

Global ... Business Ethics? Challenges and Paradoxes

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Abstract

One of the major challenges faced by organizations at the present time is to balance the search for competitiveness with ethical and responsible business operations. The pressure brought to bear in terms of ethical and socially responsible business practices has become even stronger, as companies expand their operations to various parts of the world, thereby demanding coherence relative to their activities at a global level, due to the speed with which information is distributed throughout the market.

The objective of this article is to analyze the implications of the globalization process on business management, in so far as it refers to ethical business conduct. This is an essay developed from an extensive bibliographic research of literature related to business ethics, globalization and the most recent research on ethics, from a globalization perspective. A synthesis of the problem in question was prepared and the principal implications relative to companies that operate globally were highlighted. The discussion indicates that global businesses should seek a kind of ethics that is also global, whereby coherence among its worldwide operations, within a perspective of sustainability, is made possible.

1. Introduction

As from the mid-nineties, the discussion involving the question of ethics and social responsibility in business has been gaining prominence.

In the face of worsening social and environmental problems (unemployment, social exclusion, deforestation, extinction of species, water, air, and soil pollution) in every part of the world, consumers, investors and society in general have begun to call on companies to assume their portion of social responsibility and to conduct their businesses in an ethical manner.

The main impact of globalization on business ethics is found in cultural differences, which reflect on various social and business morals. What standards of conduct are to be adhered to when operating globally? Should companies adopt the standards of the country/company with which they are doing business, or remain faithful to their own standards? As the numbers of countries in which they operate grow, the probability of ethical conflicts may also increase.

The main objective of this paper is to analyze the implications of the globalization process on business management, in so far as it refers to business ethics.

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2. Methodology:

This essay was developed by means of a bibliographic research. Literature related to ethics, more specifically business ethics, and globalization was researched, together with more recent research of the theme directed at business ethics, from a globalization perspective. Data were qualitatively analyzed. Thereafter, a synthesis of the issue under study was prepared, in which the principal implications for companies having business interests in various parts of the world, were underscored.

The third section contains various views of the globalization phenomenon. In the fourth section, corporate social responsibility concepts and business ethics are discussed. The fifth section deals with the effects of globalization on business ethics. The sixth section presents a discussion and the seventh and last section contains conclusions drawn from the article.

3. Globalization

Globalization is, without doubt, the most used - and abused word – and one that has been least defined over the last and future years; it is also the most nebulous and misunderstood, and yet has the greatest political efficacy.

Beck (1999, p.44)

The globalization process has been widely discussed for a number of decades, although not always under this terminology. However, even nowadays, it appears rather difficult to arrive at any consensus regarding an acceptable definition. Some authors have defined the word as an absence of international commercial frontiers and barriers, while others see it as a process of changes in production standards, investment and commerce on an international scale. Another view defines globalization as the interlinking of society interests and business organizations (Parker, 1998).

Beck (1999) draws attention to the importance of the distinction between globalism and globalization. According to the author, globalism is seen as a banishment of political action. It relates to the ideology of neo-liberalism. It is restricted to an economic dimension, leaving all other aspects – relative to ecology, culture, politics and civil society – under the dominion of the world market. Globalization means the awareness of the fact that we are already living in a world society, whereby the notion of isolated spaces becomes fictitious. The author believes that globalization is an irreversible process, for the following reasons: geographic widening and growing international market interaction, the linking of financial markets throughout the globe and the increasing power of transnational companies; data and communication media revolution; universal demand for human rights; global cultural industry iconic trends; post-international and polycentric world policy (governments, companies, non –government organizations, national unions); worldwide poverty; the destruction of the environment throughout the world; and localized trans-cultural conflicts.

Bull (1977) has already discussed the decline of state systems, based on three of the elements mentioned above: the strengthening of transnational organizations, the flow of capital, and the development of technology.

Ianni (1992; 1999) also calls attention to the crisis involving the principle of national sovereignty, which checkmates the idea of state-nation, in the proportion that trans-nationalization of the economy not only redirects but also reduces the capacity of national governments to make decisions.

