Journal of Macromarketing

http://jmk.sagepub.com

Voluntary Codes of Ethical Conduct: Group Membership Salience and Globally Integrated Marketing Communications Perspectives

Andreas F. Grein and Stephen J. Gould

Journal of Macromarketing 2007; 27; 289
DOI: 10.1177/0276146707302803

Voluntary Codes of Ethical Conduct: Group Membership Salience and Globally Integrated Marketing Communications Perspectives

Andreas F. Grein and Stephen J. Gould

Multinational corporations' and global institutions' codes of conduct are criticized as being ineffective, often because they are not able to accommodate local ethical perspectives. This article identifies two key marketing aspects for addressing this issue: group membership salience which recognizes local identity factors and globally integrated marketing communications which deals with how firms integrate global/local messages. Building on these two aspects, a model of levels of identity is developed, research propositions are generated, and four prominent codes are examined using textual analysis. Various gaps in these codes are identified and on that basis implications for the further development of codes are drawn.

Keywords: *codes of conduct; marketing ethics*

Multinational corporations (MNCs) wield considerable economic power in today's world of increasingly integrated markets and economies. In particular, their influence on the growth and development of emerging markets is enormous, given their ability to transfer technology, capital and skills as well as open new markets to poorer countries. Any firm with this kind of power may also be suspected of harmful behavior by both host and home countries (Vernon 1998). For instance, a host country might believe that its local labor force is being exploited while the home country might simultaneously feel that jobs are being outsourced to countries that engage in "unfair labor competition," i.e., low wages, lack of unions, and lack of labor market regulations. Society judges firms by their actions (Ferrell, Fraedrich, and Ferrell 2005) so the challenge for an MNC is to determine how it will relate to society, and more specifically how it will balance the interests of a multitude of stakeholders globally (see Freeman 1984 on stakeholder theory). Besides employees, shareholders, customers, suppliers, and governments, the impact of public interest groups or nongovernmental organizations (NGOs) is growing (Sethi 2003).

Potential difficulties arise when society distrusts MNCs or the trade-offs between stakeholder interests cannot accommodate the needs of everyone. Past attempts to address these issues through the development of mandatory codes of conduct (created by international organizations such as the International Labor Organization) have not been successful (Kolk and Tulder 2002). Therefore, to reduce these problems, some MNCs write and adopt voluntary codes of conduct outlining how they will behave toward society. By doing so, firms are choosing to self-regulate their behavior in the absence of specific laws or regulations and demonstrate that the firm is at least trying to behave ethically. Hopefully, codes reduce the chances that firms will get into difficulties from not being able to balance the competing interests of many different stakeholders. Codes become valuable documents for educating everyone internal to the firm or connected to the firm's operations (e.g., suppliers, agents) about appropriate behavior and they set the tone for further discussions about conduct. Also, an informed observer could readily conclude that firms are adopting these codes to prevent or affect the content of future regulation.

In theory, codes of conduct tell society what to expect of a firm. Voluntary codes are promulgated throughout the firm, and possibly throughout its network of external agents and suppliers, and publicly. If there is a high degree of commitment to following the code's guidelines, then all actors within the firm and representing the firm will be bound by a common set of goals, ethics and values. If a code is not made public, one can still assume that the firm is trying to regulate its behavior and given society's propensity to judge

Earlier versions of this article were presented at the International Conference on Voluntary Codes of Conduct for Multinational Corporations: Promises and Challenges, Zicklin School of Business, Baruch College, City University of New York, May 13, 2004, and European Academy of Business in Society, Gent, Belgium, September 28, 2004.

Journal of Macromarketing, Vol. 27 No. 3, September 2007 289-302
DOI: 10.1177/0276146707302803

firms by their behavior, the outcomes stand in place of the document outlining rules of behavior.

In practice, however, codes have serious weaknesses, as described in Sethi (2003, 82):

> Codes are presented as public statements of lofty corporate intent and purpose, but are short on specific content . . . Codes are not taken seriously, even within the company, by either managers or employees . . . Code compliance is not integrated into the organization's reward structure and operating procedures . . . Codes lack effective and meaningful monitoring procedures as to verification and public disclosure of a corporation's compliance with the code provisions.

Sethi also describes a legitimacy gap, arguing that firms have avoided addressing public concerns and instead, highlight contributions which have little or no connection to public concerns.

Hypothetically, firms might give up on addressing public concerns, because there are many different stakeholders and varied demands. Grein and Gould (1996) describe Shell's decision to dispose of an oil rig (the Brent Spar) in the North Sea. According to the firm, sinking it was the safest disposal strategy as the deep waters of the North Sea would place so much pressure on the rig that the risk of break-up and contaminant leakage would be very low. The alternative strategy, towing the rig to shore, carried a significant risk of break-up in rough seas. Shell seems to have felt that its more scientific approach to the disposal of the Brent Spar would be persuasive with stakeholders. However, critics believed that sinking an oil rig was not safe and not a responsible thing to do. Public opposition to the plan spread among Western European countries and the response became so extreme that a Shell gas station was bombed by protesters. Shell relented, towed the rig to shore and was able to dispose of it safely, despite the increased risk in this approach.

It is important to remember that this is situation had a "truth" that apparently was scientifically verifiable, yet the differences in perspectives were extreme to the point of violence. Greenpeace actively criticized Shell's plans but subsequently had to apologize for misstating the facts. Nevertheless, Shell's reputation had been damaged. Shell's failure to recognize the differences in perspective allowed Greenpeace to capitalize on the public's different perception of the "truth" and strategically outmaneuver Shell. Shell might conclude from this experience that stakeholders' expectations are fickle and unrealistic. However, it suggests that firm behavior with respect to society needs to be carefully managed to address differences in perceptions of appropriate conduct and to avoid being trapped in situations like the one described above.

Addressing the first criticism of codes, a firm might write "a public statement of lofty corporate intent" (Sethi 2003, 82) leaving out specific content because increased specificity might seem impossible in the face of complex societal expectations. The second criticism needs to be expanded to include the firm's extra-corporate network, i.e., suppliers, agents, distributors, etc. As an example, Sethi (2003) demonstrates that Nike's extensive outsourcing of production does not preclude it from criticism about sweatshop conditions in independently owned manufacturing facilities. Monitoring and disclosing compliance information, the third criticism noted above, could raise difficulties such as how often must a positive action occur in order for it to be "successfully" implemented? When firms claim to have little or no power over independent network partners, should they be responsible for the actions of these partners? What is the appropriate level of disclosure? Disclosure practices and standards vary because they are influenced by the local environment (Daniels, Radebaugh, and Sullivan 2007), including education (e.g., literacy and attitudes toward math), culture (conservatism, secrecy, attitudes toward business and accounting), and legal, political, and economic factors (such as inflation).

This article, focusing on the marketing aspects of voluntary codes, will develop a model incorporating codes and ethics into globally integrated marketing communications (GIMC) and more generalized globally integrated marketing programs (Gould, Lerman, and Grein 1999; Grein and Gould 1996). Such programs provide frameworks for coordinating marketing strategies across various global markets. A further construct to be considered in terms of the marketing aspects of codes is that of group membership salience (GMS). GMS suggests that people belong to multiple groups simultaneously (such as ethnic or corporate groups) and depending on the situation, may more strongly identify with one group to provide a blueprint for their own identity and behavior. Salience has a strong element of situation-specificity and understanding what triggers salience would help to identify how individuals react to different situations.

