

# THE ESPOUSED VALUES OF MNEs OPERATING IN COLOMBIA: THEIR ETHICAL ORIENTATION AND STAKEHOLDER CONSIDERATION

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## ABSTRACT

*Purpose — To study the values espoused by top MNEs operating in Colombia, through their vision and mission statements, in order to interpret their ethical orientation and to examine their concern toward diverse stakeholders.*

*Design/methodology/approach — Content analysis — an analytical framework was crafted from the literature review, while allowing room for emergent phenomena. Thus a combination of deduction and induction was enacted.*

*Findings — Most values are either teleologically oriented or grounded in deontological values, with a significant amount of values that could be related to a virtue ethics. Regarding stakeholders, narrow definitions tend to prevail.*

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**The UN Global Compact: Fair Competition and Environmental and Labour Justice in International Markets**

**Advances in Sustainability and Environmental Justice, Volume 16, 175–198**

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**ISSN: 2051-5030/doi:10.1108/S2051-503020140000016023**

Research limitations — *The comparability of the vision and mission statements could be affected because sometimes they are offered at the national level and others at corporate level.*

Practical implications — *By offering a critical regard at the values that are publicly espoused by some of the most influential companies in Colombia, we enhance the comprehension of the prevailing ethical environment and the compatibility with the principles of the Global Compact.*

Originality/value — *We have studied key actors in a growing emerging market, which could advance Global Compact principles. Besides we have crafted a pedagogic and systemic prism through which values can be taught and thought. Thus, the methodological and theoretical framework facilitates subsequent empirical research, both in comparative and longitudinal ways.*

**Keywords:** MNEs; values; stakeholders; vision; mission; ethics

A value is a view of life and a judgment of what is desirable that is very much part of a person's personality and a group's morale.

(Andrews, 1980, p. 81f) quoted by (Freeman, Gilbert, & Hartman, 1988, p. 823)

Ethical behavior often originates from values such as honesty, integrity, and respect. These expectations should be stated in mission, conduct, or values policy statements. Universities and colleges should emphasize ethics education so that graduates can effectively confront difficult situations that they will encounter in their professional lives.

(McCraw, Moffett, & O'Malley, 2009, p. 1)

## INTRODUCTION

Since its creation in 1999, the UN Global Compact has impacted the world in multiple senses. Thanks to its positive influence most publics are now aware of its principles, its areas of concern, and the reporting methods. Tracing the Communication on Progress (COP) reports allows us to sense the advancement in terms of sensibility and results.

In order to stimulate reflective thinking and ignite the pedagogic promotion of business ethics beyond predictable categories, in this study, we have

evaluated the importance that companies ascribe to diverse values, even those not explicitly stated by the Global Compact. Thus, we have set out to study the values that are espoused by the most influential MNEs that operate in Colombia through their vision and mission statements. What is the ethical orientation of their values? Which stakeholders do they consider? To what extent are they fine-tuned with the Global Compact?

This research offers original contributions in diverse senses: first, it provides an updated diagnosis of the stakeholders and values that influential companies claim to appreciate the most in an emerging country, but in a way that is not circumscribed to categories previously defined by reporting frames. Second, the fact that values are extracted from strategic statements, and not from specific reports addressed to particular publics, offers an opportunity to explore the range of ethical orientations of those values through methodological lenses that might support further research and ignite pedagogic approaches that could serve and complement the purposes of the Global Compact initiative. Third, this kind of analysis offers a framework that could be used to promote axiological sensitivity and pedagogic strategies to better understand, discern, and discuss the strategic and axiological orientations promulgated by multiple economic actors within the complex economic arenas of the contemporary world.

The importance of research on values within the field of international business could be extensively justified, for example, [Freeman et al. \(1988\)](#) have demonstrated the foundational role of values in strategic management, to the point that “morally significant values” are “essential to effective management.” Their assertion, that “research on strategic management has paid insufficient attention to values ... the tendency to underestimate the role of values is evident in several predominant themes of current research in the field” ([Freeman et al., 1988](#), p. 821), seems to be as sound and compelling now as then, and even more for the Latin American context, where for the last few decades there has been a significant inflow of FDI and trends of insertion in free trade, with the consequent strengthening of MNEs influence.

Nevertheless the field has been nurtured by studies that explore how the influence of corporate social responsibility (CSR) in international business dynamics, conceptually examining how CSR models relate to some ethical and political theories, and international framework agreements that set the context for business dynamics ([Gonzalez-Perez, 2013](#)). Other studies highlight the importance of several ethical dimensions and international business. [Esen \(2013\)](#) demonstrated the importance of CSR activities in order to craft corporate reputation by analyzing dimensions such as trust, positive intent, leadership, culture, and public relations activities.

Given the frequent asymmetry of power between corporate entities and nation-states, the corporate strategies of MNEs become even more important, because instead of being reactive, they set the tone for the business environment that might become institutionalized, shaping the field of opportunities for all active and passive participants of the game.

Here it is interesting to notice that morality considerations become ineludible for business, and even more in a world permeated by international exchanges. Although the sources of that morality are disputable and are always in state of flux and debate, a minimum of mores (or morally binding habits, manners) that link multiple parties requires to be adopted in order to make economic activity sustainable.

