

# “Some Arguments for Extending Business Research”

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## Some Arguments for Extending Business Research<sup>1</sup>

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### Abstract

This article advocates expansion of the scope for international management (IM) research, which accounts, not only for the social function and the political, economic, environmental and operational implications of IM development, but also inquiry into others impacted by management across cultures, as well as weaker groups in the IM spectrum. The article suggests that the scope of IM research can be expanded beyond notions of globalisation, efficiency and managerial issues, to incorporate the poor, the voiceless and the vulnerable. This article is a step towards understanding the range of IM issues and perspectives. It provides a framework that sets out the spectrum of issues that can contribute to a holistic approach in IM research; specifically, the need to keep people – all of them – in mind when undertaking research, for there are other stakeholders and people whose lives are impacted by IM and the activities of Trans National Corporations (TNCs). The aims, philosophies and ideological assumptions of research can be opened to challenge and debate in order to develop, and enlarge the scope of IM research.

**Key words:** International Management, Social function, IM research, vulnerable groups.

**JEL Classifications:** F23.

### Introduction

The time has come to extend management – oriented research along fresh directions. Why, one may ask? Because the issue raised in this article is one of the most important business and management issues of our time – taking into account all constituencies that are impacted by management action in research. It is an issue that that directly or indirectly impacts billions of people round our world, and needs to be addressed in research, as well as in practice. Some of the studies of the last 20 years advocate in one form or another an enlargement of the scope of research in international management (IM), and the need for more linkages, as well as making research ‘*supra-disciplinary*’ (Toyne & Nigh, 1998; Buckley, 1989; Dunning, 1989). These studies have focussed on the numerous linkages of IM to other studies that may be pursued. For example, areas suggested for IM research include the spectrum between basic and developmental research, and the connection between past and present research (Daniels, 1991; Dymysza, 1984).

Similarly, other studies argue that a theoretically integrative definition of IM could be established if exchange was made the unit of analysis instead of the firm. Likewise, by using the political economy paradigm and exchange concepts borrowed from the social sciences, some characteristics that define the conceptual domain of IM have been suggested (Toyne, 1989). In addition, Toyne and Nigh (1998) advocate ‘shifting attention away from the firm as the central unit of analysis to a more comprehensive, multilevel and hierarchical view of the IM process that evolves (or emerges) over time as a consequence of the interaction of two or more socially-embedded multi-level business processes (Doh & Teegen, 2003). However, one area that has received relatively little attention in IM research is weaker or vulnerable constituents – research on, and from their perspective.

Most research has focussed on management issues: the way in which management can achieve its commercial objectives and/or what can give a certain competitive advantage to firms (*see for example, JIBS, 2005*). This theme has been the norm in contemporary IM research directions with the exception of researchers who focus their writings largely on the broader issues of ethics and

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corporate social responsibility in management (CSR) (e.g. Mofid, 2004; Bowie & Vaaler, 1999; Buller & McEvoy, 1999; Kapstein & Wempe, 2002; Etzioni, 2004; Kolk & Van Tulder, 2004; Wolfe & Dickson, 2002). This article suggests another research direction that is not yet being addressed by the 'ethics/CSR' research mainstream. It is non-managerial in perspective, but quite distinct from the broad corporate social responsibility and ethical research mainstream i.e. research into weaker groups impacted by management action. The objective of this article is to suggest possible remedies to current shortcomings in the sub-area of justice and justice-related research in the ethics/CSR sub-field of international business studies, and to demonstrate how to structure the research (see table 1) for these complex issues.