This article argues that the failures of codes and their legitimacy gaps result in part from a failure to address issues of GMS in designing and implementing these codes. Extending this criticism to a firm's extra-corporate network, as well as employees, it can be argued that a lack of GMS might lead to an attitude where codes are not taken seriously. If firms fail to recognize GMS at the level of independent members of the network, they will not be able to integrate codes of conduct and rewards for appropriate behavior effectively. Considering these dimensions, this article will lay the groundwork for modeling and drawing up voluntary corporate codes with respect to marketing and generate research propositions. Finally, four prominent examples of voluntary codes will be considered and the article will discuss whether they manifest the full range of marketing ethics principles.

INTERNATIONAL ETHICAL CONSIDERATIONS

International managers need to be flexible, both when working individually and in cross-cultural teams. A manager

". . . should also have a feeling for culture; his moral judgments should not be too rigid; he should be able to merge with the local environment with chameleon-like ease; and he should show no signs of prejudice" (Phatak 1983, 97). Yet adaptation may go too far. Sethi (2003) explains that MNCs defend "sweatshop" conditions in developing countries by stating that these are better than prevailing local working conditions. MNCs argue that they cannot afford to set standards higher, yet Sethi's analysis suggests that they can at very little cost. Developing country governments participate by keeping laws and enforcement to a minimum to encourage more foreign investment. The situation is further complicated because ethical standards also vary by industry (Schlegelmilch and Robertson 1995).

Ethical relativism (i.e., differences across cultures in the perception of right and wrong) implies that ethical values differ depending on the culture in question. One can understand why different cultures develop different sets of values, and clearly this demands that international managers decide which set of ethics should prevail, i.e., those of the firm's home country or those of the local operations. This is a valid perspective but also has its limits. Managers can observe local behavior and discover what appears to be locally acceptable behavior; yet, almost any behavior could be thought of as *morally* acceptable when all that we really know is that the behavior is practiced in a culture. This perspective does not permit us to casually judge behavior in other cultures (Donaldson 1996; Nill 2003; Nill and Shultz 1997; Schlegelmilch 1998). It seems reasonable that managers should be flexible when faced with different practices and morals across countries, yet they must also have limits on their behavior in terms of adhering to consistent global corporate standards. Donaldson (1996, 52) argues that one can accept local differences in behavior, but there still must be "respect for core human values" (also known as "hypernorms"). Donaldson and Dunfee (1999) call for pluralism in forming ethical social contracts as opposed to relativism; there should be tolerance of various ethical perspectives without amoralism. In this respect, all people possess basic human rights in the sense of being recognized as purposive beings with the rights to freedom and well-being, even if there are cultural differences in defining these qualities (Arnold 2003).

Firms sometimes fail to take into account home country standards, believing that following local norms is sufficient. The force of home country complaints about "sweatshop labor" (affecting, for example, Mattel, Nike, Timberland, and numerous retailers) has resulted in corporate and third-party (e.g., non-governmental organization, or NGO) "codes of conduct" that impose standards above those typical in the foreign country's environment. A related problem is appearing to be unethical to the constituents in one part of a region, whose protest, once conveyed to neighboring countries by international media, acts as a catalyst for multicountry protest (e.g., Shell's difficulties with the Brent Spar oil rig; Grein and Gould 1996).

Other potential problems are unethical behavior of agents (Pepsi's bottler in South America; Hartley 2004), manipulation of local laws for global competitive gain (Pepsi's use of EU antitrust laws to attack Coca-Cola; Hartley 2004), virtually any marketing behavior with respect to controversial products (i.e., cigarette marketing, pharmaceutical marketing), appearing guilty by association (i.e., Avon's difficulty with the Chinese government's ban of multilevel marketing; Paine and Gui 1999), and simply being identified with a country whose actions are unacceptable to the local population (attacks on McDonald's in Serbia after U.S. air raids, Hartley, 2004; attacks on both McDonald's and Starbucks as symbols of U.S. cultural imperialism).

Another perspective is ethical absolutism, where ethical values are assumed to hold across cultures and situations. Such an approach might be characterized as deontological in which the inherent rightness of an activity makes it ethical, according to Hunt and Vitell (1986). However, they caution that deontological views will not bridge ethical gaps if various stakeholders differ in their views of specific ethical issues. When firms use such reasoning they often reflect an ethnocentric view, believing home country ethics are "right", and attempt to apply these regardless of local sensitivities or before giving thought to harmful outcomes (Donaldson 1996; Nill 2003; Nill and Shultz 1997). Perhaps the easiest way for MNCs to achieve a consistent policy would be using an ethnocentric staffing policy, filling key overseas positions with home country managers. This would foster a corporate culture throughout worldwide operations and assist in transferring core competencies (Hill 2004). Given the importance of the firm's reputation, brand name and relations with stakeholders, ethics policy and training could be a core competency, and such a staffing policy would help the firm behave with a consistent set of ethical principles. However, this type of policy is on the decline because of its limited advancement and training opportunities for host country nationals, and can even lead to "cultural myopia" (Hill 2004, 515) if firms fail to understand how to adapt strategies to host country conditions. At the extreme an ethnocentric human resources policy could lead to an inflexible stance on ethics, which could lead to paralysis. To use an example from business school teaching, what do you do if your bananas will not be loaded on a ship without a bribe? Should you compromise ethics and act in the locally typical fashion, or stick to a home country principle and allow the bananas to rot on the wharf? In contrast to deontology, teleology argued that acts are morally right if they produce a desired result (Ferrell, Fraedrich, and Ferrell 2005). A teleological firm might very well conclude that the bribe is the correct action to take.

There are many examples of international firms misjudging local standards in favor of home country standards. For instance, Archer Daniels Midland was implicated in trying to keep worldwide commodities prices high with price-fixing. This was further complicated by the firm's extensive lobbying of the U.S. government to receive a variety of price supports and other benefits. Although government lobbying is acceptable behavior in the United States, the extensiveness and success of its lobbying made the firm appear to be even less ethical in the price-fixing case (Hartley 2004). Euro-Disney has struggled to perform as well as either Disney's U.S. or Japanese theme parks. One specific complaint is that it lacks sensitivity to European needs by using skimming prices (Hartley 2004). Coca-Cola purchased a popular Indian soft drink brand (Thumbs-Ups) with the goal of reducing this brand's sales to make room for Coke in India. Coke sales failed to increase, and the firm decided that it should make a more concerted effort to support the popular local brand (Merchant 2003).

International managers make decisions in a "moral free space" (Donaldson 1996) where they attempt to adapt to local conditions without seriously compromising core values. These activities exist in a realm where they are neither good nor bad. Understanding and determining how managers will behave and in particular formulate or follow corporate codes of conduct is a topic fraught with theoretical and practical difficulties but of considerable importance. For example, Enderle (2003) distinguishes responsibility levels as micro (i.e., individual), meso (i.e., economic organizations) and macro (i.e., economic systems). This demonstrates that actors may feel a different level of responsibility at the individual (micro) level than at the organization (meso) level, even though they are in both levels at once. He extends this model by considering the international dimension, explicitly outlining the differences in relationships between countries, power imbalances, interconnections between countries, and global issues which make national boundaries irrelevant. Enderle also describes different philosophical approaches to ethics and business but his model is more descriptive of relationships and possible conflicts rather than suggesting how actors will resolve ethical problems.

In addition to developing and following codes of conduct, firms must also communicate with all stakeholders in an effort to preserve the value of the brand, and the firm's reputation. Marketing is increasingly taking a relational perspective (Vargo and Lusch 2004), which in this case means engaging in a dialogue with stakeholders to assess their concerns and developing solutions which balance different perspective and priorities (Nill 2003; Nill and Shultz 1997). The relational perspective, and its implications for communications, must be combined with a better understanding of managerial decision making to develop a more comprehensive theory of individual and firm behavior with respect to codes of conduct.