According to Bull (1977), transnational organizations are those whose operations surpass frontiers. His view is that such companies have been in existence for a considerable time, giving as an example, the powerful Dutch East India Company. Czinkota and Ronkainen (1995) refer back to the Roman Empire comparing it to economic blocks, as a single currency system was used, commercial routes were protected, having its own legal system and forms of communication. Sposati (1999) cites the example of the Crusades, in the Middle Ages, as an attempt at unification. According to the author, “nowadays, capital is following the path that faith achieved 500 years ago”.

Globalization can be seen as a consequence of the historic development of humanity, following successive integration processes, which have been impelled by technology (Ianni, 1992, Azevedo and Bertrand, 2000).

Some authors, however, single out the end of the cold war and the fall of the Berlin wall as fundamental milestones of the expansion of globalization (Czinkota and Ronkainen, 1995). Others, though, cite the maturity of the “triad” countries (U.S.A., Japan, and Europe), as also being strong impellers of the globalization process during the 80’s (Abreu, 1999).

As far as Beck (1999) is concerned, globalization implies an interconnection of everything that happens in the world. No single phenomenon can be considered spatially bounded. All discoveries, disasters, good or bad facts, affect the entire planet, thereby creating the need for an adoption of new directions around the global-local axis.

However, this interconnected world is not monolithic (Ianni, 1999). Within it there is a coexistence of diversities and inequalities, nationalisms and fundamentalisms, regional and Imperialism blocks. Parallel to integration, there is also a fragmentation trend.

According to Sposati (1999), the globalization process is not uniform, and as such, affects each country in a different manner. Within the very same country, different people are also affected by this process in different ways.

Globalization is an essentially paradoxical process. If, on the one hand, it enables the economic development of a number of countries around the world, on the other,

it also contributes to the ever-growing unequal distribution of wealth. There are many views regarding the opportunities and threats brought or imposed by globalization. Some see it as new clothing worn by an old process (Sposati, 1999), others regard it as colonialism revisited, in which the interests of powerful nations and corporations are reinforced.

Furtado (1998) and others, still see in globalization a hope of establishing a global community characterized by the union of different cultures in search of social justice, respect for human rights and nature, in fact, directed towards the common good (Boff, 2000).

However, the implications of this process in different arenas are undeniable: in economy, culture, technology and the natural environment. In the economic sphere, the increase of power enjoyed by independent negotiators in the financial market and an incredible volatility of capital can be clearly perceived, thereby making national economies more vulnerable to speculation (Parker, 1998).

In the political ambit, the destruction of frontiers at the same time in which business opportunities are created, also contribute toward the lessening of national autonomy. The movement towards privatizations, in turn, transfers responsibilities, that heretofore were seen as belonging to governments, into the hands of private companies. As a consequence, the weakening of national political leaders and the increase of influence wielded by business leaders who head veritable worldwide empires is clearly evident.

In the cultural field, companies appear as conductors of a “global culture”, translated into consumer habits. National symbols and myths come face to face with the competition of world symbols and myths (Ianni, 1992; Ortiz, 1999, Parker, 1998).

In the technological sphere, the reduction of physical distances, due to the development of communication technologies and the possibility of the democratization of access to data and the distribution of knowledge, is also very evident. Parker (1998) draws attention to the fact that even with the use of the entire technological apparatus, this distribution of knowledge will only be possible if there is an equal investment in education.

In so far as natural resources are concerned, the increase in industrialization, while furnishing the potential for the creation of new employment, also contributes to a concentration of population in urban areas, which already have environmental problems resulting from garbage, drainage, atmospheric and noise pollution. The transfer of non-native animal and vegetable species increases the danger of an ecological imbalance, caused by the migration of pests and diseases where there are no natural enemies at destination. On the other hand, sustainable development requires greater economic equality among the regions. While the division of markets among rich and poor countries remains, we will find it difficult to reach

sustainability of the planet and, life on Earth will continue to be threatened (Parker, 1998).