## **IM Research**

Research in IM is suited to explanatory methodological approaches that adopt a multi-disciplinary methodological pluralism. However, in this article, the focus is not on methodology *per se*, but on the definition of the conceptual boundaries of IM as a field of research. Boundary definition is important because it determines the types of questions to be asked, the types of methodologies that are applied, and the fundamental purpose of the research. Historically, the managerial aspects of IM studies have drawn largely from the intellectual traditions of economics and the theories of management (e.g. Fredrick Taylor's scientific management). The implicit assumption underlying these traditions is that the ultimate purpose of research is to generate useful knowledge for managers. For instance, this position is exemplified by Steyn (1989):

*'...management is guided by the economic principle in its drive for higher productivity, which in turn leads to increased profits and growth. The economic principle is the foundation of the entire scope of management. Building on this foundation management directs the production of goods and services for the benefit of society' (Steyn, 1989: 6).*

Such a perspective implicitly assumes there is correspondence between 'economic principle' and the 'benefit of society'. This is not always so. There are many instances, where the pursuit of efficiency and productivity gains has not corresponded to the 'benefit of society'. For example, the oil exploration and production activities of the Royal Dutch Shell Group in Nigeria have not benefited the Nigerian people (Roddick, 1996). Indeed, the oil production activities of Shell have become a burden on the communities located near the oil fields of Nigeria. Poverty, pollution, degradation and death have been the fallout for many Nigerians (Gladwin, 1998; Gladwin & Walter, 1976). Likewise, it has been argued that international private business has not constituted a force for social benefit, such as closing the gap between the poor and the rich at the international level, or even between the poor and rich within societies. The evidence indicates that the reverse is happening despite rapid increases in global trade and investment (e.g. Global Exchange, 2005; Pieterse, 2002; Biersteker, 1978; Robinson, 1970; Dinham, 1987). Consequently, it is necessary for researchers to expand the research agenda to include, perspectives of the poor and weak to enable better, and more people-oriented decisions at management level.

## **The Context of International Business Development**

From a historical perspective, the development of (international) management as a discipline owes much to the emergence of ideas from the fields of economics, organisational theory, sociology, political science and management (Robinson, 1981; Dunning, 1989; Ricks, 1985). Research in these social science disciplines has gained a measure of objectivity that any 'scientific' discipline is expected to possess. On the other hand, the evolution of the field of IM and allied IM research has not always been without subjectivity. For example, the government of the United States in the 1920s and 1930s used the social sciences and allied research for its own ends (Fisher, 1996). This is understandable, since; a considerable proportion of social science research is funded by government and private interests. Although the source of funding in itself does not make such research

subjective, nevertheless, research in the social sciences has been guided in the past by those who provide the research funding. As Orlans (1995, p.172) states:

*'Social scientists are recruited by governmental and private agencies not just to provide useful information and analysis, but to defend the interests of the agency'*

While there is no direct evidence of conspiracy in the above case, it was clearly in the interest of the ruling class to move the social science disciplines away from studies that might be critical of the structure of capitalist societies, in order to protect the *status quo* (Fisher, 1996). In this regard, the context of the evolution and development of IM, and IM research may have unwittingly contributed to the present, almost exclusive, managerial focus of IM and IM research. Nevertheless, some academic social scientists were committed to fundamental research that would advance the social science disciplines beyond mere managerialism. This group of academic social scientists wanted increased autonomy (from governmental and private interests) and objectivity in the social science disciplines (Fisher, 1996).

An all-embracing approach to research in the social science disciplines appears to be less visible in contemporary IM research, despite the development of important research streams like ethics and corporate social responsibility. For example, an analysis of the *Journal of International Business Studies* from 1975 to 2005, as well as a cursory look at other IM journals, reveals a preponderance of articles focussed on, for example, activities of trans-national corporations (TNCs). IM has come to symbolise, and, has become synonymous with the corporate viewpoint of managing businesses across cultures (Ricks and Czinkota, 1979). The internationalisation of entrepreneurship (Oviatt and McDougall, 2005), and the phenomenon of globalisation and international comparative business research (Ricks, 1985), are other dominant themes in IM literature. Again, these themes are targeted exclusively, toward furthering the interests of international firms. The cross-disciplinary, all-inclusive nature of international business has always been one of the strengths of the field. This strength should be projected to research in IM. Scholars should take into account, the fact that there are other stakeholders, whose lives are impacted by management decision – making, because, if IM is ever to become a social science, it at least, needs to gain a level of objectivity, limited though, this may be of other disciplines.