LAYERS OF IDENTITY AND GMS AS ETHICAL CUES

Individuals, as moral actors, are embedded in layers of identity, both micro and meso (Enderle 2003), which cue and problematize the determination of the particular ethics invoked. At the micro level, an individual is embedded in at least three levels of identity: cultural (including aspects of national identity, i.e., norms, values, customs and material artifacts associated with being part of a nation-state, along with globalized identity, i.e., adopting various norms, values, customs, and material artifacts from nations and cultures other than one's own), social (including subcultural membership), and personal (for a review of these levels see Lamont and Molnár 2002). The composite of these three levels are referred to as *everyday identity*, since they would apply to everyone, regardless of age, country, employment status, etc. In marketing ethics research, a number of identity variables have been recognized and/or studied, including gender, stage of moral development, personal experience, personal values, different moral philosophical orientations (i.e., teleological versus deontological), occupation, cultural environment, and personality traits like Machiavellianism (Ferrell and Gresham 1995; Fritzsche 1988; Hunt and Vitell 1986; Murphy 1999; Singhapakdi and Vitell 1990; Trevino 1986).

At the same time, there is a *corporate identity* (i.e., meso level) which affects managers, employees, and agents of corporations. An important concept applied in international business research is cultural salience, also referred to as cultural identity salience (e.g., Briley and Wyer 2002; Randell 2003). This concept in fact originated in management research by Nicholson and Johns (1985) concerning corporate culture. Indeed, in defining culture they were concerned with the meanings held by collectives in an organization rather than national culture.

Corporate identity reflects corporate culture which can be a predictor of ethical decision making, sometimes at the expense of personal values (Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich 1989; Nill and Shultz 1997). It comprises three levels which mirror everyday identity. Firm identity is identification with and membership in or affiliation with the corporation, regardless of what role an individual plays in it. Group identity reflects work groups, both formal (e.g., one's department or division) and informal (e.g., office allies and friends). Individual identity within the corporate dimension would involve one's formal position and one's relationships with others. In many respects, these working identities are situational in that individuals are placed in a particular situation at a particular time, one which is dominated by corporate culture (Ferrell, Gresham, and Fraedrich 1989). Often these different identities lead to a separation between individual ethics and the ethical outcome of organizational actions as decided by the group (Nill and Shultz 1997). There are also other sources of ethics, such as standards in a given discipline like marketing, which will impact corporate social identity in particular. Likewise, one must consider industry standards, and the standards of agents in the extra-corporate network, i.e., any agent, distributor, supplier, etc., who acts on behalf of the firm.

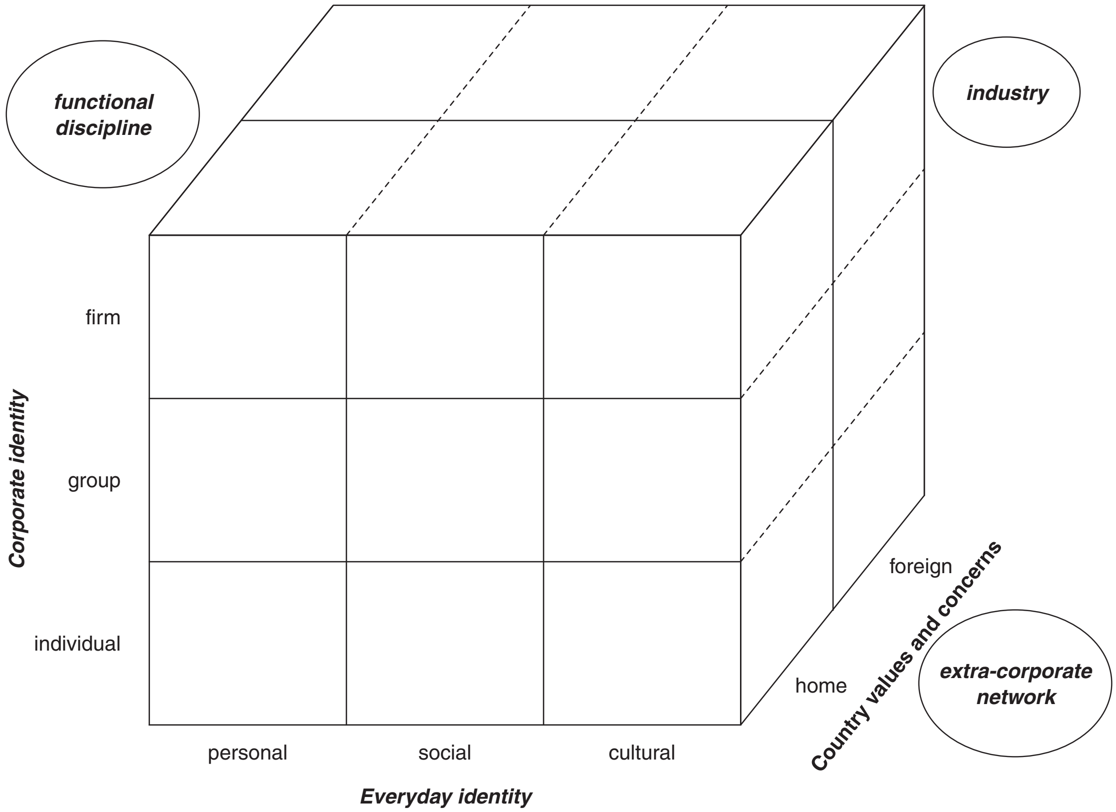

FIGURE 1 LEVELS OF IDENTITY

Differences in home and foreign country values and concerns also affect identity. As noted above, managers make decisions which reflect local conditions (i.e., foreign or home country) while considering core values (Donaldson 1996). Because of relativism and managers possible desire to adapt to local conditions (Phatak 1983), managers must choose to conform to one or the other set of values, or at least develop some sort of compromise.

When combining personal, social, and cultural identity; the three corporate levels of identity; and the distinction between home and foreign country values and concerns, a cube is formed which can be used as a framework for formulating, implementing and investigating ethical marketing programs (figure 1). This model also incorporates the influence of discipline-specific, industry and the extra-corporate network's standards.

To investigate how all these disparate identities play out in ethical decision making, it is necessary to consider group membership salience (GMS). Such GMS plays an important role in determining perceptions of correct or "ethical" behavior in different situations. Salience theory postulates that actors can be motivated in a situation by the mere presence or absence of certain trait cues (McGuire and Padawer-Singer 1976). Paradoxically, situational factors reflect relatively longstanding traits, characteristics and dispositional tendencies. For example, a group comprised of men only (being a man is a longstanding characteristic of a person) will act quite differently than one in which women are present. The mixed-gender group makes gender cues salient.

An illustration in marketing ethics comes from Williams and Murphy (1990) who, though not focusing on salience or GMS, applied a similar idea by invoking the family as a standard when ethical questions arose in marketing settings. Thinking of one's family is thought to make the ethics of that relationship salient in other situations. For example, Williams and Murphy (1990, 21) suggest, "Treat customers . . . the way you would want your family treated." In general, salience may involve many cues for individuals, including personal, social, and cultural identities. Culture in particular has been thought to be relevant in terms of GMS (Briley and Wyer 2002). For instance, social contracts in marketing may involve microcultural factors that become salient at various times such as identifying with the cultural norms of one's community as an ethical guide (Dunfee, Smith, and Ross 1999). Similarly, focusing individuals on various culturally derived moral maxims they may identify with (e.g., Laczniak 1983) can make ethics salient. However, while focusing involving cultural identity makes it salient, it may also have situational or contingent aspects, rendering it particularly salient or relevant only at certain times.

