

Ethics and Culture – A Framework for Collaboratively Resolving Ethical Conflicts

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Abstract

In today's highly globalized environment, an increasing number of projects and business transactions are international in scope and execution. Many of them are conducted across borders and implemented among a variety of organizations. As a result, serious ethical conflicts emerge from not only ethnical cultural differences but also disparate organizational cultures. It is inevitable that such conflicts must be attended to. But even more importantly, they need to be managed and better yet resolved if possible.

Kohls and Buller [4] discussed seven approaches for resolving ethics conflicts: avoiding, forcing, educating and persuading, infiltrating, negotiating and compromising, accommodating, and collaborating. Pitta, Fung, and Iceberg [7] asserted that collaborating would bring about the highest probability of success. However, it would be extremely valuable if there were a set of universal ethics principles that can be used to guide the collaborating effort.

Attempting to find a set of globally undifferentiated principles that are common and acceptable to all cultures, the main aspiration of this paper, is extremely ambitious but an utterly worthy objective. Such principles can not only be used as a framework for collaboratively resolving ethical conflicts but can also be utilized to teach ethics as Socrates has once said that "Ethics consists of knowing what we ought to do, and such knowledge can be taught."

Introduction

In today's highly globalized environment, an increasing number of projects and business transactions are international in scope and execution. Many of them are conducted across borders and implemented among a variety of organizations. As a result, serious ethical conflicts emerge from not only underlying cultural differences but also disparate organizational cultures. It is inevitable that such conflicts must be attended to. But even more importantly, they need to be managed and better yet resolved if possible.

Kohls and Buller [4] discussed seven approaches for resolving ethics conflicts: avoiding, forcing, educating and persuading, infiltrating, negotiating and compromising, accommodating, and collaborating. Pitta, Fung, and Iceberg [7] asserted that collaborating would bring about the highest probability of success. However, it would be extremely valuable if there were a set of universal ethics principles that can be used to guide the collaborating effort.

We believe that each culture has a set of ethics standards or "bottom lines" that cannot be crossed. Therefore, there should be a common set of universal ethics standard, that is, the

intersection of ethics principals of all cultures. For example, one should not kill, steal, or lie and the golden rule are all universally accepted. Colero also points out in [1] that unconditional love and compassion appear in virtually all faiths. The aim of this paper is to attempt to determine such a set of universally accepted ethics principles that can be used as a framework for collaboratively resolving ethical conflicts. The framework would reduce ethics conflicts to more fundamental matters thereby hopefully making the collaborative efforts more constructive and fruitful.

The difficulty, however, is that ethics is not an exact science. Ethics perceived by many to be cultural, ethnical or organizational relevant further complicates the matter. However, do people of the Western society live in an ethical world that is fundamentally and radically different from those in the Eastern hemisphere? Or do the differences only stem from the fact that ethical principles are practiced differently under different cultural settings but are globally undifferentiated? Colero [1] advocates for the existence of universal ethical principles even though they can be practiced in many different ways since the underlying principles are “embodied in diverse ways reflecting different cultural values and virtues.” Colero [1] points out that interpretive variations of ethics principles (i.e., “selective violations of the principles that society considers acceptable” [1]) lead people to conclude that there are no universal standards. However, Colero warns that this is a dangerous conjecture. Colero [1] asserts that a set of universal ethical principles applicable to all cultures, philosophies, faiths and professions would provide an invaluable framework for dialogue. Schumann [9] also contends that “the theory of ethical relativism should be rejected and it is meaningful to search for meaningful universal principles.”

Attempting to find a set of globally undifferentiated principles that are common and acceptable to all cultures is extremely ambitious but a worthy objective. Such principles can not only be used as a framework for collaboratively resolving ethical conflicts but can also be utilized to teach ethics as Socrates has once said that “Ethics consists of knowing what we ought to do, and such knowledge can be taught.”

This paper proceeds as follows. Ethics and culture in general will be discussed first and then their correlations will be elaborated. In the section that follows, a universal set of ethics principles will be established by incorporating various ethical principles, ethical decision-making processes/frameworks, and ethical resolution models that have been proposed in the literature. This set of principles will be used as a framework for guiding the collaborating effort for resolving ethics conflicts. Finally, application of the proposed framework will be illustrated by applying them to analyze real-world ethics cases including: (1) accepting and offering banquet invitations under the cross ethnical culture as well as cross organizational culture settings, (2) accepting and offering gifts, (3) software piracy, and (4) procedures and practices for firing employees.