The surpassing of frontiers in all these dimensions violently transforms daily life. Everything surpasses frontiers – people, money, technology, data, drugs, and merchandise. Seen from this point of view, globalization means the end of distances, a process that subjects people to a transnational life, sometimes undesired and not understood (Beck, 1999).

In a general way, globalization impelled by development of technologies, especially telecommunications, by development of political institutions at a world level, by dissemination of cultural habits and the common consumption of various nations, has been bringing more and more accelerated changes to the business scenario and, as a result, a greater degree of uncertainty to business management.

At the same time that they are affected by globalization, the organizations are its own propellers, as they extend their economic objectives to cover the global sphere.

Azevedo and Bertrand (2000, p.28), based on a review of literature on globalization, propose the following definition for globalization, in so far as it refers to companies:

“ Globalization is a set of transformations undergone by companies as a consequence of contemporaneous phenomena, typical of the post cold war era, characterized by: (1) the strengthening of transnational organizations, (2) massification of data technology, (3) liberation of the flow of capital, products and data across national frontiers and (4) a world trend towards the homogenization of markets ”.

The globalization process has contributed to markets, companies, and competition among them. Globalization, however, affects both the internal operation of companies as well as its external operations and market relations (Abreu, 1999; Azevedo and Bertrand, 2000).

Azevedo and Bertrand (2000) conceptually studied the transition of multinational companies to global companies. According to the authors, this transition implies a change from a low level to a high level of global integration of company operations; from decentralized strategic planning to centralized; from some key markets being served by the company to all key markets being served; from a predominant multi-domestic marketing perspective to a global perspective and from a polycentric organizational view to a geocentric one.

The Global Policy Forum calculates that of the twenty-five governments/corporations, thirteen are government and twelve are companies like Mitsubishi, Mitsui, Itochu and General Motors. Of the fifteen governments/corporations having the greatest budgets, six are governments and nine are corporations. *The Corporate Watch* calculates that of the one hundred largest economies in the world, fifty-one are global corporations and only forty-nine are

nations. They also calculated that the two hundred largest companies in the world generate more than one quarter of the world's economic activity. The consequences of decisions taken by transnational organizations relative to welfare, both in regard to their employees around the world and the populations of the countries in which they operate are, however, substantial (Cragg, 2000). This transference of power into the hands of corporations increases their influence over national and international politics.

The controversial case involving the non-ratification of the Kyoto protocol by the United States (the country responsible for approximately 25% of gas emission causing the greenhouse effect), has brought to light the argument over the magnitude of global company power. The Kyoto protocol, originated in 1997, during a conference held in Japan, proposes that other industrialized countries reduce the emission of gases causing the greenhouse effect by 5% by 2012, a percentage based on gas emissions as at 1990. The main element in these gases is carbon dioxide, produced as a result of burning oil, gasoline and coal (Bertolino, 2001).

The specific interests of each country relative to this issue are divergent. Tropical countries are extremely harmed by heating, while very cold countries may even be benefited by it. Countries having a coastline suffer damage caused by the rise in ocean levels, while countries that do not have direct access to the sea are not so much affected. Coal and petroleum producing countries would be affected if the world consumption of such products were to be reduced. On the other hand, countries that produce other types of energy would be benefited (Sachs, 2001).

In Brazil, a letter was sent by a group of non-governmental organizations (NGO's) to the 20 largest private American companies operating in the Country, requesting that they approach President George W. Bush for the purpose of convincing him to ratify the protocol. Thus, the companies were challenged to show their real undertaking with social and environmental responsibility, subject to the penalty of having their positioning in regard to the issue published in the press and other media. According to Rubens Born, general coordinator of Vitae Civilis, the NGO that leads this movement, international media reported the position adopted by the American president as a consequence of strong lobbying by principal American companies, seeking to maintain their private interests "ignoring the international agreement to protect the environment and all human beings on our planet" (in: www.riovivos.org.br/carta_kyoto.htm). In this case, the United States, the country responsible for more than 30% of the world's economy, in which the head offices of the largest multi-national companies are to be found, has adopted a position contrary to global interests, in favor of the private interests of American companies.