With respect to corporate codes of conduct, it is necessary to consider the level of identity relevant to a specific activity to determine salience. For instance, it is likely that in formulating corporate codes, corporate levels would be most salient. However, in international marketing situations, corporate actors must be cognizant of different levels of ethics since the corporation acts within several levels at once (e.g., home culture, host culture, internal corporate culture). The "big gray zone" of moral free space (Donaldson 1996) can be refined as a variety of salient cues and layers of identity which influence behavior and decision making with respect to a particular ethical problem. Different levels of identity, both everyday and corporate, can be triggered singly or in combination depending on GMS. The resulting approach to an ethical problem is situation-specific and reflects what is salient at the moment. Misspecification of the appropriate or salient level could render the formulation and implementation of codes of conduct a meaningless and possibly counterproductive exercise.

GLOBALLY INTEGRATED MARKETING COMMUNICATIONS

A further perspective on the application of GMS to ethics and the development of voluntary codes of conduct considers codes as a form of communication. Nill (2003) suggests ethical decision making involves dialogue on an ongoing basis among various stakeholders from inception of an ethical issue to implementation. Viewing ethical decision making as a communication process leads us to consider the concept of Globally Integrated Marketing Communications (GIMC), an application and extension of Integrated Marketing Communications (IMC) on a global level. GIMC involve the coordination of all marketing activities and communications across countries where these activities are taking place (Gould, Lerman, and Grein 1999; Grein and Gould 1996; see also Sheth and Parvatiyar 2001 and Kitchen and Schultz 2003 for related perspectives). In this regard, coordination comprises a full range of standardized and adaptive communication approaches, contingent on conditions across both countries and marketing communications disciplines (e.g., advertising, public relations). When compared to previous perspectives, the concept is not necessarily that one communications approach is followed across markets but rather that integration is achieved through managerial coordination and oversight as it is applied to promote brand and corporate interests.

Ethical behavior and values must likewise be communicated and coordinated from a corporate view. A balance should be drawn between competing ethical stances across cultures and markets and which of these should be privileged in formulating ethical policies and codes (Donaldson 1996). In this respect, codes may be viewed as texts that contain corporate ethical policies and may be used to promote these policies internally and externally. This latter promotional character is a relatively ignored aspect of ethical codes but is quite significant in conveying a firm's ethics. Considering this conceptualization, globally integrated marketing communications (GIMC) may be seen to provide a model for thinking of corporate codes and related behavior as forms of promotional communications to be managed. Within that rubric GMS provides a segmentation and targeting tool for such communications. This means that it guides corporate decision makers to think of the stakeholders involved, recognize their differences and affirm their need to be addressed as individual parties to the ethics decision making process and, in particular, the creation and implementation of voluntary codes of conduct. Framing GMS as an explicit global marketing ethics communications tool provides a theoretical perspective for integrating various stakeholder viewpoints.

International firms' actions are judged by stakeholders in foreign markets, home markets, and globally. Likewise, a variety of actors within the firm and agents of the firm have differing perceptions of marketing ethics and may use different ethical frameworks to guide their actions (see figure 1). So, how can firms integrate the various ethical perspectives that exist among the firm's employees, agents, suppliers, etc.? Then, how can the firm apply a consistent set of ethical standards in a multimarket environment where markets may have different standards? In attempting this, how can international firms develop codes of conduct that acknowledge GMS and the need for flexibility without compromising principles and pitting the interests of different of stakeholders against each other? How can firms compete with international players who have different perceptions of "correct" (be it ethical or not) behavior? Finally, with interdependent markets, how can global firms cope with interdependencies on top of the myriad levels?

Ethics need to be applied to marketing programs just like other firm activities. Under appropriate conditions, firms need to integrate these programs across different countries. Grein and Gould (1996) use a contingency perspective to describe how marketing communications can be integrated across horizontal (i.e., countries) and vertical (i.e., promotion disciplines) dimensions. A further article (Gould, Grein, and Lerman 1999) describes how integrated marketing communications are affected by advertising agency-client relationships in a network. In their perspective, integration is a synthesizing and balancing process in which individual stakeholders have a voice and different views are recognized while a central managerial perspective at a firm's highest levels oversees and coordinates these activities and views. Such a process is said to enable local agency units to act in a locally appropriate manner while still being consistent with the central agency's standards for the client and global brand image. Here, this article suggests this concept can be extended to apply to all marketing programs. In other words, marketing programs must take advantage of any possibility to create synergies and to make sure that they reach their target audience and are understood. Because ethical conduct reflects on the firm, its brands, and its products, globally integrated marketing programs must integrate ethical behavior across markets and marketing functions.

PROPOSITIONS REGARDING CODES OF CONDUCT

A GMS perspective can be very helpful in enhancing the ability of firms to apply GIMC since it can specifically address how to make issues salient to all stakeholders, especially home and host country consumers, competitors, suppliers of marketing services (e.g., advertising and marketing research firms), and downstream agents like manufacturers' representatives, wholesalers, and distributors. A good code of conduct would address GMS issues by using a dialogue with stakeholders to incorporate different perspectives into an actionable document. Ideally, this would be communicated in an integrated fashion so that all stakeholders, be they a part of the firm or not, will understand the code and find it salient. In particular, it should be sufficiently salient that actors in the firm or on behalf of the firm will not defect from the ethical principles, thereby undermining the benefit of global integration in marketing programs. This suggests several research propositions.

Effect of Diverse Environments

As the diversity of operating environments increases, firms will be confronted with a greater variety of cultures, values, market, and competitive conditions which have different historical antecedents. Therefore, it is likely that firms with sales and investments in more diverse environments will have more difficulty crafting a code of ethics that is meaningful and acceptable to all stakeholders. In terms of GMS, it will be more difficult to understand how salience affects stakeholders, be they employees or external to the firm such as customers.

> P1: If the diversity (i.e., cultural, competitive, consumer) of a global firm's markets is greater, GMS will make it more difficult for firms to create codes of conduct and marketing programs that are meaningful to their stakeholders.

Role of GMS

Firms that make a greater effort to address GMS ought to expect that compliance will be greater among its representatives (i.e., employees, suppliers, distributors, etc.). If actors understand the code of ethics and see elements relevant to their identities, then it is expected that they will also accept the code and be more willing to follow its guidelines. For instance, international business teaching refers to the "it's not invented here" problem. This is a situation where actors look at a proposed firm strategy or plan and fail to implement it, believing that it was designed by others who fail to understand their market's unique characteristics.

GMS is cued by situations and the presence of people of various groups. Corporate codes should be derived by representatives of those various groups to reflect possible issues of salience and should be seen as mirroring all possible stakeholders to the highest degree possible. People generally seek out self-relevant information so that GMS-inducing cues present in a corporate code document will make the information relevant. It is likely that an absence of self-relevant cues may cause them to ignore or even oppose the codes. By addressing GMS, a firm's codes of ethics should appear relevant and important anywhere that the firm operates.

> P2: Firm-wide codes of conduct will be viewed more positively and generate greater compliance if issues of GMS have been addressed.

Integration of Codes across Countries

As in GIMC and marketing programs, strategies which are coordinated across markets (without being arbitrarily standardized) should result in better firm performance. If this is the case, then a code of conduct which addresses GMS and is coordinated across markets should also result in better performance. Taking the perspective of consumers, brand image should improve when a firm behaves ethically and engages in an effective dialogue, to respond to both local and international issues in a convincing way. The impact on global brand names and brand equity could be devastating if ethical standards worldwide do not adhere to the same high level as the branding effort. One can assume that better brand image leads to higher sales and profits, so measuring ethical problems or crises, perceptions of the firm's behavior and brand image should effectively capture performance.

> P3: When ethics and codes of conduct are integrated across countries and incorporated in globally integrated marketing programs, firms will have better performance (i.e., firms will be perceived as being more ethical, have a better brand image, and fewer ethical problems or crises).