Therefore, we should acknowledge that even market customs and traditions constitute a form of morality. Nowadays, where the market is global, that morality is partly created by MNEs, usually for merely strategic purposes and not necessarily oriented by genuine ethical concerns, but nevertheless ethically influential, even affecting the MNEs themselves. As Bowie puts it “Systematic violation of marketplace norms would be self-defeating. Moreover, whenever a multinational establishes businesses in a number of different countries, the multinational provides something approaching a universal morality – the morality of the market place itself” (2000, p. 480).

Accepting the premise that “Any theory of strategic management, furthermore, necessarily deals with a concept of corporate morality” (Freeman et al., 1988, p. 821) we take on the challenge of researching the morality that multinational corporations assert publicly.

Thus, spotting a void in the study of the axiological statements of the MNEs that operate in Colombia, we have decided to take on this problem. Therefore, we have developed a theoretical and methodological know-how to better learn to discern the values promulgated by the MNEs that operate in Colombia. Among the multifarious reasons that justify this concern, we argue that the economic strength of MNEs makes them very influential actors in market dynamics and governmental decisions; affecting the life of many individuals as potential consumers, employees, and even as tax payers and citizens.

In the following sections, we present a literature review that integrates studies about the importance of ethical statements, ethical theories, and approaches on values and stakeholders. Then we explain the methodology and the specifics regarding the values and prevalence of stakeholders on the vision and mission statements of the sampled companies.

## **LITERATURE REVIEW**

The existing theoretical and methodological literature related to the study of axiological statements of MNEs alongside is guided by three questions, that is, first, how can we analyze the values through which MNEs espouse themselves? Second, how can we develop a classification of their ethical orientation? Third, how can we typify the groups which are addressed or considered in the MNEs' proclaims? In consequence the following pages cover a literature review divided in three sections.

In the first, we argue how the ethical values to which MNEs' commit publicly can be analyzed through the prism of their vision and mission that constitute the most visible expressions of values espoused by a company and a key indicator of strategic commitments.

In the second section we recall different ethical theories to advance a taxonomic development that could help to typify the ethical orientation of the values evoked by MNEs, contrasting the defining axioms of the deontological and teleological/utilitarian perspectives.

In the third section, and as a complement to the analysis of the ethical orientation of key statements, we identify the different actors included in those ethical statements using a guiding framework constructed after comparing the antagonistic views of shareholders and stakeholders, defended by Milton Friedman and Edward Freeman, respectively.

### *Reviewing the Importance of Ethical Statements*

The ethical values espoused by organizations are not incidental, in fact they are much elaborated statements presented in many forms and subject to multiple interpretations, as varied as the several potential motives behind their promulgation. Among the diverse forms through which MNEs explicitly commit to axiological goals, we have targeted the vision and mission declarations. They pursue multiple communicative purposes addressed at multiple publics.

What is important to highlight here is that throughout the key declarations we can track the most significant ethical commitments MNEs are willing to web, at least in their discourse. For a more detailed discussion and comparison of the definitions of different "corporate ethical statements" see [Stevens \(1994, 2008\)](#).

The importance of the values thus explicated transcends a mere formality; their structure might reflect strategic trends, intentions to promote ethical initiatives or to erode governments' regulations, appeasement efforts to please demanding stakeholders, or true intends to enhance ethical behavior. And in this regard, we do not mean to be sarcastic, we only want to stress the potential abuses and risks associated with marrying a set a values, whatever they are; while highlighting the power to trigger and multiply forces of development, such as those that animate the Global Compact.

In fact, when studying commitment to values, many empirical studies have not found strong evidence to support the effectiveness of ethical codes. But although effects of ethics codes seem controversial, they certainly contribute to create ethical awareness and thus serve ultimate educative purposes.

For example, one study found that employees of companies that promulgate written codes of ethics "were significantly less likely to find international bribery acceptable" (McKinney & Moore, 2008). Or as Stevens demonstrates after he reviewed studies of corporate ethical codes published in the last decade and concluded that "codes can be effective instruments for shaping ethical behavior and guiding employee decision-making" (Stevens, 2008).

Nevertheless, beyond immediate concern about their effectiveness, it is important to seriously research values, because they generate expectations that potentiate ethical actions. In this sense it has been demonstrated that "Ethical behavior often originates from values such as honesty, integrity, and respect" (McCraw et al., 2009, p. 1).

The values adopted and nurtured by any organization inescapably affect the decision making of all the actors that interact with the organization, be it external parties or the individuals that work within it. The actions of these parties "inevitably stem from a learned value system. The system may arise from unreflected sources such as the family or culture, or from sophisticated frameworks requiring critical analysis" (McCraw et al., 2009, p. 2).

We argue that the diverse ethical statements mentioned above are embodiments of those sophisticated frameworks that compel a deep study. In fact, ethical statements could be understood as the missing link between the overall strategy, the behavior of its employees, and the legitimacy it seeks from the surrounding environment. Indeed, if we think about the complexities of international business settings, we realize that the most compelling challenges for MNEs gravitate around the need to develop strategically, while organizing a multicultural workforce, and most importantly,

pursuing global legitimacy from multiple publics exposed to centripetal traditions and values.