Parallel to the increase of global companies' power, their relationship with society also undergoes transformations. It is noted that there is a resurgence of the discussion related to corporate social responsibility and ethics in business.

4. Social Responsibility and Business Ethics

Over recent years, there has been a growing debate on the social responsibility of companies. In the academic field, the theme has been studied for over half a century and the concept of corporate social responsibility has undergone various revisions, including the adoption of a variety of nomenclatures over this long trajectory: corporate social responsiveness (CSR2), with a more managerial focus, with emphasis on management relationships between company and society; corporate social rectitude (CSR3), incorporating normative ethics; and corporate social performance (CSP), more directed towards results (Frederick, 1986, *apud* Mitnick, 1995, Frederick, 1994; Preston, 1988, *apud* Clarkson, 1995).

In the 90's, a stronger idea arose advocating that a company should manage its relations with groups of stakeholders – people or groups having proprietary rights or past, present or future interests in an organization and its activities. Within the principal groups of stakeholders of a company, employees, consumers, suppliers, stockholders, business associates, community and the environment were highlighted (Clarkson, 1995).

Carroll (1998, 1999) proposes that corporate social responsibility involves the carrying on of business in a manner that is economically profitable, respects the laws, is ethical and supports the society in which it operates with contributions in a variety of forms (Clarkson, 1995). Thus, Carroll foresees four dimensions of corporate social responsibility: economic, legal, ethical and philanthropic. Of these four facets, ethics should be seen as the core dimension of social responsibility.

Ethics refers to the study and philosophy of human conduct, with emphasis on the determination of what is right and what is wrong (Srouf, 2000).

There are two different concepts of ethics. The first is that which is considered a science of the *ends*, which guides the conduct of men and of the *means* necessary to reach that end. In this case, both *ends* and *means* are deduced from nature, essence or substance of man. The second concept is centered on the causes of human behavior, meeting the knowledge of facts, therefore, considering the science of *movable* of human behavior (Abbagnano, 2000).

In any event, ethics can be understood to be a manifestation of liberty, in so far as it involves the considerations of each one, relative to what is right or wrong (Chanlat, 2000). It is the human being exercising his conscience and consideration in order to decide on his own behavior or conduct.

Carried into business environment, *business* ethics embraces moral principles and standards that guide the conduct of firms. It is from the screen of different stakeholder groups that certain behaviors are classified as right or wrong, ethical or unethical. (Ferrell et.al., 2001)

Business ethics therefore serves as reference of company decision-making. Business decisions occur in the midst of conflicts of interests and roles. Many times, people see themselves obliged, due to the role they play in an organization, to take decisions that place personal interests or of those close to them (family, friends) or their cultural values, at risk. Apart from this, in the majority of cases, decisions in business affect, in some way or other, one or more groups of *stakeholders*, which may either positively or negatively influence the future of the organization.

Aiming at justifying their decisions relative to ethics, individuals resort to moral philosophies –principles or rules that each one uses when deciding what is right or wrong. Some of the types of moral philosophies can be cited as follows: consequentialism – study the moral value of conduct by examining its consequences; utilitarianism – analyzes the consequences seeking the greatest good for the largest number of people possible (greater social utility); deontology – concentrates on fundamental rights of individuals and on the intentions associated with behaviors (Ferrell et. al., 2001).

Max Weber (1959), *apud* Srour, 2000; 1919, *apud* Enriquez, 1997 proposed a division of ethics into conviction theories (deontology) and ethics of responsibility (teleology). The ethics of conviction is measured by values and norms established *a priori*. The ethics of responsibility state that people are responsible for their acts. The effects of their decisions should be appraised and an endeavor should be made to obtain positive results for society. While people who obey the ethics of conviction are guided by imperatives of conscience, projecting purist idealism, those that resort to ethics of responsibility are guided by an analysis of risks, following a pragmatic realism (Srour, 2000). A responsible man considers context when taking decisions acceptable to the majority, having to consider various responsibilities: organizational, technical, political, social, civic, ecological, and psychic.