### **Challenges in the Definition of International Business**

The challenge of defining the domain of international business may have contributed to the problem of deciding what to include, or exclude in the IM research agenda. Buckley (1990) articulated the problems in the core theory of international business. Firstly, the theory draws heavily on internationalisation theory, theory of location and competitive dynamics, all of which draw significantly on modern industrial organisation theory, international trade theory and political economy. The concept of what international business is has always differed according to individual viewpoints (Buckley, 1990). However, international business is cross-disciplinary and all-inclusive, as well as involving functional aspects of management. This notwithstanding, research in international business has suffered from similar problems of identity and definition. The definition of international business by Nehrt, Truitt & Wright (1970) and Wright (1970) is provided below in order to explain the challenges of deciding what the research questions should be:

*'International business is scholarly investigation and / or analysis of a subject that meets the following criteria:*

*(1) It is concerned with firm level business activity that crosses national boundaries or is conducted in a location other than the firm's home country. This activity may be the movement of goods, capital; people and know-how, or it may be activities like manufacturing, extraction, construction, banking, shipping and advertising. (2) It is concerned with the interrelationship between the operations of the business firm and international or foreign environments in which the firm operates. (3) It does not include studies devoted to economic development. Excluded also are studies of foreign legal, political, economic and social en-*

*vironment, unless the study itself relates the environment directly to the organisational, operational, or decision making problems of international business firms. (4) It does not include studies of business activities in given foreign countries unless it is a comparative business study which makes comparisons and analyses the causes and effects of similarities and differences.'*

This definition in itself mirrors the managerial perspective of firms; it does not refer to those who are impacted by international business activities and associated management decision-making. Although, numbers 2 and 3 imply stakeholder relationships in the environment of operation are included. Nevertheless, the development of the idea of international business research owes much to the emergence in the 1950s of foreign direct investment (FDI), i.e. when U.S. companies began to invest abroad. The problems of operating outside U.S. law and culture prompted international business research, and the aim was to help management solve these unfamiliar problems (Robinson, 1981; Moxon, 1975). This FDI-related research stream evolved through many stages (still focussed, however on solving managerial problems) and ultimately moved towards research on globalisation. In between these evolutionary stages were 'episodes' in international business and international business research defined by the number of actors relevant to corporate decision-making. For example, one episode included the immediate post-Second World War years characterised by European and Japanese reconstruction, in which the only actors were the firm itself and its foreign commercial constituents such as customers, suppliers or joint venture partners. Thus, research was still narrowly focussed on these commercial constituents.

There was very little attempt to conceptualise the (social) role of business in international affairs, e.g. the way in which international business activities can be a tool for equity in terms of sharing the world's material resources. Indeed, international politics at this stage did not consider business an important international actor (for more details see Robinson, 1981; Moxon, 1975). It was therefore difficult to include in the then management-oriented research agenda issues that were not directly related to the managerial and operational activities of the firm. As a result, important research issues like environmental degradation resulting from international business activities could not be included in the research framework. Another 'episode' was the rise in influence of non-governmental organisations (NGOs) in the 1970s, and the advances in information technology that have increased awareness of the negative impacts of international business activities on the environment (Teegen, Doh & Vachani, 2004; Robinson, 1981; Moxon, 1975). Nevertheless, research in international business management remained focussed on managerial issues even during this period.

The research emphasis soon evolved, from the perspective of the individual firm, to include research related to a particular product or service, e.g. crude oil or diamonds (Robinson, 1981; Moxon, 1975). Similarly, the IM research agenda expanded to include studies of cultures and cultural issues and contexts. Again, this important research stream is aimed exclusively at helping management achieve its commercial goals in these foreign markets, through an understanding of the cultural environment in those foreign countries.

