Business Focus

The localization of ethics

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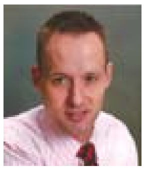
When, if ever, is it acceptable to take a human life? Some may respond *never*. Others may respond with statements such as "only in self defense," "only if you are engaged in a military battle," "only as punishment for a horrible crime," "only if asked to do so by someone with a terminal illness" or "only if he or she is suffering and has no chance of leading a normal life." Once we acknowledge that things such as politics, religion, history and local law all act as cultural influences in the way we see the issue, it is clear that different people and different cultures will naturally and somewhat inevitably have different understandings of when, if ever, it is moral and ethical to take another person's life.

If we have been told a thousand times that a certain behavior is good, especially by leaders, teachers and parents, we will typically have full faith in the validity of that behavior and will see it as the right thing to do. Ethical relativism is the concept that any culture's belief in what is right and wrong is inherently correct for their context and reality and that we do not have the right to judge that culture for those beliefs, at least without acknowledging that we are, in some way, acting as moral supremacists. How can anyone be criticized for the learned opinions and values that have been unknowingly engrained in their minds from their families, government and general social context? How people treat each other, how they interact professionally, and what they consider appropriate and inappropriate behavior are defined by these ideas of right and wrong. How then does an organization communicate effectively with its employees worldwide about ethics, especially given that many will have learned differing ways to define ethical behavior? Attempting to train local employees to change their mindset and often to change their behaviors is one of the most significant challenges faced by today's global ethics and compliance professionals, whose job it is to communicate an ethics message globally.

Unlike most localization professionals, who are bound by either an unwritten personal code of ethics or perhaps the external guidance provided by the professional associations to which we belong, most large companies have an ethics and compliance department whose sole responsibility it is to develop an explicit code of ethics and to get the message to employees worldwide. Organizations attempt to communicate and achieve a unifying message by using multiple channels — printed codes of conduct, online learning, posters, classroom workshops and so on. While the channels may differ, the message is the same: We have a preferred definition of what it means to act ethically, and we want to make sure you have the same one so that we don't get into trouble with our clients, customers or government.

Companies that find themselves in trouble due to unethical behavior can face stiff penalties from government agencies, not to mention the potential negative impact on a company's reputation with clients, customers and partners. To mitigate this risk, ethics and compliance departments do everything possible to promote ethical behavior around the world. Unfortunately, they often rely on such general concepts as "acting with integrity," "doing what's right" and "using common sense" to communicate what the expected standard for corporate behavior is. The assumption that every employee worldwide will see every situation in the same way reflects an ethnocentric approach.

This ethnocentrism is not to be unexpected. Regardless of how you define appropriate and ethical business conduct, it is usually so internalized that it is difficult, if not impossible, to fully comprehend how someone else could think otherwise. In the corporate world, the business practices and laws that have surrounded us throughout our professional career dictate how we see professional ethics. These frameworks tell us when we



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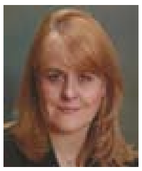

are being the consummate professional and when someone else is being a slimy businessperson. And although we may not realize it, these frameworks are contextual and depend on where and how we learned to define *professional*. To try and provide, therefore, a single unifying code of ethics that defines *professional* and *ethical* is a formidable challenge. How do you convince a US manager that nepotism is not necessarily a bad thing? Or, on the flip side, how do you convince a Chinese manager that employing family members and close personal relations do not meet company standards for an objective and transparent hiring process?

Although it can be a hefty challenge for linguists to translate a code of conduct's terms and words, especially when complex concepts don't have an immediate and simple translation, it's an entirely different challenge for those of us who are asked to localize the ethics message. It's necessary to evaluate whether the concepts to be translated in these codes of ethics will have any impact on how an employee will behave once the ethical dilemma and behaviors are set in an employee's unique local cultural environment, which is usually quite removed from whatever was conceived back in headquarters.

In some cultures, especially those accustomed to abiding by the letter of the law, simply stating the company's policy is sufficient to enact behavioral change. In other cultures, employees need to understand with a deeper sense, from their heart, not just their head, why such behaviors are being requested and what specific behaviors are permissible and which are not. Given that training and learning events are often designed based on the home culture's education system and specific beliefs as to what type of learning will be most effective, there can easily be a disconnect when an overseas location doesn't expect the same type of learning event and is unsuccessful at digesting and understanding the concepts in the same way as their counterparts in the headquarters' culture.

The greatest challenges, therefore, include determining when an explanation of the reasoning and justification behind such policies may be necessary, defining local examples that will reflect the reality of the local employees' day-to-day environment. Often even a modification of the methodologies used to educate the employee will be required.

A case in point exists in bribery and corruption — two practices that are condemned in any global code of conduct. If a small gift is customary for a severely underpaid public servant, it may be difficult to convince an employee that the organization, accustomed to a very different context, would consider such a gift bribery and that the organization in fact does not want to procure the service from the public servant when such a minimal extra tax is associated with it. It might even seem hypocritical, for example, when the headquarters later expends large amounts of money on a lobbying organization whose sole purpose is to influence lawmakers and policy to make decisions that benefit the organization at the expense of some other organization, community or competitor. This is especially true when in headquarters' eyes, such lobbying payments are not seen as bribery or corruption, but in fact the practice is viewed as both ethical and acceptable.