The Firm's Extra-Corporate Network

As external networks become increasingly important, blurring the boundaries between firms and independently owned collaborators, consumers and other stakeholders will find it more difficult to separate the actions of a network participant from the firm and brand itself. Networks play an important role in international business and there are significant benefits to the firms involved, including sharing knowledge. Networks also develop behavioral rules which become more dominant over time (Kogut 2000). In some cases, criticism of MNCs has focused on the behavior of firms which supply MNCs, such as Nike's supplier factories, without acknowledging the ethical complexity of the problem and the possible inability of MNCs, like Nike, to manage this complexity (Litvin 2003). (Nike will be discussed in more detail below.) Firms must seek adherence to corporate codes of conduct from all members of the extra-corporate network.

> P4: Firms that get better compliance with their codes of conduct from their extra-corporate network (i.e., suppliers, agents) will have better performance (i.e., firms will be perceived as being more ethical, have a better brand image, and fewer ethical problems or crises).

EXAMINING EXISTING CODES OF CONDUCT

As codes of conduct are increasingly available to the public, it can be determined if issues of relevance to globally integrated marketing programs and GMS have been addressed. Recent discussion of MNC behavior seems to focus on the potential for problems in manufacturing and dealing with controversial products, such as prescription medicines for diseases like AIDS. It is therefore important to also consider the extent to which codes address marketing problems, the extent to which they seem to reflect the diverse interests of the various stakeholder groups, the extent to which GMS has been captured in these codes, and the extent to which the extra-corporate agents have been incorporated. Drawing on the work of Sethi (2003), four prominent codes from global institutions and multinational firms have been identified. The codes selected are the United Nations Global Compact, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the codes of conduct for Nike and Mattel. These codes were selected as examples of different approaches, and reflect different organizational goals. One specific difference is that the UN and OECD codes are attempts to write codes on behalf of companies, whereas Nike's and Mattel's are the companies' own efforts. They represent the beginning of discussion of different codes, and are not "typical" of the majority of codes.

Codes of conduct are texts or documents which can be analyzed for their theoretical content (Hodder 2003). For example, Wotruba (1997) analyzed the Code of Ethics of the U.S. Direct Selling Association as a way of driving further research. However, Hodder goes further and suggests making comparisons of various texts for patterns, similarities and differences. In this vein, Rogers and Swales (1990) suggest that writers of codes make complex language decisions to manage expectations of readers. Informed by these approaches, this study employs textual analysis to consider four codes and examine the issues raised on a comparative basis among them. The findings, with respect to GMS and marketing programs, are summarized below.

The United Nations Global Compact

The stated goal of the Compact (www.unglobalcompact.org) is to combine previous work on the issues of human rights, labor, sustainable development, and corruption into ten principles that guide businesses in addressing the problems posed by globalization. Firms participate by writing to the UN with their intention to participate, and publicly declaring their adherence to the principles. The Compact was selected as an example because of its unique role based on its origins in the United Nations as well as its success in attracting participants (2,500 firms and other stakeholders). It is important to note that the Compact is described as being less a code and more "as a (frame) of reference to stimulate best practices and to bring about convergence around universally shared values" (Williams 2004, 762). At the same time, networks of participants (firms and other stakeholders) can address issues regionally while adhering to these universal principles. This is a very important point, as it opens the door for salience to come into play, both when considering the viewpoints of different kinds of actors as well as regional variation in norms of behavior and societal expectations. This is reflective of P1, recognizing the diversity of environments and the effect this has on codes. The key criticism of the Compact seems to be its lack of accountability but Williams (2004) suggests that progress in this area is very likely.

The first principle argues that firms should protect human rights within their sphere of influence. In the more detailed description of this principle there is a sub-section entitled, "Addressing Consumer Concerns." These concerns, however, are described only in terms of giving consumers information about where and how products are produced, and the principle does not delve further into concerns like ethical use of advertising, pricing and selling techniques, communicating with consumers, use of information and privacy, distribution issues, etc. This provides only limited reference to the elements of P3, integrating codes into marketing programs. This principle also discusses how to integrate concern for human rights into company policy. The text suggests universal human rights, (e.g., "developing a company policy and strategy to support human rights") without addressing whether human rights are indeed universal, and whether there are GMS issues. For instance, would citizens in a poor country prefer to have more emphasis placed on property rights over the right to free speech?

Principles 7, 8, and 9, dealing with various aspects of environmentalism and minimizing the ecological impact of business, also have implications for marketing. In particular, the advocated proactive and "cautionary" stance suggests that businesses should design environmentally friendly products and also consider their ultimate disposal. Like the first principle, these principles only weakly follow P3 (which suggests that codes of conduct should be integrated into global marketing programs).

While addressing many concerns about global business, the Compact reveals that it does not yet address concerns relevant to marketers and consumers beyond the two keys areas (right to information on product origin and environmentally responsible production/products) described above. Nor does it appear to explicitly address GMS and how firms should make codes relevant to diverse stakeholders, including extra-corporate agents, although it does allow some flexibility for adjustments across regions. In particular, the Compact does not motivate firms to think about integrating ethics into their marketing or other programs other than on a purely moral basis. It is expected that firms could benefit and indeed, that proper attention to GMS would lead to a much stronger set of principles. For instance, the Compact could address issues like fair pricing, fair advertising and selling practices, and providing appropriate information with product labeling. The Compact could be further developed with respect to issues faced by international marketers, and in particular, those pursuing globally integrated marketing programs.

OECD Guidelines for Multinational Enterprises

A document prepared by the OECD outlines the differences between the UN Global Compact and the OECD Guidelines for Multinational Enterprises (OECD 2005). (The Guidelines can be found at http://www.oecd.org/dataoecd/56/36/1922428.pdf.) Both are voluntary guidelines for corporate social responsibility. The UN principles have "universal consensus" and the Compact functions mainly as a network to bring together firms with UN agencies as well as other civil organizations, whereas the OECD Guidelines have the backing of member governments, which given the OECD membership, comprise the vast majority of worldwide foreign direct investment (FDI) flows and major multinational enterprises. There are complementarities, especially given that the underlying principles are quite similar, and also differences. Notably the OECD Guidelines are more detailed and go beyond the Compact in areas such as disclosure, consumer interests, science and technology, competition, and taxation.

With respect to the environment, the Guidelines state that products should be designed to minimize the environmental impact of their production and consumption, and firms should educate consumers about the "environmental implications" of using their products. In the chapter "Combating Bribery," the Guidelines recommend not paying bribes or any other kind of favoritism to win contracts, etc. In addition, it is recommended that firms' financial accounts be as transparent as possible, to prevent unethical practices from being hidden in "secret accounts." If a firm decided it had to pay a bribe, but wanted to follow the rest of the Guidelines, it would be reacting to salient issues from its unique perspective. Then, an interesting question would be whether the firm would consider itself to be acting "responsibly" by reporting the bribe in a transparent fashion? This hypothetical situation acknowledges the ethical relativist and teleological perspectives that bribery may be necessary under certain conditions and firms may be unable to conduct business without resorting to such behavior. The OECD's position does not appear to recognize the impact of diverse operating environments on codes (P1).

Under the heading, "Consumer Interests," the Guidelines go further than the Global Compact by addressing the need to provide detailed product information, effective procedures to resolve consumer complaints, eliminate misrepresentations and omissions that result in unfair selling practices, respect the rights of consumers to privacy and protection of their personal data, and cooperate with local authorities regarding safety issues concerning the products. This represents some support for P3, namely that codes should be integrated with marketing programs. Given that OECD members represent many MNCs with extensive foreign investments, this also suggests integration of both codes and marketing programs across countries.