The authors, believe that, if scholars of IM phenomenon apply the concept of *holism* to research in IM (i.e. a systems approach), it will go a long way towards enhancing our understanding of the discipline, for IM as a research area is constrained by the fact that the behaviour of a complex system cannot be understood completely by the segregated analysis of its constituent parts (Bertalanffy, 1968). Therefore, incorporation of this perspective coupled with a liberal application of the concept of *holism* to IM research will provide a more thoroughly nuanced understanding of managing across borders and cultures (New, 1997).

In addition, the difficulty and complexity of definition also contributes to the challenge of what to include in the international business research agenda. On the one hand, a tightly - defined international business closes off potentially rewarding avenues of development. Too loose a definition allows the label to collapse into an amorphous study of everything (New, 1997). There are, however, no easy and obvious solutions to the problem of definition. At a personal level each re-

searcher must deal with issues of meaning and language when reading international business research reports or other reports on developments in international business. Researchers must untangle complex language arising from this definitional challenge and decide for themselves what to include in their respective research agendas.

Another difficulty is that the concept of international business, pluralistic as it is, keeps changing and evolving. This further complicates the problem of what to include in the research agenda. For example, international business management studies nowadays include subjects like entrepreneurship, innovation and dynamism, e.g. advances in globalisation; the internet and e-commerce; containerisation; international logistics and supply chain management; global procurement; export management; trade and supply chain security; and marketing and distribution (Barnes & Olorun-toba, 2005).

### **The Scope of IM Research**

Since international business activities extend beyond a country's borders, the scope of both managerial action and academic inquiry also extend beyond the boundaries of a single firm or country (Nehrt, Truitt & Wright, 1970; Wright, 1970). Similarly, the study of international business is concerned with the interrelationship between the operations of the business firm and the international or foreign *environments* in which the firm operates (Nehrt, Truitt & Wright, 1970; Wright, 1970). Thus, by conceptualising the international or foreign *environment* in its broadest form, it should include the social, political and economic dimensions of that environment. Studies of the foreign *environment* in which firms operate may be expanded to include all the stakeholders who are impacted by international business activities and management decision - making. For example, the impact of Trans - National Corporation (TNC) investment activities on the governments of host developing countries (e.g. balance of payment, uneven income distribution) and the peoples of the developing countries who are hosting TNCs, in addition to indigenous firms, are relevant research streams.

There are two important reasons why it is necessary to extend the domain of international business research and the range of methodologies employed. Firstly, there is a socio-technical-ideological element to innovation and the process of innovation in international business that, the authors believe can be explored further. For example, an implication of the global diffusion of innovation is the recent advances in information technology and globalisation, which have raised the level of awareness of consumable goods and services amongst third world consumers without corresponding information regarding how to acquire, legitimately, the means of purchasing these goods and services. These societies are rapidly being transformed into 'Western'- style consumer societies, without the purchasing power, or economic control to support their newly - acquired expensive tastes and consumption habits. This situation results in a crisis of expectations and attendant social problems. These groups see themselves as part of the consuming world, a world which hardly recognises them (New, 1997).

Secondly, there is a moral, ethical and political implication to many activities that fall within the purview of international business, the implications of which can be further explored only through empirical research. Researchers could further consider, for example, issues of justice, empathy and compassion in international business activities, like the displacement of indigenous production by TNCs in developing countries and the phenomenon of brain drain from developing countries to industrial countries; as well as the relationship between actions of international business in Africa, for example, and the migration pressure for Africans to move to Europe, sometimes illegally and through the most dangerous means. This raises questions: why, for example, do we drink coffee or smoke tobacco yet do not consider the impact on growers in the developing world, people who are often paid slave wages (Swift, 2005). This article suggests that investigation into these social issues will enhance the field of international business research and help to clarify and resolve the dilemma of definition and descriptive dichotomy discussed above, as well as open new avenues for research in IM while at the same time adding some scientific objectivity to the discipline.

