

# INFLUENCING ETHICAL CONDUCT ACROSS CULTURES

---

MALIK MELAMU

# INTRODUCTION (Who am I?)

- Place of birth – Kroonstad, South Africa
- Education – Primary education in Botswana  
High School in Botswana, USA and Belgium  
Bachelor of Laws – Botswana  
Executive Development Program – UCT GSB
- Work Experience – 12 years as Banker (FNB and Standard Chartered Bank in Botswana)  
  
14 years in Telecoms (Botswana Telecoms, Vodacom and MTN)
- Worked in – Botswana, Lesotho, South Africa, Tanzania, DRC, Benin, Sudan (long term); Ghana, Wales, Mali (on short term projects)

# NECESSARY DEFINITIONS (IN BRIEF)

## ■ ETHICS:

- ‘The basic concepts and fundamental principles of decent human conduct. It includes study of universal values such as the essential equality of all men and women, human or natural rights, obedience to the law of land, concern for health and safety and, increasingly, also for the natural environment’

## ■ VALUES:

- ‘Important and lasting beliefs or ideals shared by members of a culture about what is good or bad and desirable or undesirable. Values have major influence on a person’s behaviour and attitude and serve as broad guidelines in all situations...’

(Business Dictionary)

# CULTURE

## ▪ WHAT IS IT?

‘Culture reflects the moral values and ethical norms governing how people should behave and interact with others’ (Boundless.com)

## ▪ RELEVANCE OF CULTURE IN ETHICS

- Primary cultural values are transmitted to a culture’s members by parenting and socialisation, education, and religion.
- Secondary factors affecting ethical behaviour (differences in the systems of laws across nations, accepted human resource management systems, organisational culture, and professional cultures and codes of conduct.

# CULTURE Cont.

- Culture in a country correlates with ethical behaviour of its managers.

Manifested:

- a) Visible actions (public statements and actions on ethical behaviour).
- b) Consolidated of their ethical attitudes and values

- 3 Levels of Culture (Schein – 1985)

- a) Cultural artefacts which indicate some of the values of the culture (Public works, works of art, museums, hospitals, universities etc. can be indicators of cultural values).
- b) Less apparent are things that individuals hold dear, and consequently influence behaviour. Can attain the level of rules on how individuals are expected to behave
- c) Hidden level is that of values (The assumptions we use to perceive reality).

# CULTURE Cont.

- Challenges Cultures Poses
  - Different cultures rate different practices at different levels. (This is at the core of the problem for cross-cultural transactions)
  - The challenge is having to navigate differences in ethical behaviour stemming from differences in culture.
  - Culture is challenging as it has no universal definition.
  - Managers usually prefer a clear set of rules or guidelines defining prohibited and approved practices. (Such rules fall short of being able to guide cross-cultural ethical issues).

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE)

(Thomas Donaldson HBR 1996)

- Theoretical Views:

\*What happens when a host country's ethical standards seem lower than the home country's?

- Traditional View ('Cultural Relativism')

- No culture is better than another, ❖ no international rights or wrongs. (Thus, when in Rome, do as the Romans do)

\*Dangerous approach when the stakes go beyond petty bribery, e.g. dumping toxic waste in a country with lax environmental laws;

This view is 'morally blind' (not sustainable)

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE) cont.

- Absolutist View ('Ethical Imperialism')
  - This view suggests implement home ethical standards and/or culture everywhere you go.
  - It involves a single set of rules/principles/concepts and prescribes the same response worldwide.

\*Untenable as strong beliefs exist that different cultural traditions must be respected. (Cannot try to impute one culture as better than another).

(Ethics is learnt in a cultural context.)

## MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE) cont.

### CONFLICT BETWEEN HOME COUNTRY AND HOST COUNTRY'S ETHICAL STANDARDS

- Very clear specific guidelines can still fall short of addressing the most complex ethical dilemmas.

(eg. Where host country has different and lower ethical standards than home country?)

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE) cont.