In terms of strategy, it has been proved, with clean simplicity, "... that strategic management, one slice of human behavior, can be understood only in the light of the activating force of values. And, when we ground strategic management in values, we go far beyond 'symbolic management' " (Freeman et al., 1988, p. 822). This provides support to the claim that values have intrinsic force to motivate action, and in consequence any praxeological study of an organization should be complemented, and actually preceded by an axiological examination of the values that permeate a given human collective and the individuals that compose it.

Trying to sustain the link between the strategy of a company and the legitimacy it seeks from its diverse stakeholders, let us recall McCraw's notion of sophisticated frameworks (McCraw et al., 2009, p. 2) to apply it to ethical codes as a collection of values. For example, Long and Driscoll have advanced the understanding of "codes of ethics as institutionalized organizational structures that extend some form of legitimacy to organizations" (2008, p. 173), even if it is done as part of macro-isomorphic processes that engulf any other strategic triggering event, it ends up deriving legitimacy to companies that enact those codes. In other words, all ethical codes (or for our purposes, any ethical statement) play a strategic role, even if it is only because they reflect an imitation of the strategies of the field leaders, which end up being institutionalized.

But as with any institutionalization process, there emerges the gap between the isomorphic establishment and the original causes. In relation to our research it is important to highlight how institutionalized isomorphism "... confers a cognitive form of legitimacy to the organization and further distances the codes from their moral foundation" (Long & Driscoll, 2008). It is because of this potential disconnection from the moral foundation that we strive to discern the axiological dimension of the ethical statements of MNEs.

Besides as many authors warn, codes of ethics are not always bred by ethical reflection. For example, McDonald recalls Starr (1983) who points out that "Attempts to links codes of ethics in ethical theory do not appear to have gone far" (McDonald, 2009, p. 349).

Nevertheless, it is interesting to notice an apparent paradox, for even if "... ethical theory has often not featured significantly in the development of codes of ethics on the domestic front [...] this appears not to be the case for the development of international codes" (McDonald, 2009, p. 351). Actually, when it comes to think about making ethical proclaims in

international business, it seems that MNEs that operate in different cultural, political, and legal contexts must go beyond the promulgation of codes that adjust to domestic requirements, and look for more cosmopolitan guidelines, probably based on philosophical and ethical reflection.

Indeed “International codes have been more successful in drawing in ethical theory” (Mcdonald, 2009, p. 351), and thanks to the help of philosophers concerned with the field of business ethics that relativist positions can be dealt with in order to advance to a more universalistic ethical language that helps reduced inner tensions among the multiple stakeholders of companies that operates worldwide.

When we acknowledge the trend to incorporate ethical language in the international economic agents, it becomes clear that MNEs become the best ground to study how ethical theories could actually associate with ethical statements, in whichever form they take; be it in those more general and strategic, or in those statements where we can expect more theoretical elaborations pertinent to the field of business ethics.

### *Ethical Theories*

Among the ethical theories that have permeated the field of business there are two very significant conceptions, not only because they could be applied at the individual, organizational, and institutional level, but also because they are built from different perspectives.

Adopting other authors’ developments, Fisher and Lovell propose an axis contrasting principles and policies to ultimately present what are known as deontological and teleological ways to conceive ethics (Fisher & Lovell, 2006, p. 100).

From the deontological perspective, it is principles that dominate. Within this category Fisher and Lovell include Kantian, and Rights and Justice based theorizations. A principle is seen as “a standard that is to be observed, not because it will advance and economic, political or social situation, but because it is a requirement of fairness or justice or some other dimension of morality” (Fisher & Lovell, 2006, p. 100; evoking Dworkin’s definition).

By contrast, teleological refers to ulterior or distant purposes, thus fitting under the label of policies (which evoke goals to be achieved), and highlighting the utilitarianism of Bentham and Mill.

In short, deontological ethics are based on principles that have to be formally sustained, while teleological ethics develop upon the aspiration to



achieve some end results. While the first wants to assure pulchritude about the means, the second is mostly concerned with the ends.

Our intend is not to exhaust the contrasting perspectives which have been extensively documented, but to use their semantic richness to make sense of the diverse universe of values that we expect to find once we analyze the key public statements of MNEs.

Basically we want these theoretical perspectives to nurture the analytical horizon and to extract from them all possible concepts and notions that will help us categorize what MNEs express in their visions and missions. In other words to formulate a deductive framework, which we want wide and comprehensive but still open to emergent phenomena, as we shall indicate in the methodological section.

### *Stakeholders and Values*

The values espoused by organizations might serve many purposes, intended or nonanticipated, explicit or implicit. In order to grasp a better understanding of the ultimate effects of the ethical statements asserted by MNEs the results will be very interesting to discern: who could be their main beneficiaries?; what different values imply for different actors; for whom are they proposed?

In general terms the discussion could be framed between the opposite views articulated by Milton Friedman and Edward Freeman. Originally published in 1970 Friedman posited that besides following the law, corporate executives as employees are held responsible only to the shareholders and their desires (2000, p. 233). This view implies that the only right that matters is the right to property, and the main concern is the linear generation of profits.

A more complex interpretation of the realm of business came in the 1980s when Freeman challenged the assumptions of managerial capitalism and argued that “managers bear a fiduciary relationship to stakeholders”, that is, “... those groups who have a stake in or claim on the firm” (Freeman, 2000, p. 247). He contended that corporations should be reconceptualized by questioning: “For whose benefit and at whose expense should the firm be managed?” (Freeman, 2000, p. 247).