***The Socio-Operational Perspective of International Business***

The processes, relationships and activities encapsulated in the label 'international business' are fundamental to the material wellbeing of our society. The international business activities of TNCs like Firestone, Nokia and Toyota are central to our modern industrial society. The social, economic and political importance of the trade in goods and services internationally cannot be over-emphasised. In addition, the management of international transport, logistics and supply chains is fundamental to the commercial success and effectiveness of international business organisations in terms of the distribution of goods and services. This is the *socio-operational* aspect of international business, which is at the core of making goods and services available to consumers worldwide.

The material abundance of industrial societies and the parallel material poverty of much of the developing world are affected by the web of global production, distribution and consumption. From Tokyo to Timbuktu, Strasbourg to Sao Paulo, a web of connections emerges. Indeed, the way TNCs deal with their suppliers and distributors, and other supply chain partners, determines the topography of the socio-economic and operational terrain at an international level. The locational, foreign direct investment (FDI) and logistical decisions of industrial capitalism shape the evolution of our cities and world. The rise of the coastal regions of China as major export manufacturing centres, which is the result of a vast influx of foreign capital, is an instance of the way in which international business activities constantly shape our world.

The flow of goods through modern supply chains is the life-blood of the modern world. Consider, for example, the complexity of the international marketing system. Need creation through advertising operates effectively because international logistics and supply chains allow the fast flow of innovations to consumers at affordable prices.

Likewise, there has been a growth in the trade and export of services. For example, Australian higher education has been well marketed to Asian students, while financial services and tourism in Australia has also recorded significant growth in the last decade (DFAT, 2005). Therefore the processes of consumption in our society, which is 'the practical ideology of capitalism' (Bocock, 1993:116) are closely linked to the processes of international logistics and supply chain management and the manner in which firms justify adaptation of their operational and logistical activities. Therefore, the nature of consumer demand determines how firms set their objectives and expectations.

The power of the customer has very much to do with the emergence of modern logistics and supply chain strategies such as Just-in-Time (JIT) and postponement, as seen in the automobile industry; as well as Quick Response (QR), as witnessed in the fashion industry (New & Ramsay, 1994). All these innovations are geared towards flexibility, time compression and increased responsiveness to demand changes (Olorunfoba & Gray, 2006). International logistics and supply practices (and by extension international business activities) spring from the complex social and psychological interactions of the consumer and the firm (New, Green and Morton, 1995).

This article, suggests that investigations into international business management can be enhanced by consideration of the consumer (a stakeholder in international business), and the mechanisms and structures that enable consumption, as well as the social function. This latter rubric encapsulates the political, economic, environmental and operational implications and structures of international business activities in an expanded research agenda.

Examples of potential research issues in the social function of international business include issues of justice, empathy and compassion in international business, particularly in international logistics and supply chain management. Justice in the international business activities of TNCs concern the quality of fairness to all stakeholders within the environment of operation, as well as upholding what is just, in dealings with those who are impacted by the activities of the firm. Justice has been distinguished from equity in that, while justice means merely doing what the law demands, equity means doing what is fair in each separate case (De George, 1993). The media

sometimes mention local communities dispossessed of their land through the activities of international business.

Empathy has to do with the direct identification and understanding of another's situation and feelings, while compassion is the deep awareness of, and sympathy for, the suffering of others. This is coupled with the wish to relieve such suffering. Research in this area, for example, will contribute to the enhancement and objectivity of international business research.

