Business Ethics and Intercultural Communication.
Exploring the overlap between two academic fields.¹

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Abstract
The paper offers a brief presentation of business ethics as an academic field, and of how it has approached the moral dimension of cross-cultural business activity, i.e. when companies operate in different countries, where stakeholders live in different societies and where norms and values reflect and are affected by cultural differences. Introductory definitions are illustrated by classic case examples and important issues addressed in this field. In a next step, cultural and ethical relativism are discussed, with reference to a four-fold table with combinations of both relativisms and to a process model. This model departs from cultural and moral relativism and outlines how one could transcend such relativism. Among several concluding theses the most important one is a claim that intercultural communication as an academic field can profit from using highly controversial business ethics cases for testing its competence (and for staying humble).

The main intention of this paper is to demonstrate that intercultural communication as an academic field should incorporate business ethics concepts and theory.² Business ethics is a well-institutionalised³ academic field, too, which deals with the moral dimension of business activity.⁴ This paper offers a brief presentation of business ethics and how this field approaches the moral dimension of cross-cultural business activity (cf. for a broader presentation of business ethics as an academic field Brinkmann 2001a, for a more sceptical one Brinkmann 2001b).

¹ A previous version of this paper has appeared, under another title, as Cross-Cultural Business Ethics, in M. Isaksson and F. A. Røkaas, eds., Conflicting Values An Intercultural Challenge: Selected papers from the 1999 NIC Symposium in Oslo, Norway, Norwegian School of Management BI, Sandvika 2000, 177-192
² Business ethics should incorporate intercultural communication concepts and theory, too, but that is not the primary concern of this paper.
³ Institutionalization or establishment indicators are e.g. professional organization size, number of full professor positions, textbook shelf-meters, number and prestige of academic journals, international conference activity etc.
⁴ The multi-level and multi-dimension complexity of such a task requires interdisciplinarity, with all its strengths and weaknesses. A diversity of intellectual backgrounds often creates a more open and low-threat communication climate of mutual learning, in particular if there are shared problem experiences and ambitions. A potential danger is that academics from different fields meet, develop a common rhetoric and then do the same at a level of lowest common denominator. The challenge, therefore, is always to start by asking oneself critically about the unique competence with which one’s own home discipline could contribute. In other words, a wise division of labour can often be more important than cooperation.
The field’s key terms, morality and ethics, both refer to acceptable, correct behaviour, and are often used synonymously. A clear distinction between these two terms can be useful, and is a question of how precisely "correct" or "acceptable" is defined, and by whom. A behaviour which most insiders in a given culture or subculture accept or reject ("morality") is not necessarily considered the same way by a neutral, critical outsider. For this and other reasons many writers distinguish clearly between morality on the one hand, and ethics on the other. Such a sharp distinction can help with sorting a whole range of closely related phenomena, real worlds of "morality", as a question of practice and subcultural identity, versus preferred worlds of "ethics", as a question of ideals and of critical argument, e.g. as formulated by moral philosophy. Or, to quote an example of this distinction in prose:

"Ethics is concerned with the justification of actions and practices in specific situations. Ethics generally deals with the reasoning process and is a philosophical reflection on the moral life and the principles embedded in that life. (...) Morality ... generally refers to traditions or beliefs that have evolved over several years or even centuries in societies concerning right and wrong conduct. Morality can be thought of as a social institution that has a history and a coded context that are implicit or explicit about how people ought to behave..." (Buchholz and Rosenthal 1998, 4, JBs italics).

In this quotation, morality and ethics are defined in relation to one another, as a continuum with a real-practical and an ideal-theoretical, a descriptive and a normative extreme point. One could also extend this continuum by including the "bad neighbour" of morality, moralism. In such a case morality represents a neutral term, with moralism as its preaching and stigmatising extension and ethics as its constructive-critical extension. While moralism often is self-righteous and looks for sinners and chases them, ethics integrates people by seeking a consensus around good principles and procedures. In other words, moralism lacks the self-criticism of morality that defines ethics. In terms of such a distinction, morality can degenerate to moralism and is exposed to potential ethical criticism. Proper critical evaluation requires sufficient knowledge and understanding of morality and moralism, respectively.