The heading, "Competition," further reinforces ethical market practices by recommending that firms avoid anticompetitive practices like bid-rigging and price-fixing. In combination, these two areas of the Guidelines reflect a stronger focus on marketing issues and suggest that they have more potential for protecting consumers and improving the marketing behavior of firms. Clearly, the OECD Guidelines go quite a bit further than the UN Compact. However, the Guidelines do not appear to address GMS and may be more rigid than the UN's network approach. In addition, there are still gaps in the Guidelines with respect to marketing issues such as "fair" pricing, targeting of disadvantaged groups (such as children or the illiterate) and the whole issue of how market power (i.e., power derived from having a high market share or strong brand name) is used.

Nike, Incorporated

Nike has been strongly and publicly criticized for its failure to behave in a socially responsible manner. Nike is essentially a footwear and apparel design firm with a strong marketing function, while not owning any of its manufacturing facilities. In this sense, Nike is more a pure marketing firm than is typical, although its model of not owning factories has been increasingly copied by other MNCs (Sethi 2003). Since 1989, Nike has been heavily criticized for sweatshop-like conditions in its factories (Sethi, 2003).

Examining Nike's Corporate Responsibility Report FY 2004 (the latest report available; http://www.nike.com/index.jhtml#l=nikehome&re=US&co=US&la=EN) reveals interesting contrasts to the United Nations and OECD approach to influencing firm conduct. Nike's report is focused heavily on two goals: environmental responsibility and labor conditions/rights. In addition, Nike has added a new goal ("A Letter from Nike Brand Presidents"):

> To use sport as a tool for positive social change and campaign to turn sport and physical activity into a fundamental right for every young person.

This goal presents a fascinating problem, namely, when a firm promotes its business (i.e., sporting goods) as being part of a fundamental right worldwide, does this represent integrating ethics into marketing programs (P2), or vice versa? Is this good business or teleology (i.e., fitness is a worthwhile goal)? It is impossible to answer this question here, but given that this is a new goal for Nike, it certainly suggests that firms' behavior with respect to codes and marketing programs is developing rapidly and posing new theoretical questions.

By largely restricting the focus to three goals, the suggestion is that Nike is trying to limit the scope of discussion and perhaps "not bite off more than it can chew." The tone of the report is apologetic for the firm's slow response to these issues in the past, and reflects a quite engaged stance ("A Message from Phil Knight"):

> After a bumpy original response, an error for which yours truly was responsible, we focused on making working conditions better and showing that to the world.

The final statement, showing Nike's progress to the world, is reflective of both P3 (performance benefits of integrating codes with marketing programs) and P4 (performance benefits of getting compliance from the extra-corporate network).

The report seems to acknowledge the diversity of opinions regarding these issues, and implicitly highlights the difficulty in reaching a consensus on how to address various problems:

> This report taught us that to write the next chapter, we and others involved in this discussion are going to need to see common standards emerge and ways to better share knowledge and learnings created.

Given that Nike is a corporation rather than a global institution like the UN or OECD trying to develop principles for its members, it is interesting to see a call for universal standards, as well as explicit mention of problem areas and an admission that these problems have not been solved ("A Letter from Nike Brand Presidents"):

> Some of what we see is concerning. As a global company, we have social impacts in every region of the world. Despite our concerted efforts, improving working conditions in our supply chain is still a major challenge. With our aggressive, ongoing monitoring programs, we now believe we have a more accurate picture of where the problems of non-compliance lie.

Nike seems to be acknowledging the need to cope with diversity (P1) while at the same time calling for more universal standards. Theoretically it could be argued that this will not succeed if standards cannot be made salient (P2) but Nike could be arguing that competitive pressures are forcing it to ask for common standards. Finally, it is important to note that the firm takes a teleologically oriented stance:

> We believe that a strong corporate responsibility effort will be good for business. It helps us deliver value to our five core stakeholder groups: consumers, shareholders, business partners, employees and the community.

This reflects P3 because of the commitment to making Nike's progress known, requiring integration into marketing programs. It also mirrors P4 with the reference to business partners.

Nike's disclosure efforts are also linked to developing industry standards, recognizing competitive constraints on corporate responsibility ("A Letter from Nike Brand Presidents"):

> It's our belief that for market forces to enable responsible competitiveness, consumers must be able to reward brands and suppliers using fact-based information. Compliance efforts need to be optimized, made affordable and demonstrate real return if better working conditions are to become widespread. Disclosure of our supply chain is done in an effort to jump-start disclosure and collaboration throughout the industry and support efforts toward that final goal of market forces, providing the tipping point for the mainstreaming of best practice.

This reflects P3 and P4 by stating the firm's view of the link between giving consumers information and being rewarded with improved performance. At the same time, given Nike's suggestion that best practices can apply anywhere in the world, it is not clear whether the firm recognizes or has considered issues of salience (P1 and P2).

Examining the report to see how much space is devoted to each goal and the order in which they appear leads one to conclude that Nike's priorities are (1) improving labor conditions; (2) issues related to the environment; (3) consumers/community; and (4) taking a proactive role in engaging governments. Nike's Report Review Committee notes in its recommendations that it would like Nike to "discuss consumer issues" in the future, suggesting for instance a discussion of using athletes in marketing and further discussion of sustainable consumption.

Nike follows the Global Reporting Initiative (http://www.globalreporting.org/), which outlines how a firm should report on sustainability. The firm's corporate responsibility report highlights which areas of the GRI Index have been covered. The firm definitely supports communicating its results to the public, yet in the category of "Social Performance Indicators: Product Responsibility," Nike has not reported on a variety of issues like product information and labeling, consumer privacy, customer satisfaction, and adherence to advertising standards.

Nike's report suggests that firms may have widely divergent views of their responsibilities from those advocated by major international institutions and NGOs. Nike's stance is interesting, limiting its commitments and acknowledging the firm's failures. There is also a strong emphasis on market constraints, such as the comment above on making compliance efforts "affordable." Nike's approach is salient in that it acknowledges the difficulties in accomplishing its goals and highlights areas, for example, where Nike's code of conduct is in opposition to local laws (China's prohibition of independent labor organization). One can conclude that Nike is still in a somewhat defensive mode, although it has clearly made significant changes over time and now admits the failures of its "bumpy original response." Litvin (2003) argues that Nike's problems may lie partly in its "fraternity house" corporate culture, in effect, proud and insular, and partly that branding can be viewed as manipulation of consumers, which means that Nike's phenomenal branding success makes it look even more reprehensible if it is seen as exploiting workers in developing countries. Sethi (2003) concludes that Nike could be doing considerably more and Nike's review committee concludes the same, especially with respect to marketing issues. It sounds hopeful that Nike mentions "building trust with consumers," yet there seems to be little progress on marketing issues. Nike's approach is quite a contrast to the UN Global Compact and the OECD Guidelines, suggesting that firms have challenges which are not being adequately recognized by other global organizations.

Mattel, Inc

Mattel's Corporate Social Responsibility Report (http://www.mattel.com/about_us/Corp_Responsibility/defa ult. asp) is notable in that Mattel has created its own independent monitoring council (The Mattel Independent Monitoring Council for Global Manufacturing Principles; MIMCO) to address concerns about manufacturing practices. MIMCO has the authority to monitor the Mattel's manufacturing activities and make public reports without the company's approval (Sethi 2003). This is one of the most comprehensive independent monitoring efforts created by a company to address its own behavior in global markets. The standards, audit procedures, and documented progress in redressing poor working conditions speaks volumes about the effort and potential effectiveness of this approach.