By denouncing the limits and negative effects of privileging only shareholders, Freeman defends the concept of stakeholders, which includes all parties that might benefit or hurt from the firm’s actions and/or omissions. By acknowledging their “rights to make claims” Freeman legitimizes diverse stakeholders vis-à-vis the corporation.

We paraphrase Freeman's question and ask: "For whose benefit and at whose expense are values espoused by MNEs?" We leave the question open to an inductive analysis of the MNEs statements, but for its comprehensive power, we would like to highlight Svensson and Wood framework which has resulted from analyzing codes of ethics artifacts (2008, pp. 263–267) and reinforces Freeman conceptualization.

Friedman is right in the sense that executives should not spend the company's profits in a way that raise the price to customers, or reduce the salaries to employees, or indirectly tax shareholders and citizens; but he might be wrong when he denies other parties to respect their rights.

For the sake of corporations, the importance of stakeholders could hardly be exaggerated, for sustainable strategies and businesses necessarily have to beware of dynamic environments, populated by multiple interacting actors, not only capital providers. Focusing on values, we recall Freeman in another paper:

We intend to defend and develop three points that these critiques of strategic management tend to ignore. First, values have always been a crucial element of models of strategic management. [...] Second, the critics often ignore the interdependence that underlies strategic choice and, thus, the importance of the values of a diversity of strategic actors. In simple terms, strategic management only makes sense in the context of interdependent choice. Third, values are not slogans, and they are not mysterious entities. They are both reasons for and causes for action. (Freeman et al., 1988, pp. 822–823)

Freeman demonstrates that the managerial team of a company bears a fiduciary relationship to multiple stakeholders, and not only toward stockholders (Freeman, 2000). Following his argument and his previous work with Reed, we evoke their distinction between "narrow" and "wide-definition" of stakeholders; understanding by the first "those groups that are vital to the survival and success of the corporation" (2000, p. 249); and including in the wide definition "any group or individual who can affect or be affected by the corporation" (2000, p. 249). Taking this into consideration, we use Freeman's stakeholder model of the corporation in order to visualize all possible stakeholders, in order to compare their presence in the vision and mission statements. Thus key stakeholders to be tracked are owners, employees, customers, suppliers, the local community, the corporation itself, and the management team, which play a dual role, because besides being employees, managers are the guards of the corporation as an separate entity.

## METHODOLOGY

We have combined induction and deduction. Although we looked for the key terms that represent ethical theories, diverse stakeholders, and obviously the values explicated by the reviewed sources, we procured a spontaneous reading of the ethical statements in order to facilitate the emergence of values and themes of potential interest. In the inductive approach we followed the case-based inductive content analysis of corporate ethics artifacts conducted by [Svensson and Wood \(2008\)](#).

Supported by Atlas.ti, we recorded all the official statements of the companies, and carefully marked significant contents. The software facilitated the task of tracing key quotations, and the coding of meaningful notions and concepts that nurtured categories, and the measurement of frequencies. Although the research was mostly qualitatively oriented, it builds some basis for ulterior longitudinal and comparative studies with more quantitative analysis.

The sample of MNEs was selected from the updated rankings offered by the main economic publications in Colombia ([Dinero, 2013](#); [Portafolio, 2013](#); [Semana, 2013](#)), out of which, we focused on the vision and mission statements of the top 50 corporations.

After selecting the top 50 companies in those rankings, we searched through their web sites procuring a simultaneous gathering of information, in order to enhance comparability. All the vision and mission statements that were gathered were then analyzed, selecting the most significant quotes and coding them. It is important to notice that out of these four companies did not have the vision and mission statements available in their web site, and three of them, forwarded the search to their headquarters.

The coding was done both inductively (highlighting the most significant expressions, values, and attitudinal traits that emerged, as they were found) and deductively, according to the generic codes derived from the theoretical framework that resulted from reviewing the main business ethics theories.

Afterwards, the most frequent codes and most representative quotes were identified,<sup>1</sup> in order to prepare the interpretation of all documents. Based on the evidence provided by the statements, and on the conceptual meaning of the different theoretical orientations, we interpreted the contents within the whole set of vision and mission statements, associating the quotes and codes to the diverse theoretical approaches.

Since this is more a qualitative study, meaning was searched and constructed through a narrative that intended to link the contents of what the

diverse MNEs wrote on their web sites, by revealing the spirit of those statements. Thus we searched for content meaning, and not statistical significance, although we used frequencies in order to identify the values most commonly expressed.

Among the research limitations, it is important to mention that the comparability of the vision and mission statements is reduced because it is sometimes offered at the level of headquarters and sometimes at the national level. Also the fact that the statement expressed verbatim in English, French, and Spanish creates room for polysemic interpretations when comparisons are made. Nevertheless, this enhances reflexivity and a deeper care when interrogating the meaning of diverse concepts, which could be a source of strength when exploring pedagogic discussions of the results.

## FINDINGS

The research findings are presented in two sections. The first corresponds to the analysis of the vision statements and the second presents the analysis of the mission statements. Within each one, the presence of stakeholders is discussed.