Ethics and Culture

Culture represents a system of shared norms. It describes beliefs, values, customs, and assumptions that are shared by, for example, a particular social body, an ethnic group, or an age population. There are various dimensions of culture such as values, philosophies, social institutions and standards, customs, religions, belief systems, superstitions, relationship with nature, and time orientation. Other factors of culture include relativity of time and punctuality, personal and professional relationships, attitudes toward work and life, arts, folklore, music, and

language. Culture controls the way members of a certain group interact with each other and dictates as to what is acceptable, what is not acceptable, what is right, and what is wrong.

An obvious example in terms of cultural differences is that people in western countries normally build business first. If the business is successful, then a relationship may follow. However, in Eastern countries, the idea is that a successful relationship will naturally lead to successful business. People over there believe that prospective business partners should build relationships first. If the relationship is successful, then business transactions will follow. For instance, virtually all successful transactions in China result from careful cultivation of relationships, especially relationships with the government body. Similarly, the Western culture values individual initiatives and decision making. On the contrary, the Eastern culture expects decision making within relationships.

In terms of time orientation, the Western Monochronic/Linear Time Orientation culture strives to rigidly follow appointment schedules since time is considered as an entity to be saved, spent, or lost. On the other hand, the Eastern Polychronic/Circular Time Orientation culture reacts as events evolve since time is viewed as fluid, flexible, and circular.

Regarding legal aspects, the Western and Eastern culture differ on trust as well. Personal trust plays an essential and crucial role in the Eastern culture where laws can be shaped by circumstances. On the other hand, the Western culture relies on the legal system and usually follows the letter of the law.

Also, the Western low context culture believes in explicit, verbal, and direct communication while the Eastern high context culture utilizes figurative, nonverbal, and indirect language. Furthermore, the Western culture separates work from family and social life. However, the Eastern culture views work, family, and social life as one.

Ethics, as defined by dictionary.com, as “the rules of conduct recognized in respect to a particular class of human actions or a particular group, culture, etc.” So ethics is cultural relevant. Therefore, Ethics standards may vary and practiced differently under the context of different cultures. Ethics standards could even vary among various organizations as each organization has its own culture. Consequently, a business practice may be considered ethical in one culture but unethical in the other. Similarly, a scientific research method or an engineering approach is allowed in one organization but prohibited in another.

During a cultural exchange event between a U.S. delegation and an Asian Computer Association, the topic of copyrights surfaced. The U.S. delegation of course raised the flag with respect to software piracy practices in Asia. The response from the president of the Computer Association was quite interesting and perfectly demonstrated the ethical cultural differences. The president of the association related the situation to the sharing cultural of the Asian society. He mentioned that in Asian people love to share “good things” with friends. As an example, they often offer each other cigarettes. He suggested that this sharing culture played an important role in the software piracy situation while the practice inadvertently violated the copyright law.

The above discussion on the correlations between ethics and culture may lead people to erroneously take the “ethical relativism” position and rejects the presence of universal ethical standards or principles. However, this is not the case. Colero [1] submits that different cultures agree in certain ethics principles but can practiced them in many different ways when “the underlying principle is embodied in diverse ways that reflect different cultural values and virtues.” Colero illustrates his premise by pointing out that almost all cultures value trustworthiness but Western and Eastern cultures have different views on truth telling. An American with forthright nature of the Western culture may perceive the politeness of a

harmony-valuing Asian as deceitful although both cultures agree in principles that deceit is unethical [1]. It has also been asserted earlier in this paper that each culture has a set of ethics standards or “bottom lines” that cannot be crossed. Therefore, universal ethical standards or principles do exist.

Further, the fact that ethics to a certain degree is influenced by cultures argues for the importance of identifying and establishing such a set of universal ethical standards and principles that can be used as a framework to be utilized to reduce ethical conflicts to more fundamental matters so collaborative effort can be arranged to achieve consensus. Even though this is quite a challenge, such a framework would be invaluable for dialogues.

The Framework

In this section, a universal set of ethics principles to be used for resolving ethical conflicts with collaborative efforts across ethnical or organizational cultures will be established. The set of principles are formed based commonly accepted standards, ethical decision-making and resolution models, and practices of various organizations and communities across several countries (i.e. [1], [2], [3], [6], [8], [9], [10], [11], and [12]). The set of principles are outline below. Each of them can be considered as an individual and separate guideline and tool to be shared and discussed among parties in conflict to determine the appropriate course of actions.