Mattel's Global Manufacturing Principles (GMP) (http://www.mattel.com/about_us/Corp_Responsibility/GMP overview.pdf) recognizes GMS by stating that their purpose is to ". . . protect the environment while respecting the cultural, ethnic and philosophical differences of the countries where Mattel operates." In the Corporate Social Responsibility Report (http://www.mattel.com/ about_us/Corp_Responsibility/csr_final.pdf), Mattel states that it follows all local laws and regulations, and ("Our Commitments"):

> Through GMP we have developed country-specific standards that govern our operations and those of the companies that manufacture and assemble our products. In regions where standards are either non-existent or insufficient, Mattel has established its own standards that reflect its commitment to its employees and their environment.

This is very important because the firm acknowledges the diversity of its operating environments and the effect this has on codes (P1) as well as suggesting that it might be addressing issues of salience to get better compliance with its code (P2). It raises the question of whether the firm believes that getting compliance from the extra-corporate network will enhance performance (P4), although one could easily believe that a firm would have this outcome in mind.

The Corporate Social Responsibility Report also outlines Mattel's approach to consumers. A key value is "Inspiring kids' imaginations." Communication with consumers is another element comprising packaging, web interaction, satisfaction surveys, etc. The report notes the diversity of markets in which Mattel operates ("Leadership in Product Quality"):

> We create products that respect our global customer base and the diversity of cultures. We strive to ensure that our promotional activities, including advertising, packaging and promotional programs, are conducted in a manner consistent with applicable laws and our values of honesty and integrity.

This statement is an excellent example of integrating codes with marketing programs (P3), although Mattel does not explicitly state that it expects to have better performance as a result. In addition, it also suggests addressing salience issues (P1) without compromising core values. Beyond this, the Principles focus on manufacturing issues, and seem to neglect the other marketing issues surrounding children's products, namely how these should be promoted, and what products should be marketed. Apparently, Mattel is leaving those questions to the local regulations and laws, rather than taking a more proactive stance.

Mattel's code of conduct offers a good example of what firms can do, and at the same time suggests areas for further discussion and development. Especially intriguing is the idea of developing norms of behavior that are country-specific yet exceed minimal local requirements. This is very suggestive in terms of making codes salient without sacrificing core values. Certainly the values and principles expressed in relation to marketing are good, but similar to Nike, they leave a lot to be desired in terms of specificity and taking a proactive approach. Given that marketing to children is likely to become an even more sensitive issue in the future (as more and more consumers worldwide are exposed to multinational firms' marketing programs), it raises the question of whether Mattel is doing enough or is leaving itself open to criticism. Mattel's approach incorporating elements of GMS (i.e., country/cultural elements) is a starting point for a comprehensive platform applicable to globally integrated marketing programs.

DISCUSSION AND IMPLICATIONS

A great deal of effort has gone into creating codes of conduct for MNCs, but the results are not yet satisfying critics. International institutions (such as the UN and OECD) and firms have made this effort, with different results. Firms appear to be wary of over-committing, and there may not be a real understanding as to why codes are needed nor what they should accomplish (Morsing 2003). Examining four prominent codes of conduct has revealed that relatively little attention is being paid to marketing issues, and there is little which links directly with globally integrated marketing programs. The UN Compact begins to address diversity and GMS by adopting the regional networks approach (P1). Nike and Mattel note the difficulties of achieving GMS in diverse markets and Mattel pledges to respect culture and market diversity by creating country-specific standards, even in the absence of local standards.

It is very difficult to gauge compliance for the UN Compact or the OECD Guidelines (P2). Both Nike and Mattel use GRI but this still gives a limited sense of compliance (the firms do not report results in all areas) and no real sense of acceptance of codes of conduct, either by the firms or their networks of partners. Mattel's independent monitoring efforts are very important and seem to have resulted in considerable progress, but it is hard to determine whether attempts to address GMS have affected compliance. Nike's report offers a tremendous insight by acknowledging past failures and present difficulties, and even difficulty defining the appropriate "rules," i.e., industry-wide standards respected and rewarded by consumers. It is doubtful that P2 has been truly achieved by any firm or organization.

Both Nike and Mattel appear to believe that integrating codes into global marketing programs leads to better performance (P3), given their commitment to improving their operations and publicly communicating codes and progress. However, this proposition requires a far more detailed examination of the relationships between firm ethical behavior, marketing programs, and performance outcomes. Finally, both Nike and Mattel have explicitly tried to enforce codes of conduct on independent contractors, suggesting the benefit of getting compliance from the extra-corporate network (P4). However, codes need to be broadened to include the entire extra-corporate network, i.e., agents, distributors, retailers, advertising agencies, etc.

The examination of codes has revealed considerable scope for further research. In particular, there is inconsistent evidence of a GMS perspective in the codes examined. There are some references to both GMS and core values, but it is not clear how these are combined. The multiple levels of identity (figure 1) imply that salience is highly dependent on both individuals and situations, but the interplay of these levels is unclear. Without recognizing and understanding GMS, it will be difficult to develop, communicate and implement codes of conduct that have more than symbolic meaning. Similarly, codes must be broadened beyond manufacturing issues to incorporate all the ways in which MNCs touch the lives of stakeholders.

The most flexible code is the UN Global Compact but this appears to force a concomitant trade-off in specificity. Cynics view company participation in codes as white-washing behavior, especially when codes lack specificity and concrete outcomes. The challenge of designing MNC codes reflecting diverse perspectives on ethical behavior, and achieving commitment among thousands of employees, suppliers, etc. is an enormously difficult task. Research needs to examine approaches to this problem and how to create a culture of compliance in firms.

Focusing on marketing issues, the codes haven't discussed issues like fair pricing, marketing to developing country consumers, marketing to special consumers (e.g., children), fair competitive practices, truthfulness in advertising, and pricing of controversial products (e.g., medicines). Multinationals play a significant role in communicating a consumption lifestyle that is new to many consumers in the world and research needs to assess how firms can better address these concerns. Another question is whether firms should attempt to "do the right thing," or whether they should focus efforts in areas where they expect a reward. There is little evidence that improving firm behavior results in measurable benefits. The clearest indication of a link to performance is the Kraft Foods perspective (Ellison 2005), which is based on the very large financial settlements of tobacco companies like Kraft's sister firm, Philip Morris. The tobacco industry, however, is atypical and performance implications need to be tested in other industries.

While this study has not examined a large sample of codes, in-depth textual analysis has been helpful in identifying the current status of four prominent codes. If other firms are reluctant to publish their codes, it will make the further research much more difficult, although not impossible if firms are willing to discuss what they are doing. Future research could try to identify the precise link to stakeholder relationships and the exact mechanism by which salience makes codes effective or ineffective. With the exception of Nike, this research cannot identify whether organizations believe that codes have performance benefits or whether they are simply "trying to do the right thing." Going forward, it is debatable how performance should be defined, given the differences between the teleological and deontological perspectives.

The four propositions suggest important avenues for research in GMS, marketing programs, and codes of conduct.

While demonstrating a range of approaches and some progress, the discussion has highlighted the lack of attention in codes of conduct to the importance of globally integrating marketing programs across countries and markets. Firms need to ensure that their marketing behavior, and that of their agents, reflects their principles and that the company's and brand's images will be protected and enhanced. This will be a challenge as stakeholders become more sophisticated and information becomes more widely available, while firms take actions without fully understanding the ethical issues. Combining salience, ethics and globally integrated marketing programs is a promising area of research with strong potential for developing macromarketing theory and important managerial implications.

REFERENCES

Arnold, D. G. 2003. Human rights and business: An ethical analysis. In *Business and human rights*, edited by R. Sullivan, 69-81. Sheffield, UK: Greenleaf Publishing.

Briley, D. A., and R. S. Wyer, Jr. 2002. The effect of group membership salience on the avoidance of negative outcomes: Implications for social and consumer decisions. *Journal of Consumer Research* 29 (3): 400-415.