### *Analyzing the Vision Statements*

The content analysis of the vision statements identified different sets of values related to different ethical orientations and stakeholders. Here we discuss those findings by categories, considering semantic links and the frequency of their presence and the importance given to them.

#### *Teleological Values*

Within the vision statements we found multiple elements which can be directly linked to the teleological perspectives, because they have a clear utilitarian orientation. Concerns for innovation, change, creative solutions, enhanced production, and strategic planning support the most in the utilitarian perspective. These are soundly reinforced by conceiving 'business as an end', or 'humans as a resource'.

The drive to 'reduce costs', or to promote 'continuous improvement', 'efficiency', 'productivity', 'profits', and 'return on investment', all appear mentioned in a context where the ultimate goal is to improve what is

assumed to be as the most desired outcome for implied stakeholders; which *prima face* seem utilitarian. The overall language and tone of many vision statements fit well with the utilitarian perspective, for they stress ‘means’ toward the achievement of a goal and look for ‘maximization’ (e.g., of production). They talk about ‘reaching strategies’, or ‘contributing to society’.

The notion of leadership is present many times, some of which are clearly linked to utilitarian performance, for they envision gaining market share, or growth, mostly in terms of income; in other words leadership at the service of an ulterior utilitarian goal. When achievements are presented within this perspective, they tend to support the underlying belief that more is better. For example, in terms of technology or creativity, they are not seen as virtuous achievement, but more as utilitarian contributions to provide more goods or services.

### *Deontological Values*

Reading through the vision statements, several notions connected to deontological values emerge. The presence of elements, like ‘moral imperative’, ‘Eleven Commandments’, ‘Basic business principles’, evidence a sense of duty which is one of the key components of the deontological perspectives. This is compatible with the belief on a broader ‘ethical responsibility’, based on principles, and somehow unconcerned about the consequences.

In fact, the explicit commitment to principles like ‘transparency’, or to a set of duties that shall nurture a ‘corporate culture’, is by itself proof of deontological orientation. In this sense it is interesting to see the case of one company that engages in what could be interpreted as a ‘duty-based autopoietic’ enactment challenge, to fulfill a set of self-imposed duties. In this line of thinking we interpret how some MNEs seek ‘sustainable’ development and relations with the natural environment, as well as the ‘recognition’ of other agents from the socioeconomic field where they operate.

Analogously, assuming the identity of being a ‘global player’, and several allusions that companies make to their belonging to world, reflects a cosmopolitan spirit that reveals deontological orientation. Probably the best indicators of deontological orientation are the several allusions to ‘the world’, or the desire to contribute to ‘a better world’, because these are constitutive of the universal aspirations constitutive of deontological perspectives.

### *Virtue and Leadership*

Let us remember that ‘virtue’ depends more on the character and actions of the actor/agent being considered, than on the ultimate goals which are

intended to be achieved, or on strict attachment to some normative principles, like teleological or deontological ethics will respectively do.

When we analyzed the vision statement, we found many features that allude to virtue ethics, and especially to 'leadership'. It is very interesting to notice that these notions do not appear so much in mission statements.

In the contemporary business world, leadership and excellence are often seen as the embodiment of virtue. Specially from the mainstream western perspective (which, as globalization advances, seems to be colonizing business reasoning in other parts of the world), the virtuous business person or organization is the one that is assertive, excellent performer (*aristos*), and is always trying to achieve the most, striving to be her/his best.

We found more than 16 allusions to leadership, for example, in terms of 'market share', 'product', or 'brand'. We interpret this thirst for leadership as an expression of virtue, because it is inspired by principles or ultimate goals. It is basically based on the drive for performance and excellence. Companies expressing this kind of willingness to become leaders seem eager to build a character that will enable them to become "the best company", "the best employer," and the "best partner" in the scenarios where they operate.

Related to this leadership purpose, we found the desired of companies to receive the recognition of other agents in the contexts – to 'be identified as' leaders. They could be described as 'reputation oriented', in terms of 'brand', or just plain acknowledgment of their outstanding position by others.

Besides the explicit leadership aspiration, we found several other notions that could be expressed as traits of character that reflect sensibility about virtuous ethics. At the individual level, virtue seems to be pursued through 'self-control', 'autonomy', and the correlated 'freedom' of action and 'opinion' (some of which could be paradoxical, contradictory, and problematic within business dynamics); and of course the invitation for each employee of "being a model" or reference.

At the organizational level, there also exists the intention of turning the company into 'a model'. Likewise the desire to obtain 'competitive advantage' and 'level', or to become a "great company," reveals what we can define as the virtue orientation for the contemporary business world. Consistently with these, we found the willingness to 'take on challenges', and 'not taking not as answer', and the willingness to perform at 'international standards'.

From this perspective 'quality' is not at the service of utilitarian 'maximization' but the prestige of the agent. The same could be said of the

pursuit of 'responsibility', and the provision of 'service', which are done more for the sake of virtue and eventual recognition.

The fact that 'recognition' is given a lot of importance by the MNEs studied is consistent with aspirations and commitments for 'greatness' and the thirst for 'vanguardist positions', for example, in terms of 'responsible mining'; or the desire to be a source of 'inspiration', or to 'lead' in terms of performance. All these manifestations are more related to virtue than to the adherence to any given set of ethical principles or pursue of goals.

