The Case for Global Business Standards
Lynn Sharp Paine
(Professor of Business Administration, Harvard Business School)

Globalization presents many challenges. Among the most vexing is the "when-in-Rome" dilemma. Like the fourth-century Bishop of Milan who considered whether to embrace local church custom when visiting in Rome,[1] today's global companies must decide whether to apply a single business model worldwide or to customize their activities to each context in which they operate. This dilemma applies to a wide range of issues—from product offerings and marketing campaigns, to management methods and manufacturing processes. It also applies to business ethics.

A single set of global standards has obvious appeal. In theory, uniform standards can help companies manage global risk, function smoothly across regions, and a forge a single identity worldwide. But implementing this approach can be difficult. As managers travel the world, they inevitably encounter practices that challenge familiar notions of right and wrong, good and bad, exemplary and shameful. A European manager may be shocked to see a U.S. company's cavalier approach to lay-offs, while a Chinese executive may be baffled by a European company's human rights policy. Environmental issues are taken very seriously in some regions, but hardly noticed in others. In some countries, an executive thinks nothing of handing out supply contracts to friends and family while, in other contexts, this practice goes against basic business ethics.

Given this ethical diversity, should companies resolve the dilemma in favor of global standards or local standards? On the one side lurks the Scylla of "cultural imperialism"; on the other, the Charybdis of "double standards." This way of framing the dilemma obscures an important issue—the nature and validity of the standards themselves. What do they require? Are they legitimate? By what criteria should they be evaluated?

The global approach often presumes that home-country standards are being applied. Understood in this way, the global approach is immediately suspect. In fact, it is not really a global approach at all. Rather it is a local approach being applied globally. A genuinely global approach would be based on standards that are valid across cultural and national borders.

In this session, I will argue the case for global business standards. Although such standards are yet to be fully specified, several lines of research suggest that a core set is within reach. Of course, defining such standards is only a start, but it is a promising start. By grounding its activities in genuinely global standards, a company can more effectively navigate the "when-in-Rome" dilemma and earn the respect of stakeholders worldwide.

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[1] He concluded: "When I go to Rome, I also fast on Saturday: when here, I do not. If you go to any church, observe the local custom. . . ." Ambrose, the Bishop of Milan, quoted in Peter Brown, *Augustine of Hippo: A Biography* (Berkeley, CA: Univ. of Calif. Press, 2000 ed.): 77-78.