Daniels, J. D., L. H. Radebaugh, and D. P. Sullivan. 2007. *International business: Environments and operations*. Upper Saddle River, NJ: Pearson Prentice Hall.

Donaldson, T. 1996. Values in tension: Ethics away from home. *Harvard Business Review* 74 (5): 48-62.

Donaldson, T., and T. W. Dunfee. 1999. *Ties that bind*. Boston: Harvard Business School Press.

Dunfee, W. T., C. N. Smith, T. W. Ross, Jr. 1999. Social contracts and marketing ethics. *Journal of Marketing* 63 (3): 14-33.

Ellison, S. 2005. Small Bites: Why Kraft decided to ban some food ads to children—to head off critics, company took cue from tobacco; growing rates of obesity—Clifford's out, but Dora stays. *Wall Street Journal*, October 31, A1.

Enderle, G. 2003. Business ethics. In *The Blackwell companion to philosophy,* edited by N. Bunnin and E. P. Tsui-James, 531-551. Malden, MA: Blackwell Publishers.

Ferrell, O. C., Fraedrich, J. and Ferrell, L. 2005. *Business ethics: Ethical decision making and cases*. Boston: Houghton Mifflin.

Ferrell, O. C. and G. L. Gresham. 1995. A contingency framework for understanding ethical decision making in marketing. *Journal of Marketing* 49 (3): 87-96.

Ferrell, O. C., G. L. Gresham, and J. Fraedrich. 1989. A synthesis of ethical decision models for marketing. *Journal of Macromarketing* 9 (2): 55-64.

Freeman, R. E. 1984. *Strategic management: A stakeholder approach.* Boston: Pitman.

Fritzsche, D. J. 1988. An examination of marketing ethics: Role of the decision maker, consequences of the decision, management position, and sex of the respondent. *Journal of Macromarketing* 8 (2): 29-39.

Gould, S. J., A. F. Grein, and D. B. Lerman. 1999. The role of agency-client integration in integrated marketing communications: A complementary agency theory—interorganizational perspective. *Journal of Current Issues and Research in Advertising* 21 (1): 1-12.

Gould, S. J., D. B. Lerman, and A. F. Grein. 1999. Agency perceptions and practices on Global IMC. *Journal of Advertising Research* 39 (1): 7-20.

Grein, A. F. and S. J. Gould. 1996. Globally integrated marketing communications. *Journal of Marketing Communications* 2 (3): 141-158.

Hartley, R. F. 2004. *Marketing mistakes and successes.* New York: Wiley and Sons.

Hill, C. W. L. 2004. *Global business today*. New York: Irwin McGraw-Hill.

Hodder, I. 2003. The interpretation of documents and material culture. In *Collecting and interpreting qualitative materials*, edited by N. K. Denzin and Y. S. Lincoln, 155-175. Thousand Oaks: Sage Publications.

Hunt, S. D. and S. A. Vitell. 1986. General theory of marketing ethics. *Journal of Macromarketing* 6 (1): 5-15.

Kitchen, P. J. and D. E. Schultz. 2003. Integrated corporate and product brand communication (1). *Advances in Competitiveness Research* 11 (1): 66-86.

Kogut, B. 2000. The network as knowledge: Generative rules and the emergence of structure. *Strategic Management Journal* 21: 405–425.

Kolk, A. and R. van Tulder. 2002. Child labor and multinational conduct: A comparison of international business and stakeholder codes. *Journal of Business Ethics* 36 (3): 291-301.

Lamont, M., and V. Molnár. 2002. The study of boundaries in the social sciences. *Annual Review of Sociology* 28: 167-95.

Laczniak, G. R. 1983. Framework for analyzing marketing ethics. *Journal of Macromarketing* 3 (1): 7-18.

Litvin, D. 2003. *Empires of profit*. New York: Texere.

McGuire, W. J., and Padawer-Singer, A. 1976. Trait salience in the spontaneous self-concept. *Journal of Personality & Social Psychology* 33 (6): 743-754.

Merchant, K. 2003. Coca-Cola finds formula for India. *Financial Times* June 18, p. 20.

Morsing, M. 2003. CSR—a religion with too many priests? *European Business Forum* 15 (Autumn).

Murphy, P. E. 1999. Character and virtue ethics in international marketing: An agenda for managers, researchers and educators. *Journal of Business Ethics* 18 (1): 107-124.

Nicholson, N., and G. Johns. 1985. The absence culture and the psychological contract-who's in control of absence? *Academy of Management Review* 10 (3): 397-407.

Nill, A. L. 2003. Global marketing ethics: A communicative approach. *Journal of Macromarketing* 23 (2): 90-104.

Nill, A. L., and Shultz, C. J. 1997. Marketing ethics across cultures: Decision-making guidelines and the emergence of dialogic idealism. *Journal of Macromarketing* 17 (2): 4-19.

OECD. 2005. The UN Global Compact and the OECD Guidelines for Multinational Enterprises: Complementarities and distinctive contributions. [cited November 23, 2006]. Available from <http://www.oecd.org/dataoecd/23/2/34873731.pdf>

Paine, L. S., and J. B Gui. 1999. Avon products China (A). Harvard Business School Case.

Phatak, A. 1983. *International dimensions of management.* Boston: Kent.

Randell, A. E. 2003. The salience of culture in multinational teams and its relationship to team citizenship behavior. *International Journal of Cross-Cultural Management* 3 (1): 27-44.

Rogers, P. S., and J. M. Swales. 1990. We the people? An analysis of the Dana Corporation policies. Journal of Business Communications 27 (3): 293-313.

Schlegelmilch, B. B. 1998. *Marketing ethics: An international perspective*. London: International Thompson Business Press.

Schlegelmilch, B. B., and D. C. Robertson. 1995. The influence of country and industry on ethical perceptions of senior executives in the US and Europe. *Journal of International Business Studies* 26 (4): 859-881.

Sethi, S. P. 2003. *Setting global standards: Guidelines for creating codes of conduct in multinational corporations*. Hoboken, NJ: Wiley.

Sheth, J. N. and A. Parvatiyar. 2001. The antecedents and consequences of integrated global marketing. *International Marketing Review* 18 (1): 16-29.

Singhapakdi, A. and J. S. Vitell. 1990. Marketing ethics: Factors influencing perceptions of ethical problems and alternatives. *Journal of Macromarketing* 10 (1): 4-18.

Trevino, Linda K. 1986. Ethical decision making in organizations: A person situation interactionist model. *Academy of Management Review* 11 (3): 601-617.

Vargo, S. L., and R. F Lusch. 2004. Evolving to a new dominant logic of marketing. *Journal of Marketing* 68 (1): 1-17.

Vernon, R. 1998. *In the hurricane's eye: The troubled prospects of multinational enterprises*. Cambridge, MA: Harvard University Press.

Williams, O. F. 2004. The UN Global Compact: The challenge and promise. *Business Ethics Quarterly* 14 (4): 755-774.

Williams, O. F., and P. E. Murphy. 1990. The ethics of virtue: A moral theory for marketing. *Journal of Macromarketing* 10 (1): 19-29.

Wotruba, T. R. 1997. Self-regulation: A review and extension to a global setting. *Journal of Public Policy and Marketing* 16 (1): 38-54.

Andreas Grein has published in the Journal of International Business Studies, *the* Journal of International Marketing, *and the* Journal of Advertising Research, *among others. His research interests include global marketing strategies, international advertising, national competitiveness, and international marketing ethics.*

Stephen Gould has published over fifty articles in Psychological Review, Journal of Consumer Research*, and* Consumption, Markets & Culture*, among others. His current research interests include the self, consumer/financial decision making, introspection/qualitative methods, marketing communications, Internet/technology, health issues, and culture.*