The ethics of conviction is, therefore, used to a greater extent by those who accept an undertaking with beliefs and norms and are not willing to face ambiguities. In companies, however, it is very common to find decisions being taken according to the ethics of responsibility, in which costs and benefits are always weighed.

If there is a risk of fanaticism and the absence of questioning with the ethics of conviction, ethics of responsibility runs the risk of justifying the use of cruel means in order to attain the objectives aim at.

Ethical issues can be analyzed under a variety of perspectives. So, there is no single manner of taking ethical decisions. The different perspectives adopted by individuals are a potential source of conflict in organizations. Followers of the relativist perspective recognize that people in each society use different criteria to determine what is right or what is wrong. Each social group maintains its own system of moral norms. On the other hand, adherents to the ethics of virtue believe that what can be considered moral in a given situation is generally beyond the

socially acceptable standards in another. Virtue would therefore have a universal character, surpassing cultural specificities (Ferrel *et.al.*, 2001).

5. The impacts of globalization on business ethics.

With the intensification of international competition, arising mainly from the maturity of the triad nations and growing economic independence, companies were obliged to seek lower costs, more productive efficiency and new markets (Abreu, 1999). Thus, companies sought to obtain competitive advantages, drawing on resources and intakes from various parts of the world, wherever more advantageous.

Therefore, there is a distribution of roles between countries for each productive process. Some countries deal with research and intellectual production, others produce components and others concentrate on the execution of projects and assembly of products, furnishing low cost labor (Azevedo and Bertrand, 2000; Kon, 2000).

Herein lies an important ethical problem: the globalization process of business operations in itself, contributes towards accentuating the differences between developed and emerging countries, the former being responsible for the intellectual part of the process while the latter furnish their natural resources and low cost labor.

Kon (2000) reinforces this point when arguing that globalization implies exclusion and increases the relative backwardness of the nations that do not have the conditions for a satisfactory entry to the globalization process. Transnational companies would therefore have a fundamental role in determining which societies will be able to enjoy the usufruct of globalized world, raising its earnings and welfare and those who will tend to remain excluded from the process. The need for globalization process integration, therefore forces emerging countries to follow government policies that seek economic stability, frequently at the cost of negative social impacts. The decision relative to the internationalization of capital, therefore, would be a question of ethics in the face of a need for a greater international convergence at social development levels.

On the other hand, the globalization process contributes to a meeting of individuals from different nations, who bring their cultures, their values, their laws and different ethical and moral standards to business situations (Ferrell, *et.al.*, 2001). Professionals who are active in international negotiations have to be aware and sensitive to these differences, so that satisfactory business negotiations can be concluded. Different cultures can be present in communication, gestures, notions and the importance given to the time factor and in regard to what is morally acceptable or not, within a certain society (Ferrell *et.al.*,2001). Empathy and sensitivity in regard to other cultures must be sought as a way to deal with people coming from other countries or regions (Arruda, 2000).

One of the main impacts of globalization on business ethics lies, therefore, in cultural difference, which in turn, reflects on various social and business morals.

What are the standards of conduct to follow when operating globally? Should companies adopt the standards of the country/company with which they are doing business, or should they remain faithful to their own standards? As the number of countries in which they operate increase, the probability of ethical conflicts also increases.

Klein (2000) furnishes some examples of the differences in morally acceptable standards. The first example relates to bribes. At the same time they are seen as morally problematic practices in the United States, they can be seen legitimate business practices in Egypt or Italy. Another example refers to the mere compliance with local laws: that which could be considered a legitimate product line in one country, may, on the other hand cause problems to the health of the population, as was the case of glue produced by H.B. Fuller, in Honduras, used as a narcotic by street children.

Sójka (2000) argues that the more a company becomes global, the more it needs to be aware of local values and habits. Based on the arguments put forward by Macintyre, the author does not believe in the possibility of a uniformity of ethical standards in business. Departing from the work of Georges Enderle (1996, *apud*, Sójka, 2000), which shows the differences between business ethics in North America and Continental Europe, Sójka also includes a comparison with standards relative to Central Europe and Eastern Europe.

