

Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

CASES

CASE 1. *Foreign Assignment*

Sara Strong graduated with an MBA from UCLA four years ago. She immediately took a job in the correspondent bank section of the Security Bank of the American Continent. Sara was assigned to work on issues pertaining to relationships with correspondent banks in Latin America. She rose rapidly in the section and received three good promotions in 3 years. She consistently got high ratings from her superiors, and she received particularly high marks for her professional demeanor.

In her initial position with the bank, Sara was required to travel to Mexico on several occasions. She was always accompanied by a male colleague even though she generally handled similar business by herself on trips within the United States. During her trips to Mexico she observed that Mexican bankers seemed more aware of her being a woman and were personally solicitous to her, but she didn't discern any major problems. The final decisions on the work that she did were handled by male representatives of the bank stationed in Mexico.

A successful foreign assignment was an important step for those on the "fast track" at the bank. Sara applied for a position in Central

or South America and was delighted when she was assigned to the bank's office in Mexico City. The office had about 20 bank employees and was headed by William Vitam. The Mexico City office was seen as a preferred assignment by young executives at the bank.

After a month, Sara began to encounter problems. She found it difficult to be effective in dealing with Mexican bankers—the clients. They appeared reluctant to accept her authority, and they would often bypass her in important matters. The problem was exacerbated by Vitam's compliance in her being bypassed. When she asked that the clients be referred back to her, Vitam replied, "Of course, that isn't really practical." Vitam made matters worse by patronizing her in front of clients and by referring to her as "my cute assistant" and "our lady banker." Vitam never did this when only Americans were present and in fact treated her professionally and with respect in internal situations.

Sara finally complained to Vitam that he was undermining her authority and effectiveness; she asked him in as positive a manner as possible to help her. Vitam listened carefully to Sara's complaints, then replied, "I'm glad that you brought this up, because

I've been meaning to sit down and talk to you about my little game playing in front of the clients. Let me be frank with you. Our clients think you're great, but they just don't understand a woman in authority, and you and I aren't going to be able to change their attitudes overnight. As long as the clients see you as my assistant and deferring to me, they can do business with you. I'm willing to give you as much responsibility as they can handle your having. I *know* you can handle it. But we just have to tread carefully. You and I know that my remarks in front of clients don't mean anything. They're just a way of playing the game Latin style. I know it's frustrating for you, but I really need you to support me on this. It's not going to affect your promotions. You just have to act like it's my responsibility." Sara replied that she would try to cooperate, but that basically she found her role demeaning.

As time went on, Sara found that the patronizing actions in front of clients bothered her more and more. She spoke to Vitam again, but he was firm in his position and urged her to try to be a little more flexible, even a little more "feminine."

Sara also had a problem with Vitam over policy. The Mexico City office had five younger women who worked as receptionists and secretaries. They were all situated at work stations at the entrance of the office. They were required to wear standard uniforms that were colorful and slightly sexy. Sara protested the requirement that uniforms be worn because (1) they were inconsistent to the image of the banking business and (2) they were demeaning to the women who had to wear them. Vitam just curtly replied that he had received a lot of favorable comments about the uniforms from clients of the bank.

Several months later, Sara had what she thought would be a good opportunity to deal with the problem. Tom Fried, an executive vice president who had been a mentor for

her since she arrived at the bank, was coming to Mexico City; she arranged a private conference with him. She described her problems and explained that she was not able to be effective in this environment and that she worried that it would have a negative effect on her chance of promotion within the bank. Fried was very careful in his response. He spoke of certain "realities" that the bank had to respect, and he urged her to "see it through" even though he could understand how she would feel that things weren't fair.

Sara found herself becoming more aggressive and defensive in her meetings with Vitam and her clients. Several clients asked that other bank personnel handle their transactions. Sara has just received an Average rating, which noted "the beginnings of a negative attitude about the bank and its policies."

Questions

1. What obligations does an international company have to ensure that its employees are not harmed, for instance, by having their chances for advancement limited by the social customs of a host country?
2. What international moral code, if any, is being violated by Security Bank of the American Continent?
3. Has the bank made the correct decision by opting to follow the norms of the host country?
4. What steps can be taken on the part of the internationals and their employees to avoid or resolve situations in which employees are offended or harmed by host country practices?
5. In this situation does morality require respect for Mexican practices, or does it require respect for Sara Strong? Are these incompatible?