1. The Unconditional Love Principle – Does your action concern for the well-being of others? Does you action effect harm to others?
2. The Golden Rule Principle – Do you treat others as you would like other to treat you?
3. The Transparency Principle – Would you feel comfortable if your action were going to be under the scrutiny of the public? Would you feel comfortable if it were published on the front page of a newspaper or reported on national TV?
4. The Law Principle – Is your conduct in compliance with the law?
5. The Code of Conduct Principle – Does your action conform to the professional codes of conduct, if any, governing your position and/or profession?
6. The Conflict of Interest Principle – Will your conduct cause potential or apparent conflict of interest?
7. The “Everybody” Principle – Would you be happy if everybody did what you did?
8. The Rights Principle – Does your action respect the rights of all affected?
9. The Fairness Principle – Does you decision treat all the stakeholders the same? Do you take unfair advantages of others?
10. The Honesty Principle – Does your arrangement exhibit honesty and trustworthiness?

Case Applications

In this section, the proposed framework will be applied to real-world ethics cases to illustrate their applications. Specifically, four cases will be studied: (1) accepting and offering banquet invitations under the cross ethnical culture as well as cross organizational culture settings, (2) accepting and offering gifts, (3) software piracy issues, and (4) procedures and practices for firing employees.

Case 1: Accepting and Offering Banquet Invitations

Having dinners with trading partners are inevitable during business trips, whether in U.S., in Asia, or in any other countries. The thorny issue is that people often feel that vendors use meals to secure business deals or to get an upper hand on business negotiations. It may also be perceived as a form of bribery.

This case will be analyzed in several ways. It will first be examined under the cross ethnic cultural setting and then under the cross organizational culture surroundings. It will also be considered from both trading partners' perspectives (e.g. vendors and customers).

Under the cross ethnic cultural setting, while doing business in China for example, westerners may feel that Chinese use meals as a means to influence business decision to their favor. So, should you accept the invitation? From the invitee's perspective, first of all, he or she should scrutinize himself or herself using the Code of Conduct Principle and the Conflict of Interest Principle. Any affirmation with respect to these two principles should cause a red flag being raised. Otherwise, considering the fact that Chinese people are known for their hospitality, inviting business trading partners to dinners is a form of showing hospitality and extending courtesy to guests. The banquet could be nothing more than just that. Chinese people also love to build relationships and making connections over meals is a natural way to build and deepen relationships in Chinese culture.

Therefore, it would be perfectly OK to accept the invitation provided that the Fairness Principle is followed to ensure that having the meal will not influence your decision making process to favor one over the other. At the same time, it will be appropriate to return the favor. This is also a good strategy to safe-guard yourself against any potential unethical behavior.

On the other hand, the party that extends the invitation should refrain from "doing business over dinner". The motivation should simply be to get to know each other better and build a healthy business relationship. Otherwise, you will put your invitees in an awkward and uncomfortable position. You would also violate the Fairness Principle by taking unfair advantages of your invitees to make favorable business decisions for you. Therefore, your action would be considered unethical. For this case, both motivation and fairness seem to be the core or near core value.

Under the cross-organizational setting, the author would like to relate the discussion to a true story involving banquets between a small start-up company and a Fortune 100 company for whom the small start-up was developing a product. During one of the site visits to the start-up company, the representatives from the Fortune 100 company were invited to dinner at a really fancy and expensive restaurant. First of all, the leadership of the start-up was trying to use the dinner as a means to influence these representative to continue making favorable recommendations with respect to the business arrangement. Therefore, the motivation was not right. The behavior of the start-up is unethical since the Fairness Principle had been violated. Further, this Fortune 100 company had a code of conducts restricting its employees from taking part in such banquets. Consequently, by inviting them to this banquet, the start-up has caused these representatives to violate their code of conduct.

However, the representatives of the Fortune 100 company should have rejected the invitation citing the code of conduct. Accepting the invitation as unethical since the Code of Conduct Principle had been violated. Nevertheless, they accepted and what they did afterwards was even more questionable.

The next morning, the program manager of the Fortune 100 company talked to one of the executives of the start-up and handed over cash that amounted to \$8 per person as a payment for

the dinner. This was their rationale to accept the invitation without violating their company's code of conduct even though the cost of their meals far exceeded \$8 per person. It is also important to mention that \$8 per person was the upper limit per this company's reimbursement policy for dinner cost. So, was the action of the program manager ethical? Did the program manager violate any of the principles outlined in our framework? At least, the Fairness Principle was violated since the program manager tried to use an instrument of a much less value to exchange for something that was much more expensive. Therefore, the compromise was unethical.

Case 2: Accepting and Offering Gifts

In Asian countries, it is a common practice to offer gifts to friends. This tradition has also penetrated into the business world. Is it ethical to accept gifts from your business partners? Is it ethical to offer gifts to your business partners?