In a research, based on a cultural individualism/collectivism dimensions proposed by Hofstede, Beekun *et al.* (2001) tested positioning towards egoism and utilitarianism on Brazilian and American professionals. The results indicated a difference of appraisal in regard to ethics: on applying a utilitarian perspective, the Brazilian respondents are less inclined to see an action or decision as being non-ethical. This result can be explained by the collectivist characteristic of Brazilian culture. Thus, Brazilians tend to appraise an action or decision by using a parameter of consequences for the largest number of people in a group.

Ethical problems in an international sphere can take diverse forms. One of the most common is discrimination in the work place or in the hiring of staff, by sex, race, religion or physical handicap. In some cultures, for example, women do not have a place in the business world. Other points that create ethical conflicts are: the question of disrespect for human rights in work conditions, low salaries in developing countries, the differentiation of prices from country to country, bribes or gratuities, the sale of products harmful to health or the environment to countries having less rigid laws, violation of copyrights or patents (Ferrell *et al.*, 2000).

Global companies are constantly facing situations of difficult choice. While “when in Rome do as the Romans do” could bring serious moral implications, imposing the practice of their values onto another culture can be seen as imperialism. On the other hand, simply not doing business with other countries because of moral issues could represent a risky alternative (Werhane and Boyd, 2000)

6. Discussion: for global business ethics

From all that has been presented up to now, it can be said that there are many challenges imposed by globalization on business ethics.

In so far as cultural differences are concerned, there are differing opinions. Some authors are more inclined to give a relative connotation to ethics, arguing that companies should endeavor, as much as possible, to operate within the standards of each society.

However, at the same time that companies become international, there is also an increase in ethical watchfulness on the part of consumers and investors, aided by the speed at which access to information is made possible, regarding the operation of companies at any place in the world. This vigilance is being extended throughout the entire productive chain. Therefore, it is not enough for a company to only operate in an acceptable form. Its suppliers, distributors and business associates should also perform in the same manner. The choice of associates who share the same standards of conduct now becomes the responsibility of the company.

Due to this type of surveillance, it is becoming more and more dangerous for a company to adhere to a relativistic perspective, that is, “dancing according to the music”, in each of the places it operates.

On the other hand, the globalization process has brought enormous pressure to bear on companies, in the sense that they have to attract clients at any cost and obtain short- term results. As a result of this fight for survival in the market, we see some companies closing their eyes to the question of ethics, keeping themselves on a short term horizon, thereby going against their own values on many occasions. Hence, the greatest conflict faced by companies in the global era is: the difficult balance between ethics and competitiveness.

At this point, the position would seem to be that there is no way out for global companies, unless they develop standards of conduct to be followed in all the places in which they operate. Due to the existence of enormous cultural differences, this is a very arduous task. However, a good starting point would be to return to fundamental values of life and adopt respect for people and nature as a central point. In this respect, the guidelines established by SA8000 and AA1000 could serve as reference for such standards.

SA8000 is based on World Labor Organization conventions, in the declaration of Human Rights and in the United Nations Convention on The Rights of Children. AA1000, in turn, focuses on the undertaking of the organization in respect to stakeholders, linking social and ethical issues to strategic management and to the operations of the organization. Its objective, therefore, is to support organizational education and performance in general – social, ethical and economic – and, as a result, the contribution by the organization to sustainable development.

It is important to stress that the abovementioned norms can serve as a basis for company conduct, but they are not enough. The company needs to develop its own norms, applicable to its own particular case.

Finally, many companies have opted for the development of codes of ethics to be applied to all its operations. In order for this code of ethics to be really applied in practice, it must be more than just a declaration of intentions, thought out by top management. It is important that during the development phase, there is participation of employees from all the countries in which the company operates, since they are the ones who face ethical dilemmas on a daily basis.

As has been seen, ethics relates to the human being's capacity to deliberate over what conduct is right and what is wrong. When referring to business ethics, it must be borne in mind that decisions are not taken by the company, but by people, either individually or in group, performing their professional roles within the company.