In addition to such a moralism-ethics-dimension one could also try to understand morality and ethics in their contrast to positive, formal law and individual, private conscience. Morality and ethics seem to be located somewhere between conscience and law in several respects, being less emotional, private and inner-directed than conscience and less formal, predictable, public and outer-directed than law. Because of such a middle position on several dimensions morality and ethics can potentially serve as bridge-builders and substitutes whenever individual conscience or positive law cannot be relied upon (cf. Jensen et al. 1990, 38). On the other hand, for the same

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5 Cf. the Greek distinction between "ethos" with a short e, εθος, habits, and "ethos" with a long e, ηθος, virtue. Latin has only one word for both, "mos". Cf. Brinkmann 1994 with an inventory of antonyms in table format.
reason, there is less need for ethics and morality as long as individual conscience and positive law guarantee similar control (cf. exhibit 1 and also Brinkmann 2001b, figure 1 and table 3).

Still another way of structuring and presenting the field is by means of moral-philosophical schools or approaches. Utilitarianism versus deontology (associated with names such as J. Bentham or J.S. Mill versus I. Kant or W.D. Ross) is a standard dichotomy, often with other schools mentioned in addition (e.g. J. Rawls’ justice ethics, M. Weber’s responsibility ethics, or J. Habermas’ communication ethics). Deontology asks idealistically if a societal status quo or a given action is consistent with universal principles, such as human duties and rights. If there is no other way out, principles are focused on at the expense of holistic consequence analyses and compromises. Utilitarianism is more pragmatic in its search for maximised total utilities of a societal status quo or a given action, for the “greatest good for the greatest number of people”. If there is no other way out, welfare-maximisation is primarily at the expense of any other principles. The communication ethics approach questions the authority of the positions defining principles or welfare and believes in consensus building by fair and open communication among all the stakeholders affected. Such a standpoint of “communication as a principle” welcomes deontological and or utilitarianist arguments, together with other ones.6

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"Ethics" most often refers to a domain of inquiry, a discipline, in which matters of right and wrong, good and evil, virtue and vice, are systematically examined. "Morality", by contrast, is most often used to refer not to a discipline but to patterns of thought and action that are actually operative in everyday life. In this sense, morality is what the discipline of ethics is about. And so business morality is what business ethics is about" (Goodpaster 1992, 111).

In this and similar quotations, business ethics is presented as a special case of ethics. And business ethics contains a similar ambiguity of everyday moral practice versus ethics, i.e. theorising, discussing and agreement about such practice, and of ethics versus moralism. There are grey zones towards law and conscience, and there are different schools or approaches. In addition to such rather general, perhaps too general quotations with low awareness of intercultural connotation differences (see Enderle 1997) one can distinguish between talking of business ethics, business ethical practice and theorising about business ethics (Enderle 1996b, 34).

Cross-cultural business ethics - classic cases and important issues

Cross-cultural business ethics addresses moral issues that emerge when companies operate in different countries, where stakeholders live in different societies and where norms and values reflect and are affected by cultural differences. In addition to such a working definition a number of classic case examples and some of the most important issues in cross-cultural business ethics can be described briefly, with references added for further reading and discussion.

- The classical case is probably Nestlé Infant Formula marketing in less developed countries, where Nestlé was held responsible for marketing a risky or unsafe product - if mothers stopped breast-feeding or, even worse, if infants died when Nestlé's breastmilk-substitute was prepared without available clean drinking water (cf. Beauchamp and Bowie 1993, 590-591 or French and Granrose 1995, 197-199).

- The Union Carbide incident in Bhopal/India with thousands of people killed and injured is basically about the issue if Western companies can defend to work by legal-but-lower health, environment and safety standards in developing countries (see Boatright 1997, 370-372, DeGeorge 1995, 473-475, Donaldson 1989, 109-128).

- The story of how ITT and other US companies in the early Seventies participated actively in overthrowing the Allende government in Chile represents one of the classical cases where multinational companies have deliberately destabilised legitimate political systems (see e.g. DesJardins and McCall 1996, 502 or French and Granrose 1995, 176-177).

7 Cf. e.g.: "Business ethics is concerned with the application of moral standards to the conduct of individuals involved in organisations through which modern societies produce and distribute goods and services... It is a type of applied ethics concerned with clarifying the obligations and dilemmas of managers and other employees who make business decisions..." (Buchholz 1989, 4). "Business ethics deals with the behaviour, responsibilities and motives of business organisations and their effects on the "social partners" of firms - their employees, managers, shareholders, suppliers, customers, communities, and governments..." (Harvey, in Steinmann and Löhr 1991, 482).
During the apartheid period in South Africa many political groups claimed that businesses had a moral duty to boycott the apartheid regime, i.e. either not to enter or to pull out (while others and in particular "staying" companies claimed that they were obliged to use their influence for bettering the life situation for the country's discriminated majority – see DeGeorge 1995, chapter 19 or French and Granrose 1995, 181-183).