## Two levels of conflict here:

### a) Conflict of relative development:

- Ethical standards are in conflict due to different levels of economic development of the two countries;

e.g. Developing countries accept very low wage rates seen as inhumane in wealthier economies. They accept it due to the greater priority of attracting investment (with development, thus conflict reduces)

### b) Conflict of cultural tradition:

- Ethical standards/cultural tradition stems from engrained religious, societal or cultural beliefs.

e.g. Saudi Arabia does not allow women to be Corporate Managers. Economic development will not change this

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE) cont.

- Japanese culture of gift-giving raises conflict of cultural tradition
- Cannot do business in Japan without gift giving so most companies do it.
- This does not violate any core human value (while in some cultures it is not acceptable)
- Does not mean all non-monetary gifts are acceptable or that bribes are acceptable in countries where it occurs regularly.
- Gift-giving in Japan is acceptable because of the parameters within which it happens, and its intent.
- Gift-giving outside these parameters begins to conflict with core human values.

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT (THEORY & PRACTICE) cont.

## PRACTICAL APPROACHES

- Managers finding themselves working outside home environments often find inconsistencies between their company norms and those of the local environment.

(Conformance with local law/practice does not guarantee stakeholder/public approval)

(Equally it does not mean automatic default to home country practices) (L.S. Paine, R. Despande and J.D. Margolis – 2011)

# MANAGING IN THE CROSS CULTURAL ENVIRONMENT

## (THEORY & PRACTICE) cont.

- When moving managers from developed countries to less developed ones, whose standards should prevail?
- Most experienced, well-informed executives have to review their assumptions about doing business in foreign environments.
- If a company cannot adopt host country standards or import home country standards what is their option?

(The difficulty is a lack of universal international rules of business conduct)

\* Since often different development levels lead to different ethical standards a manager operating in a host country where they meet practices not in keeping with those at home, must ask themselves whether the practice would be acceptable at home if his/her country was in a similar stage of development.

# CONCLUSIONS

- All managers/leaders can only be successful if they are able to influence.

(Lack of sensitivity to other ways of doing things it is difficult to move forward or reach agreement).

‘Driving value by unleashing ideas, spurning collaboration, and solving problems across distance and difference requires shifting management methods from command-and-control to behaving inclusively.’

(Sylvia Ann Hewett – October 2016)

- **Balancing Extremes**

(Thomas Donaldson HBR Oct 1996)

Guiding Principles in Shaping Ethics Cross Culturally:

- 1) Respect core human values, which determine absolute moral threshold for all business activities (rights to health, economic advancement, improved living standard – Reciprocity)
- 1) Respect for local traditions
- 1) The belief that context matters when deciding what is right and what is wrong.

- Respecting differences is a crucial ethical practice .....  
Management of ethics differ among cultures; respecting those differences means recognising that some cultures have obvious weaknesses – as well as hidden strengths.
- 3 Values that converge across cultures
  - a) Individuals must not treat others simply as tools (Recognise their value as human beings).
  - b) Respect for people's basic rights, must be at core of how individuals and communities behave.
  - c) Community members must work together to develop the institutions that enable community growth.
    - Basics for any company to begin analysis of ethics at home and abroad.

- Develop specific guidelines/codes that incorporate basic human values. (This aides business with a 'moral compass' on how to operate ethically in foreign cultures).
- Then to help managers behave ethically, more specific guidelines/codes are needed
- And lastly, leave room for managers to exercise judgement where cultural sensitivities exist.
- Employ managers who show capability to adapt and have multi-cultural awareness.
- Managers who in times of moral ambiguity can find a way forward while respecting core human values.

## ETHICS IS A JOURNEY NOT FINAL DESTINATION

Success depends on building capabilities to adapt, influence, be dynamic.

- Some ideas to help with durability for this journey:
  - a) Treat agreed corporate values/guidelines/standards as sacrosanct.
  - b) Incorporate external stakeholders in your guidelines
  - c) Get a local perspective before finalising or changing guidelines
  - d) Find creative ways to assist local institutions to develop a voice against corruption
  - e) Leverage your social responsibility program to get political capital
- SHARE SOME STORIES FROM MY EXPERIENCE

**BE RESPONSIBLE**