### *Others*

Besides teleological and deontological orientations, in the vision statements we found clear indication of other ethical concerns: a couple about 'justice' and 'dialogue', but mostly about virtue. Within this last category multiple evocations of leadership emerged, such as explained below.

When justice is evoked, it is basically associated with fair dealing and fair relationship with their business partners. Dialogue is mostly evidenced by giving employees and other parties the 'opportunity' to express their points of view, and to foster 'participation' as a constant in the daily life of the organization.

### *Stakeholders within Visions*

Here we present the allusions to diverse stakeholders within the vision statements, according to their frequency of appearance.

*Employees:* The most frequently mentioned category of stakeholders (STH) is 'employees'. Regarding them, we found in total seven related notions that vary from the purely instrumental to the most idealistic. For example, concerns for training and empowerment are presented as efforts to improve productivity, but are not supported by any ethical reasoning.

In the idealistic sense, we found explicit visions that relate to various ethical orientations, that is, some want to make work pleasant and joyful, even 'passionate' (utilitarian), or make work a team activity, which could be interpreted either as virtuous (because of the fit, and reference to a social group), or deontological (because of the expectation to fulfill a duty). The desire to be the 'best employer' that some companies express could be included in both of these categories (virtue and duty).

In other words, it is important to highlight that in the vision statements, there are some clearly instrumental approaches toward employees, but some others are based on principles or other ethical aspirations.

*Customers and Clients:* The second most frequently alluded category of STH is clients and/or customer, with four clear exclusive references. In

these, promises are made to satisfy or captivate them through enhanced service or increased supply.

*Shareholders:* Surprisingly enough, shareholders were specifically mentioned just twice in the vision statements. Somehow questioning the conventional wisdom, which would predict they constitute the most privileged party. Of course, by envisioning the bridge between service to clients and return to investment, it is possible to see the ultimate benefit for shareholders.

*Suppliers:* Regarding suppliers we found just one specific allusion, where one company aspires to be the 'best partner' for their business counterparts. This is somehow worrisome, for it might reflect a lack of integration of these foreign MNEs with potential local business partners. Is it selfishness or perhaps an indication that some of these companies belong to multinational networks where foreign subsidiaries owned by the same holding tend to be self-sufficient? If any of those would be the case, that is not really problematic from the ethical point of view, but it might be revealing about the limited contribution to the market and national economic dynamics by the part of these MNEs.

#### *Plurality of Stakeholders*

Besides the presence of specific stakeholders, it is important to clarify that in general terms, the vision statements tend to be quite comprehensive when evoking stakeholders. In contrast to narrow delimitations, we found most visions include a wide set of stakeholders. Some of them explicitly acknowledge several interest groups, starting with the community or society that host them, but advancing toward a more cosmopolitan perspective, sometimes mediated by some key values, like justice, fair dealing, etc., or inspired by some ethical orientations (like we discussed in the above sections).

For example, some visions evoke simultaneously the importance of society, clients, workers, and employees; and up to five different interest groups. While mentioning the local community or background society some MNEs propose visions that sound virtuous in tone.

The overriding concern in the vision statements seem to be more cosmopolitan (which can ultimately be considered deontological, if we follow Kantian reasoning). We arrive to this conclusion because we found claims of companies that consider themselves a 'global player', 'open', 'boundary-less', and conceive themselves as being in the world. This deontological orientation is reinforced by such claims as being 'people oriented'. Although somehow vague, the concern about people seems nonexclusive,



and its inclusiveness reveals a deontological principle of respecting the dignity of all, without any discrimination whatsoever.

Complementing the analysis we found that some MNEs express the explicit intention to contribute to 'a better world'; this fact can be either interpreted as fulfilling a duty or as a utilitarian motivation to maximize welfare but in both cases as an explicit (although vague) desire to satisfy a wide set of stakeholders. In several quotes we find that diverse stakeholders are addressed, and in other ones we detect promulgations that suggest open approaches toward the surrounding environments. This could be interpreted as a lack of specific strategic approaches to key interest groups, which are expected to be addressed through very general and perhaps superficial terms, which might lead to ambivalence, and even voids in terms of criteria to arbitrate priorities.

### *Analysis of the Missions*

The content analysis of the mission statements identified different values that relate to diverse ethical orientations. In the following sections, these different sets are presented and analyzed following these perspectives and in order of frequency.

#### *Teleological Values within Mission Statements*

In relation to the teleological perspective we have found quite an array of notions and concepts that evoke the idea of teleological achievement, which could be intuitively related to utilitarian principles, but which not necessarily would pass a more rigorous examination. From a philosophical perspective, it is clear that the generation of some benefits for some parties does not necessarily lead to the maximization of benefit to all, therefore it would not be genuine utilitarianism, and which should strive to achieve the maximum benefits for the whole (and the correlated principle of reducing the negative effects to the minimum); but a common misinterpretation of it that confuses the profit seeking of a particular agent, with the capacity to maximize overall welfare.

