decisions in ethical matters are not always aware of the fact whether or not they are a relativist or universalist. Unconsciously, they take a position, but not in a reflected way. This unawareness could lead to the problem that unconsciously the relativist or universalist position is taken without knowing its negative consequences.

Relativist position
At first sight easier

In difficult intercultural situations it is often easier to take the relativist position. It shows respect for the other culture and avoids conflicts with people who do not like a judging finger that is pointed to them. In this way, difficult confrontations can be avoided with people who insists following their own values and norms. A relativist position, often leads to issuing various codes of conduct, that are only valid in the local subsidiary.

Reputation risks

An often unforeseen risk that is connected with an (unconscious) relativist position is that it could lead to the problem that in the host land an act is regarded as quite acceptable, but in the homeland, the same act is considered to be morally wrong or illegal. In the public opinion, the company could be betrayed as guilty of infringing universal values. Loss of reputation or even a consumer boycott, could be one of the negative consequences.

Take for instance the practice of paying bribes to government officials. In some countries it is quite normal and sometimes even expected of companies to pay. However, if Western press would find out, it would be regarded as fraud. The organisation will be accused of not fighting the worldwide battle against corruption.

Universalist position
at first sight morally

In deviating intercultural situations, unconsciously the universalist position could also be taken. The local customs are regarded as morally wrong and

better.

are forbidden. Usually this means that from the head office a central code of conduct is issued that is applicable for all branches all over the world.

At first sight this sounds like the morally right thing to do. At home, the public opinion will be pleased by the moral courage the company shows to act against the local customs that are considered to be wrong. The company will gain a good reputation taking its social responsibility seriously. However, in the host country, the rules will not always be understood and accepted. Moreover, it could raise the sentiment that the local culture with its values and norms is not respected. It could even be experienced as a form of moral imperialism. Like the 19th century imperialist, the West imposes their culture and their values on others.

5. Making the presuppositions explicit in dialogue

At first sight, setting up an ethics management system does not seem to be very difficult. There are all kind of measures that can be taken to prevent moral problems in the organisation and a lot of them are based on common sense thinking. Yet, in practice however, unreflected measures could lead to other negative problems within the organization such as killing creativity and initiative of your staff or the accusation that the moral and cultural diversity is not respected. So before setting up an ethics management system, the first task is to make explicit what is hidden behind the surface.

Topics

The topics that first need to be reflected upon, have been discussed in this article and are summarized here. Usually, first the values and norms that the person and its organization wants to pursue with regard to the employees, the clients and other stakeholders are made explicit when they are not yet mentioned in mission statement. A deeper insight is needed of one's own position in moral matters and that of your colleagues and fellow managers and stakeholders. It also leads to insight in the moral diversity and the different worldviews that are being held within and outside the organization. Also the views of human nature should be discussed as they can vary from negative to positive ones. The level of moral development is not always equal and could range from pre-conventional to post-conventional. With regard to the acceptance of diversity, a relativist or universalist perspective could be taken. To make it even more complicated, all these positions are often held unconsciously and are not even explicit for the holder. So the first thing to do before setting up the ethics system is trying to make all these presuppositions explicit.

Dialogue with yourself

First become aware of your own position by making explicit what you think. It is in fact a dialogue, asking critical questions to yourself. Self reflection is the instrument that you can use.

Dialogue with others involved

Within the organization it is also possible to organize a dialogue with other persons (colleagues and stakeholders) involved in setting up the ethics management system. As the topics that are raised at a dialogue are quite personal and sensitive, it is advisable to hire a moderator to see to it that the

process goes well and feelings are respected. A dialogue is significantly different from a debate. In a debate, the focus is on winning, in a dialogue the aim is finding deeper insights by listening to the views of the participants involved. Respect for the diversity of views can be reached by postponing moral judgement, even if you disagree with another view.

Once the presuppositions are clear, then taking decisions about the orientation and the content of your business ethics management system will probably not be so difficult anymore. A lot of the measures to combat moral problems are based on the use of common sense. Yet when not thought thoroughly through, they could lead to other undesirable effects within the organisation.

Zwolle, August 2016