The core value of this case is quite similar to Case 1. From the point of view of the person who offers gifts, he or she has to question himself or herself about the motivation. It is unethical if the motivation is to use gifts to influence business decisions based on the Fairness Principle. Further, before offering gifts, he or she should check to see if the recipient is subject to any professional code of conducts preventing him or her from accepting gifts. Also, the gift should just be a token and therefore should not be extravagant nor expensive.

From the recipients' perspective, it would be OK to accept a gift of an appropriate value and at the same time return a comparable one. The recipient would also need to examine himself or herself whether accepting the gift would influence his or her business decision in favor of the gift giver. If so, accepting the gift would be an unethical behavior since the Fairness Principle will be violated. Further, accepting expensive gifts or gifts of extravagant proportion is unethical based on the Fairness Principle since the recipient in this case has taken unfair advantages of the gift giver.

Case 3: Software Piracy

Despite increased efforts to crackdown software piracy, the use of unlicensed software costs the software industry billions of dollars of lost revenue every year. Furthermore, this number is climbing as evidenced by the following statistics.

A study released by IDC and the Business Software Alliance estimate that software piracy costs the software industry more than \$51 billion in profits in 2009. According to Bloomberg, this number has jumped up to \$59 billion in 2010. In 2011, AFT estimates that software piracy costs the industry about \$63.4 billion globally.

Based on aggregated CodeArmor intelligence data as of January 2013, the top twenty software piracy hotspots encompasses countries in the continents of Asia, North America, Europe, and South America. U.S. ranks number 3 on the list. It is safe to say that software piracy is a global phenomenon.

As mentioned earlier in this writing, the sharing culture of Asians may have led them to unintentionally violate the copyright law when they copy and share software with friends. On the other hand, people of other culture may argue that software piracy is OK since it is not the same as stealing. This is so because when one copies a piece of software, the original software is still intact since only a copy is made.

For this case, several principles in our framework can be used to facilitate the collaboration effort. The Law Principle can be used based on the copyright law and the

international copyright treaties. The Everybody Principle can also be utilized to engage the collaboration effort. How would the party that commits software piracy feel if he or she is being exploited of his or her much deserved profit when his or her software were the subject of software piracy? It should be clear that the Rights Principle is valid for this case as well since the software owner's rights have been violated and disrespected when his or her software has been copied. The Fairness Principle also applies for this case since software piracy causes the software industry of lost revenues. Clearly, software piracy is unethical based on the analysis.

Case 4: Procedures and Practices for Firing Employees

A major U.S. insurance company employs a quite provocative practice of firing its employees. First of all, the affected individual will not be given any clue or indication beforehand. On the day of the firing, the individual is allowed to enter the building and riding the elevator to get to his or her office. However, upon exiting the elevator, the individual will be stopped by security guards. At that point, the individual will be notified. The security guards will then hand over boxes containing his or her personal belongings that the company has packed up ahead of time. Is this practice ethical?

The analysis of this case is rather simple and straightforward since the Gold Rule Principle, which basically states that one should treat others as one would like to be treated, can be applied. Obviously, the practice at this company does not treat its employees with dignity and respect. Further, this practice definitely embarrasses the affected individuals and leaves them in extremely awkward situations. No one likes to be disrespected and embarrassed. Therefore, this practice violates the Golden Rule Principle and is therefore unethical. Further, this practice may have legal implications since the company collected the affected individuals personal belongs without their consent.

Conclusion

In this paper, an attempt has been made to establish a framework for collaboratively resolve ethical conflicts that may arise due to ethnical and organizational cultural differences. The framework consists of a set of proposed universally acceptable principles that are common to all cultures. A few actual cases have also been analyzed based on the principles outlined in the framework to illustrate the application of the framework.

A few remarks are in order here. First of all, the author is neither a subject matter expert nor a qualified ethicist. The attempt to define such a framework is not only feeble and incomplete, but also probably inadequate and even controversial. Nevertheless, the time and effort spent on this endeavor is absolutely worthwhile since such a framework is invaluable for dialogues. Hopefully, this paper will trigger more research interests and activities in this area.

It is also important to note that the principles outlined in the framework may be in conflict with other principles. Also, there could be philosophical discussions about principles versus absolute rules and heated debate on the validity of the principles. There are also times when principles will collide with each other not to mention that there are situations when it is acceptable to selectively violate principles. However, Colero [1] has recognized that "principles can only provide guidance. There are a myriad of situations that will never lend themselves to an easy formula, and the principles can only be used to trigger our conscience or guide our decisions." If all fails, the Love and Golden Rule Principles would prevail. It would be valid to

contend that these two principles could be applied to almost all the situations. The elements of these two principles virtually abide in all cultures.

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