Somehow, this could be interpreted as a superficial approach, for none of the companies touch the issue of the externalities or other potential negative effects that they might generate. They only stress the initial benefit of increasing supply. It could be unawareness, lack of care, or even rude exaggeration of some positive effects, visible to most, but without a critical examination of the whole impact of their operations. This could be

explained as an uncritical adoption of the general belief that economic growth is always correlated to an improvement of the quality of life, unquestioning its possible negative effects.

It is interesting to note that among the notions with a utilitarian orientation the most frequently mentioned in the mission statements are evocations of well-being or prosperity, which could be considered utilitarian in the sense that they go beyond the mere interest of the company, and suppose a concern for the overall maximization of happiness for all participants of the system.

Willingness to 'innovate and change', to enhance 'quality standards', 'efficiency', and 'productivity', clearly pursue 'growth', 'profits' and 'financial value' objectives, which can be achieved through increased sales that reflect wider 'consumption'. Therefore, it is not surprising that companies put "knowledge at the service of production," and value 'industrial and commercial activity' (imports and distribution) in order to augment the "supply of goods," and make them more accessible to potential customers. One company even seems to foster a "Philosophy for Consumerism" making it look as a virtue, which is easy to promote in the contemporary world where "more satisfactory experiences" and "enjoyment of products" are presented as means to achieve happiness, perhaps the ultimate criterion proposed by utilitarian philosophers.

### *Deontology within Missions*

Within the deontological perspective we find diverse quotes that evoke notions classifiable as duty-based orientation. Among these elements connected to deontological perspectives, 'respect' and 'integrity' appear the most.

Respect appears in connection to the 'natural environment' and toward the 'community', somehow related to the desire to contribute to the development of both, and the intention expressed by some to be responsible toward several stakeholders. Respect appears as well associated to the concern for 'Human Dignity', and the will to support a 'Healthy Life'.

Integrity is seen by some as an attribute for the whole organization, but as well as a prerequisite for all the persons. And, we could argue, integrity is concomitant to sustainability, for this implies the preservation of any entity as such.

The associations revealed by the content analysis of the missions set the tone for normative approaches toward the environment and diverse stakeholders, suggesting coherent platforms in the way some companies compose normative approaches while crafting their mission with solid deontological content.

### *Virtue Ethics*

Values and orientations toward ‘excellence’, ‘leadership’ (somehow embodying the archetype of an efficient hero), or “enthusiastic commitment,” illustrate the fact that some MNEs do not claim to be, or not necessarily see themselves, as in the pursuit of an ultimate goal (teleological), or adhering to predetermined principles (deontological), but express a prevalence toward what could be considered virtue ethics.

From this perspective, their mission is virtue-oriented when they seek balance between philanthropic and economic interests, when they care about gaining recognition, about demonstrating honesty and proper behavior, or when they see education as important. In other words, it is about the actions, the character, the behavior that demonstrates virtue and excellence, and this does not exclude it as a means toward either a utilitarian goal, by the means of providing satisfaction to different stakeholders; because one of the notorious features of virtuous actors is that they are at the service of a given cause.

Similarly, the drive for excellence could be as well connected to the awareness that the business field in general, and business operators in particular, are part of, and must fulfill a social contract within, the societies where they operate, and by extension to the whole globalized community. In a couple of companies we found this conscious responsibility of fulfilling this social contract by the way they express their efforts toward sustainability and toward the ‘satisfaction of their associates and stakeholders’. When only shareholders are mentioned, other interpretations suggest ethical egoism or utilitarianism sharing Friedman’s belief that the greatest contribution of business to society is to generate profits.

### *Other Ethical Orientations*

The mission statements also reflect values that escape the deontological and utilitarian perspectives. Although they are not necessarily exclusive, for theoretical purposes it is convenient to discuss them separately. Thus, we find several quotes that refer to virtue ethics, others that are compatible with a social contract interpretation, and some others related to ethics of justice or ethics of care.

*Justice and Care within Mission Statements:* We found just a clear evocation of justice, when a company expresses that “We believe in a proper and fair relationship with our business partners.” And two which could be related to ethics of care, as when companies show intentions “to better know our people” or when they express consideration about the “inclusion and sensibility toward employees.”

*Stakeholders within Missions*

When the missions of the selected MNEs are analyzed, we find that mostly the mentioned stakeholder is set of clients/customers, timidly followed by shareholders and employees.

*Clients:* When clients are mentioned, some interesting values are correlated, like loyalty and service, which somehow evoke virtue ethics. But we mostly find them associated to teleological values like satisfaction of needs and other expectations, value creation, and good price-quality relationship.

*Employees:* When employees are mentioned, it is usually in terms of respecting their dignity or improving their performance capabilities to contribute to the organization. At first sight, this could be interpreted as a deontological concern, but ultimately it is impossible to ignore in the hypothesis an instrumental relation toward employees, subordinating their welfare to the ultimate goal of enhancing productivity.

*Shareholders:* When shareholders are mentioned, it is done in a clear-cut utilitarian way, without any efforts to justify the decision. Under this perspective it is usually assumed, without much interrogation, that increasing shareholder value equals increasing the benefit for society.

*Suppliers:* When suppliers appear within the text of the missions, there is no much detail about how they will be considered.

*Management Team:* The fact that the management team is not mentioned in the mission statements should not be seen as a surprise from the strategic point of view, because actually managers are the ones in charge of enacting the mission, of making them come alive. Nevertheless, from an ethical perspective, all parties should be considered in such important declarative statements, in order to clearly specify the positions that companies would like to stand for.