How typically Western is the issue of female self-determined abortion? What about birth control and population growth control looking from different standard of living and world view angles? Does a multinational company have a right or even a moral obligation to make such an assumed lower-risk abortion possible for developing country women? What about making forced abortions easier in the PRC? Or giving in to an expected boycott from US pro-life-organizations? In this situation French Roussel-Uclaf faced a choice between marketing or not marketing such an abortion-pill, a choice cutting across a wide range of moral and cultural issues (see Harvey et al. 1994, 11-12, 128-158).

Is a multinational company which is doing business with a developing country ruled by a repressive regime co-responsible for human rights violations in such a country, e.g. in the case of Shell and other oil companies operating in Nigeria (see e.g. Livesey 2001 with further references)?

Is child labour unacceptable independently of circumstances, or e.g. acceptable if the only alternative would be child prostitution? If circumstances matter, under which conditions is which type of child labour acceptable? (cf. Desjardins and McCall 1996, 540-541 or http://www.ilo.org/public/english/standards/ipec/)

Should gift-giving in the context of business transactions follow local culture? Is there any situation or none where bribery could be acceptable in international business? (cf. Ferrell and Fraedrich 1997, 209-210, Beauchamp and Bowie 1993, 591-592)

Should respect for faith and beliefs or principles of free expression be primary criteria when deciding if Rushdie's Satanic Verses should be sold and marketed? How should one respond to terror possibilities against shops carrying the book, with a risk of employees' and customers' health and lives? (cf. Smith and Quelch 1993, 507-512)

Can the north-Norwegian tradition of minke whaling be defended for cultural and environmental reasons, even if this communicates a bad example for international bans on whaling? Should local or global stakeholders go first? (cf. Brinkmann 1996)

These cases and similar ones can be sorted into at least one of the following issue categories: 8

- Health, environment and safety (local versus global standards)
- International marketing issues incl. bribery

- Multinational Company size, power and responsibility
- Code of conduct development (in particular if there is a legal vacuum)
- Outsourcing, slave and child labour
- Arms trade
- Co-responsibility for human rights violation
- Interference with political stability and self-determination
- Non-ethnocentric handling of norm and value diversity

**Cultural and ethical relativism**

Cultural relativism is a worldview and standpoint, that no culture as such is superior to any other one, and that any culture deserves to be described, understood and judged on its own premises. (The opposite is ethnocentrism, where one culture judges other cultures). Ethical relativism as a worldview and standpoint claims that there is no culture-free, universal morality and therefore no way of ranking moral views and practices as more or less right, at least across cultures.

Both relativisms have been criticised as extreme positions, but are at the same time widely used in their respective parent disciplines social anthropology and moral philosophy, as basic labels of theoretical orientation. Since cultural relativism is less normative and much less controversial than ethical relativism, a listing of the most important arguments against the latter are sufficient here:  

1. Obvious empirical differences of moral beliefs and practices do not prove that they are all right;  
2. one should not give up "because some justifiable practices vary from place to place"; "surrender of principles in the face of disagreement" hurts integrity;  
3. cultural relativism and cultural tolerance should not be confused (tolerance and and respect for diversity create rather than remove the right to have justified standpoints);  
4. disagreement about judgements does not necessarily prove disagreement about the principles which such judgements are based upon;  
5. relativism can confuse behavior and analysis rather than enlighten them;  
6. there is no moral-free space but there are many moral gray zones.

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9 or similar terms, e.g. cultural absolutism, cultural imperialism  
10 As morality has been introduced above the poles are cultural and ethical relativism – morality is culturally relative: right and wrong is  
What is needed (and sufficient) is an intercultural moral consensus about an ethical minimum. For addressing and handling such criticisms, problems and questions a few conventions seem useful:

- One should keep cultural and ethical relativism apart conceptually. Unprejudiced empirical description and understanding (i.e. cultural relativism) is not the same as a denial of any moral or cultural outsider criticism of non-acceptable practices (i.e. ethical relativism).
- One should reserve the term of ethics for a qualified consensus about moral issues, brought about by fair dialogue (or defendable by fair dialogue), interculturally or intraculturally.
- Cultural and ethical relativism are counter-positions to assumed cultural superiority (or ethnocentrism) and to top-down moralism (or in other words: it is sometimes easier to be against the enemies of relativism than to take a relativist position).
- Individual conscience, moral customs and positive law vary more interculturally than minimum ethics.

