

Value choices in global business: who decides and how?

John M. Kline

(Professor of International Business Diplomacy, Georgetown University)

Corporations confront two central ethical questions in managing global operations. What should be the extent and nature of corporate responsibilities relative to other societal actors? What priority values should guide corporations in fulfilling their responsibilities? Despite many strong opinions and increasing social activism, little international consensus exists to give clear and specific answers to these questions.

Most important business decisions are not dichotomous choices between "right" and "wrong," particularly in international, cross-cultural environments. Global business requires constant interface with a diverse array of value systems derived from varying political, economic and social experiences, often embedded in differing religious and cultural beliefs and traditions. Absent a clear global standard, when values clash, the critical issues become who decides, and what value process or criteria are used.

Applying ethical values in a global business requires designing an approach to guide "best choice" decisions when confronted with complex ethical dilemmas. At a minimum, corporations should establish a self-identity based on core operational values that are maintained globally, wherever the firm does business. Greater attention to ethical risk assessments could also improve corporate decision making by identifying potential challenges to core values when corporate control is highest - before new business is begun or expanded.

Globalization has increased pressures for direct business involvement on an array of international political and socio-economic issues. However, with greater responsibilities must go parallel rights to take action. Care should be exercised to balance the desire for near-term results on single issues with longer-term concerns about the role of business in determining societal value outcomes. Corporate social responsibility should not become so institutionalized that it leads corporations into expanded roles for which they are ill-prepared and lack a legitimizing public mandate.