*Community and Society:* When society or community is mentioned, it is usually done in a vague way, without clear indications of how the company pretends to benefit them. Although the word 'development' appears, it does not include references to any ethical standpoint; from the context, references evoke mere economic growth which translates in a sort of utilitarian thinking.

*Stakeholders' Presence*

It is interesting to note that although different stakeholders are mentioned within the missions, companies do not spell out how their fates could be mutually related. Of course, the mission cannot be all inclusive, but is most likely to find the stakeholders mentioned as a collection of actors, and not

as a set of parties that share impacts (although different) because of the existence of a given company.

From a truly ethical perspective, it would be interesting to see companies conceptualizing their connection to the fate of workers, shareholders, and society in general. It is evident that professional ethicists and philosophers do, but managers do not; which demonstrates the gap between both normative ethics and current business practices.

In general terms, when stakeholders are addressed within the mission of the MNEs we have studied, the main orientation that prevails is that stakeholders are considered from mostly a teleological perspective; where the bottom line of the different relationships with them will be to achieve outcomes related to enhanced quality, efficiency, and ultimately profitability. Although some elements of deontology and virtue appear, most forms of interaction with different stakeholders (even through cooperation) point toward the achievement of results.

## **CONCLUSIONS AND RECOMMENDATIONS**

In general terms, the key strategic statements that MNEs promulgate in Colombia espouse multiple values and encompass a wide range of stakeholders. This could be interpreted as recognition of the need to transcend the short-term profit-seeking behavior and as a growing interest to enact sustainable values and include the interest of multiple stakeholders.

From the ethical point of view, most values can be classified as either utilitarian, deontological, or virtue oriented, which demonstrates an interesting diversity of orientations. Nevertheless, it is interesting to note that no many MNEs express values related to justice, care, or dialogue. These findings might suggest that in many cases the strategic statements could be nourished by deeper consideration of ethical reflections, so the values exposed really reflect a commitment toward an intended pattern of behavior.

Regarding stakeholders, we see that narrow definitions tend to prevail and reveal an opportunity to go beyond conventional allusions to employees and customer, and really develop strategic approaches to multiple stakeholders, so more inclusive management practices could be installed.

For management this implies a plausible intellectual and ethical challenge, which consists in nurturing strategy with solid ethical grounds, and procuring an inclusive array of actors, so that it could be sustainable in the

long term. In other words, top management should be able to conceive strategic and ethical approaches to the whole range of parties that could affect or might be affected by its actions and omissions.

Companies should be aware that the values they espoused generate expectations to all stakeholders, who will react depending on the perception of being treated with dignity and respect, or instrumentally. Besides, their perceptions of possible scenarios for dialogue, fair treatment, and care might as well condition patterns of behavior and the building of mutually enriching and sustainable relationships.

Companies' purpose of profit generation will gain further legitimacy when principles like those promulgated by the Global Compact are sincerely embraced. There is a clear difference in motivation and procedure, where the mandate for management is to maximize investors' return through the service to an external stakeholder (e.g., clients) than to pursue directly the narrow goal of profit maximization, which creates antagonisms between the company and its surrounding environment.

It is our belief that genuine concern for the well-being of all stakeholders will result in sustainable and value-added relationships. In that sense, we highlight the importance of fostering deep thinking on ethical grounds, so the ambiguity that often appears on public statements of business corporations is transcended by going beyond carefully crafted public relations campaign, which does not necessarily rule out as unethical, but does not make it ethical, just because it sounds good. Although some might argue that there is a pragmatic underpinning supporting many strategic statements, we found not enough evidence of rigorous elaboration from an ethical or theoretical perspective. In cases like this, it might be more accurate to consider those statements as nonethically informed; sort of amoral. But this is even more problematic, for it leaves room for interpretations of lack of responsibility, or convenient superficial answers of those companies to their surrounding environments.

This could be interpreted as a lack of specific strategic approach to key interest groups that are expected to be addressed through very general and perhaps superficial terms, which might lead to ambivalence, and even voids in terms of criteria to arbitrate priorities.

The real capacity to implement the Global Compact principles require the top management of business corporations to reflect and to take an ethical stand, and to discern wisely how to really interact with all stakeholders. This implies a big challenge for business schools, which must promote deeper ethical thinking and awareness about the legitimate claims of all actors of the economic system.

## NOTE

1. We identify verbatim by using double quotation marks (“...”); and single quotation marks (‘...’) were used to signal the codes that were elaborated while analyzing the documents.

## ACKNOWLEDGMENT

My greatest gratitude goes to EAFIT who granted me time and resources to conduct this research. I also had the privilege of being nourished by the dialogues with colleagues and several groups of students, with whom we have observed the behavior of MNEs and discussed the importance of philosophical reflection in order to enrich business ethics.

On special terms I want to thank the students, Juliana Castro and Natalia Raigoza, who helped to download and keep track of the MNEs’ information publicly available on the web sites, and to Maria José Gaviria, a very dynamic and clever assistant at our school, who has served as proof reader, and to my colleague Maria Alejandra Gonzalez-Perez, who has always encouraged me to keep combining research with the rest of my activities.

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