**The individual-level ideal: open-mindedness and moral integrity**

In education or recruitment situations cultural and ethical relativism turns into a question of individual attitudes and capabilities and how such qualities can be assessed. Three examples of assessment instruments in this field can be briefly referred to. J. Koester and M. Olebe have suggested and developed a rather wide **Behavioral Scale for Intercultural Competence (BASIC)** which focuses on intercultural open-mindedness, or as they call it, intercultural communication skills, by using eight categories (Lustig and Koester 1996, 329 with further references):

- Display of respect
- Orientation to knowledge
- Empathy
- Task role behavior
- Relational role behavior
- Interaction Management
- Tolerance for ambiguity
- Interaction posture

Most of such an instrument’s categories see to be indicators of individual cultural relativism. Another, more onedimensional instrument is M.J. Bennett’s **Developmental Model of Intercultural Sensitivity (DMIS)** (DMIS, cf. Exhibit 2). As the name of this model suggests, there is a learning process assumption from lower to higher stages, such as growing into a culture and replacing biased and

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12 Donaldson 1989, 14-19 e.g. does not and looses important points.
13 One could almost say that intercultural moral conflict handling issues represent a good and necessary test of intercultural communication competence (otherwise the field would be “for good weather only”).
superficial understanding of a culture by an in-depth understanding of such a culture’s “emics” and etics” (cf. also Segall et al. 1990, 48-66 and Bennett 1998, 191-214).

Exhibit 2: M.J. Bennett’s DMIS model (1998, 26, slightly modified)

The third example is L. Kohlberg’s classical continuum of moral sensitivity and judgement maturity\(^\text{14}\) (see e.g. 1972, 1985, cf. exhibit 3, using J. Rest’s reformulations).

Exhibit 3: Kohlberg’s six stages (following Rest and Narváez 1994, 5)

Kohlberg’s primary interest and assumptions concern individual moral maturity development and assessment.\(^\text{15}\) In our context one could consider reading the Kohlberg model as a continuum of cultural-moral opportunism, with a (“relativist”) position of choosing ways of least resistance at the one end, and non-resignation in the face of moral controversy and defence of integrity at the other end.

\(^\text{14}\) James R. Rest (in Rest and Narváez 1994, 22-25) suggests that one should distinguish between moral sensitivity (i.e. ability to see moral issues), moral evaluation (i.e. ability to judge right versus wrong, Kohlberg’s domain according to Rest), moral motivation and moral character. In this paper, we assume that the Kohlberg model covers both sensitivity and judgement.

\(^\text{15}\) C. Gilligan has criticized Kohlberg for a focus on male rule-oriented ethics while females rather understand ethics as a question of caring or empathy. Here is no space to discuss if a caring-approach to ethics would offer better bridge-building possibilities to a need of intercultural empathy (not “sympathy”, Bennett would remark, see 1998, 191)
**Dialectics of cultural and ethical relativism**

Cultural and moral relativism are different, but interdependent. One can understand a culture on its own premises without accepting it, and one can accept it without understanding it (see e.g. Eriksen in Brinkmann & Eriksen 1996, 25). One can be a tolerant and empathetic ethnorelativist and at the same time have a post-conventional or conventional, non-opportunistic approach to morality. Such difference and interdependence ("dialectics") can be illustrated by a four-fold table with both relativisms as independent dimensions (see exhibit 4).

("ethical relativism")

<table>
<thead>
<tr>
<th>Non-opportunism</th>
<th>missionary</th>
<th>interculturally competent</th>
</tr>
</thead>
<tbody>
<tr>
<td>cultural-moral imperialism</td>
<td>cultural-moral imperialism</td>
<td>cultural-moral imperialism</td>
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<td>imperialism</td>
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</tbody>
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<table>
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<tr>
<th>Way of Least resistance</th>
<th>double ignorance</th>
<th>understanding opportunism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentrism</td>
<td>Ethnocentrism</td>
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<table>
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<tr>
<th>Ethnorelativism</th>
<th>Ethnorelativism</th>
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</thead>
<tbody>
<tr>
<td>(&quot;cultural relativism&quot;)</td>
<td></td>
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</tbody>
</table>

**Exhibit 4: Four combination types of relativism**

Obviously, one should avoid double ignorance and try to move towards the ideal, i.e. aim at a high score on both dimensions.

From such references one would assume that

- Business ethics potentially can profit from more intercultural communication competence;
- intercultural communication can learn from ethics how to identify and defend moral standpoints worth defending;
- cultural and moral relativism can be fruitful points of departure when analyzing or when communicating about ethical dilemmas or intercultural moral standpoint differences, as long as the aim is to transcend such relativism during such analysis and communication (cf. Lustig and Koester’s D-I-E- tool, 1996, 333-336 and exhibit 5 below).