It is necessary, therefore, that the people feel that there is space for deliberation. In order for people to make coherent decisions relative to company values, there must be an awareness of the importance of such values. The best way to do this is by means of examples. These examples must come from the top, thereby ensuring consistency between company mission and its practices. Employees at headquarters must feel they will be supported by top management in dilemmas related to ethics, even if this means the loss of some immediate "advantages" for the company.

If adhering to a code of ethics means, on some occasions, not doing business, this can be advantageous in the long run, because the company's image and that of its brand is, sometimes, worth much more than a few isolated business deals. In some cases the brand is the greatest asset of the organization. Once the reputation of the company has been stained, the recovery of its image is a much more difficult and costly process.

On many occasions, a global company acting ethically can contribute to a change involving more respect for people and their rights, in countries known for corruption and disrespect for human rights. Due to its power and influence, it can demand that local suppliers and business associates act in the same way. In this manner, the company can also be considered a moral agent.

Besides having strong values in so far as respect for people, diversity, obeying the law, refusing bribes and respecting the environment, are concerned, above everything else, if it requires that their employees behave ethically, the company must show respect for them. Ethical conduct begins "at home". So, human working conditions, fair salaries, openness to participation, and to the expression of opinions and respect of differences, are fundamental.

The distribution of roles among countries imposed by globalization also creates ethical problems for global organizations, increasing the difference between the social indicators of developed countries and those in development. This is an

extremely serious and complex problem, because its roots are fixed in the very logic of the business world, stamped into an eminently instrumental type of reasoning, which seeks efficiency at any cost.

The placing of investments needs to be rethought from a perspective of sustainable development. Poverty does not rhyme with sustainability. When talking about globalization, the question of sustainability must also be treated from a global viewpoint. With present social differences, this sustainability cannot be attained. This appears to be a utopian or ingenuous argument. However, it is a question of strategic intelligence and long-term vision. It deals “only” with the survival of the human species and the planet Earth as a whole.

The movement towards ethical business and ecologically sustainable operations is still in the embryonic stage, if the urgency of present social and environmental problems is considered. The theory considers medium and long terms, but actions continue, in its majority at short term, on the basis of “surviving” and “putting out fires”.

7. Conclusion

Globalization in itself is a controversial phenomenon. There are many views surrounding it, including difficulty in being able to arrive at a definition. It is a process that has been affecting every sphere of world society: economy, politics, technology, culture and the natural environment, as well.

In the business world, globalization affects the productive process, relationships of companies with the market and with society, labor relations and the internal operation of organizations. The globalization process has also broadened discussion over the social responsibilities of organizations. It is based on the supposition that ethics must be the center of the social responsibility concept.

The role of drivers of globalization is to increase global company power, as was discussed previously, which in itself raises serious questions of ethics. Cultural diversity, in turn, imposes a challenge on organizations to deal with different ethical and moral standards around the world. On the other hand, the quest for competitiveness at any cost, opposes the pressure exerted by different stakeholders, in the sense that an ethical and responsible company performance increases the complexity of the debate on business ethics. How can an ethical attitude be adhered to, which, at the same time, sustains the values of the organization, respects the values of each society within which the company establishes business relations and furnishes a coherent global activity?

The discussion presented herein indicates that, in order to reach such coherence, global companies should seek a kind of ethics that is also global. The path of relative ethics, defined by some authors, is very dangerous, capable of affecting the reputation of the company in question in a matter of seconds. Thus, a return to respect for the human being and nature is defended, bearing in mind a perspective of

sustainable development. There can be no sustainability without ethics. Therefore, at long term, there will be no human, animal, vegetable or **business** survival without ethics.

The reflection on ethics within the context of globalization as presented herein must not stop at business frontiers, because its consequences can be felt in national and international terms, affecting the quality of life of world populations as a whole. Such a discussion permeates the activities of people both personally and professionally, as well as company directors and national and international leaders.

It is worthwhile stressing that the main intention of the authors is not to categorically answer the issues raised, but to stimulate reflection on this paradoxical, controversial and above all, urgent theme.

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