Some tougher questions to explore

- What does it mean to respect your colleagues when global diversity and differing world views regarding beliefs such as religion introduce opposing paradigms of respectful behavior?
- Which country's trade laws should be prioritized — for example, when one national government says it is forbidden to trade with a given country and another national government says it is forbidden not to?
- When is a gift so large that it constitutes unfair influence and corruption?
- How do I turn down such a gift from a long-time friend and supplier?
- Is an emotionally filled discussion professional?
- What behavior constitutes sexual harassment?
- When does an organization forego a profit for the benefit of a community, external group or even a competitor?
- When is it all right for a human resources department to deem a benefit to the employee as exceedingly detrimental to the organization?
- When should a contract be changed or renegotiated, especially if there has been a material change to the market that makes the contract entirely one-sided?

Even in a US context, there are differing beliefs as to the most appropriate way to manage a team, on when and how to give feedback, and on when and how to report behavior that seems inappropriate, illegal or simply mildly unethical. A US company may spend significant time working to codify a standard that can address these differences across US locations. Alter the national context to Germany, Chile or Russia, for example, and the concepts of when to report a coworker for unethical behavior becomes increasingly complicated. Specifically, in cultures with a history of citizens reporting other citizens to the government, there may be strong social norms against reporting other employees. In some cases, there may even be legislation that dictates when and how this can happen. So while you can translate the section of a code of conduct about when and how to report unethical behavior, it's not as simple to create a belief in the value of such reporting, enabling the behavioral change that the headquarters may be looking for.

As another example of the challenges involved in localizing ethics, consider the value of transparency, a key concept in modern organizational ethics and codes of conduct. The world wants governments to be transparent, companies to be transparent, and individuals to be transparent. If you are not acting transparently, then you must be, by default, "hiding" something. Organizational transparency, however, relies on the belief that anyone and everyone will be able to process and handle all of the information with a similar level of understanding. To frame the complexity here – imagine the things you are not transparent about with your children, friends or family. Many of us, especially in North America, may be averse to sharing our annual salaries or the prices we paid for our home. With our children, we make decisions in their best interest – or so we hope – without feeling the need to make every piece of information readily available to them. Your choice to postpone a family vacation does not need to be documented to your children and their friends, with evidence taken from your bank statements and a current list of debts. Along the same lines, different cultural contexts might dictate what type of information makes the most sense to share with the world at large, which may be very different from what is expected and normal in the headquarters' culture. Should the employees immediately understand that and take it to heart? Would you be able to immediately take it to heart if asked to talk openly about your salary?

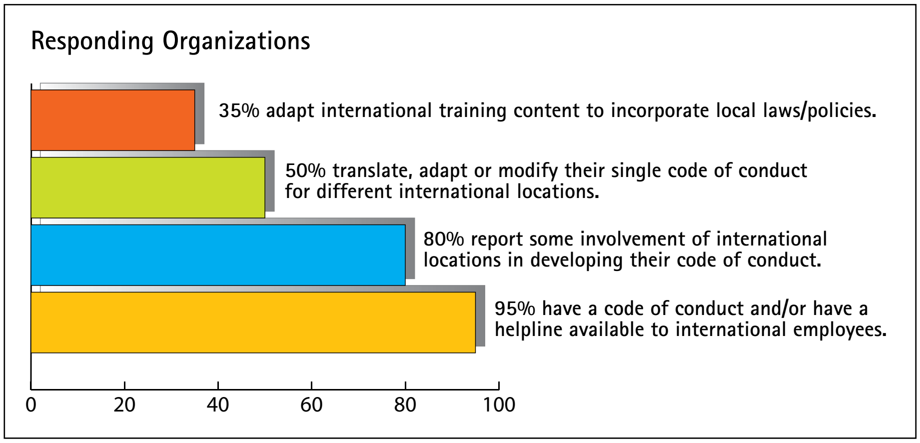

Figure 1: Organizations with global programs are making solid gains in certain of these practice areas.
Source: *2009 Global Ethics and Compliance Programs Best Practices & Benchmarking Survey*

The best practice regarding the localization of ethics is still evolving. A biannual survey of global ethics professionals in multinational organizations asked respondents to identify their primary concerns regarding the implementation of a global ethics program. Respondents in 2005, 2007, and 2009 mentioned cultural differences between home country and other locations more often than any other area of concern. Aside from the use of localization professionals to modify existing messages, other emerging strategies include engaging local representatives and in some cases even creating and approving local standards and policies (Figure 1).

The concept of ethical relativism says that what you consider ethical and what I consider ethical may very well be different, based on our culture and upbringing. Localizing an ethics message is therefore a complex undertaking, as it requires the localization professional to connect with a different sense of right and wrong and to find a way to not only explain how the organization needs people to act, but why they need to act that way – all in ways that will be effective in the local culture. M