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16 A. Sohn-Rethel called would have called this a "necessary false consciousness"
17 Description > Interpretation > Evaluation
**Exhibit 5: A virtuous (but vulnerable) circle of delaying judgement and transcending ethical relativism**

**Ethical dilemma handling**

The last point can be illustrated as a possibile virtuous circle which easily can turn into a vicious one (see exhibit 5). Or in prose: If a moral conflict or dilemma is faced in an intercultural setting (1), intercultural communication, ideally, could contribute with unprejudiced, non-ethnocentric description and interpretation (2), with tools for communication and barrier reduction (3), while ethics would focus on moral and value conflicts (4) and on possibilities for solutions, preferably consensus-building (5). Such an interdisciplinary mix of competencies could then reach a preliminary minimum consensus, a first step towards transcending ethical relativism (6), and produce positive examples and experiences for future situations (7). Such idealism, i.e. a virtuous
The circle is not only self-reinforcing once it works, but is also vulnerable, i.e. can fail or even turn into a vicious circle (cf. indications of potential traps in exhibit 5).

As a next step after such general observations and assumptions one can recommend a brief look at textbooks and casebooks in business ethics with conflict management checklists, and so-called codes of conduct for inventories of universal norms and, hopefully, for conflict prevention (see e.g. Ferrell and Fraedrich 1997, 201-206).

**Ten theses as a summary and instead of a conclusion**

1. There is an important distinction between morality and ethics, i.e. between empirical description and understanding of moral phenomena and their critical-normative evaluation.
2. Two (“moralistic”) dangers must be observed: the use of moral perspectives where other perspectives would be equally or even more appropriate, and a reduction of moral analysis to an identification of sinners.
3. While Western cultures tend to remove moral issues (and to turn them into private conscience and/or positive law issues) this might not be the case in other cultures.
4. Case examples and issues within cross-cultural business ethics seem to have at least two common denominators, power and moral judgement insecurity. On the one hand, globalisation of business creates power and legal vacuum situations where mega-size company power can’t be matched by small countries. More company power and more stakeholder powerlessness create more moral responsibility. On the other hand, cultural and moral relativism become at the same time more tempting and more exposed to criticism.
5. Cultural and ethical relativism should not be mixed up but treated as dialectic, i.e. different, interdependent and conflicting. A simplified four-fold table can be useful as a start (cf. once more exhibit 4 above).
6. Moral standpoints and moral conflicts should not be sacrificed for the benefit of intercultural understanding. Cultural relativism does not necessarily imply moral opportunism. The right order of procedure is crucial: non-biased description and understanding should always come before critical evaluation (cf. once more exhibit 5 above).
7. Individuals, groups or organisations should ask themselves and prepared to be asked critical questions about their moral acceptability and responsibility thresholds, e.g. core human rights, child labour, health-environment-and safety.

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18 Cf. e.g. Blanchard and Peale’s three simple questions: is it legal, is it fair, how does it feel (1989, 16-22), or the more detailed lists of H. van Luijk (in the European casebook edited by B. Harvey et al. (1994, 8-9) or L. Nash (see Smith and Quelch 1993, 18). An interesting meta-checklist-question would then be if these checklists are interculturally sensitive

19 See [http://www.cepao.org](http://www.cepao.org) for more information about the Social Accountability 8000 (SA 8000) standard, or P. Adamcik’s presentation of the SA 8000 standard in *Mennesker og rettigheter*, 1999, 118-123
8. When it comes to moral conflict management there is no moral alternative to fair and open intercultural communication, along with e.g. J. Habermas' ideals (cf. Habermas 1990, or with reference to business ethics French and Granrose 1995, 148-154, 214-215, or more practically Brown 1996).

9. The more its issues are clearly inter-cultural or inter-subcultural, the more can business ethics as an academic field profit from intercultural communication competence.

10. Intercultural communication as an academic field can profit from using highly controversial business ethics cases for testing its competence and for staying humble.

**Remaining questions**

There are at least three remaining questions, for further discussion, related to the cases mentioned above, or not:

- What should one do if at least one party to an intercultural moral conflict declines to discuss the issue?
- How should one handle moral conflict situations if there is no minimum consensus, e.g. willingness to coexist peacefully and to live constructively with disagreement?
- Would you be willing to fight for intercultural tolerance and consensus ethics and if yes, how?

**Literature**


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