Logistical and technological strategies like containerisation and information technology, which have enhanced the operational activities and reach of TNCs, arise from a very complex causal interplay of social forces. For example, international business scholars may consider the social implications (on employees and their families) of running huge manufacturing systems in low-cost countries. They might consider, too, the social implications of the need for goods to be shipped from clothing manufacturers to retailers at ever-increasing speeds, and frequency and the effect on the workers, and the welfare of suppliers and their workers. Thus modern-day innovations in international business are increasingly allowing customers to base their purchasing decisions and brand preferences on instant availability and gratification, which places a new burden on workers, (see Cox, 1993) on the analysis of the role of chocolate and its consumption in the UK. Such research will benefit TNCs through the empowerment of the local workforce, as well as contribute to capacity-building and equity that will provide dividends in the long term.

The interrelationship between industrial structures, commercial practices, and the availability of goods and services, when and where needed at the correct price and in the correct form does not just happen because 'consumers demand it'. It is a result of complex socio-psychological phenomena that impact the worker and the consumer. This is worth researching. For example, the ability to purchase chocolate on impulse is not an incidental feature but intrinsic to the nature of the product, despite the fact that cocoa is not being grown in Australia or Europe (New, 1997:18; Chambers, 1993). Although, not many people give a thought to the instant availability of chocolate, many more do not realise the impact on poor Cocoa producers in West Africa and South America. This all-encompassing view of international business management and its impact highlights potential roads that management research can tread. The type of research that this article advocates is not merely technical or journalistic, or research that Hawkins aptly described as 'irrelevant esotericism, tunnel vision and technique for the sake of technique' (Hawkins, 1984). Rather, the discipline of management (within domestic and international business) is itself socially constructed and conveys particular meanings, justifications and ideologies. Understanding how and why these arise are just as much a valid area of research as the details of the developments themselves.

#### ***Justice, Empathy and Compassion in International Business***

The second part of the discussion relates to the pervasiveness of international business activities in our modern world through the universality of supply chains. It will also address the way issues of justice, empathy and compassion need to be addressed in IM and international business research. The development of international business has proceeded faster and has outstripped that of traditional regulatory institutions (De George, 1993). The national laws that ensure restraint and fairness in competition at home can not always be relied on abroad, especially in those developing countries with weak institutions. The inequality and imbalance of power and influence between large TNCs and stakeholders, especially in the weaker developing countries, coupled with the lack of enforceable international regulations to govern TNCs, is a good reason for the management of international firms to act with justice, empathy and compassion, and for researchers, to undertake studies in this area.

A useful comparison can be made between the growth and evolution of management thought with regard to the labour process and chain of supply. In the last three decades, researchers have explored Marxist critiques of the relationship between manager and worker, and organisation and employee, in order to provide a stimulating and challenging intellectual framework for research, even to those not sympathetic to its assumptions – it also sheds a totally new light on fresh



research directions. Some other writers have contributed to the discourse by analysing the philosophical and paradigmatic alternatives that are available, thereby rekindling interest in the critical tradition of the Frankfurt School (and similarly -inclined thinkers like Marx, Habermas and Hegel) with detailed analysis of the organisation of work and other management disciplines (Alvesson & Willmott, 1992; Burrell & Morgan, 1979).

A critical perspective on management has emerged in which the choice of methodology, modes of analysis and framing of research questions are strongly connected to one's political leaning. IM and international business research have generally lacked such a critical heritage as is typified by its dominant work on facilitating the commercial objectives of large and powerful corporations. However, as with investigations of work and employment, this is not the only viable perspective (Alvesson & Willmott, 1992). There are other constituencies of interest that have as valid a position on the research agenda as the attainment of efficiency, productivity and profits for corporations. Four examples illustrate the potential for empirical research in this area: the role of international corporations in the accumulation of third world debt; post-apartheid reconciliation and reparation in South Africa and the assessment of true environmental costs in international business; the concentration and distribution of economic power in the international economic system and the exploitation of poor producers of the developing world. The role of international business corporations and large private banks in extending loans to the developing countries in the early 1970s, and the subsequent selling of these loans to the US Treasury and the Paris and London Club of creditors, is, for example, a potential area of investigation. So is the relationship between large international corporations and the policy of apartheid, and the way, in which international business firms can help reverse its consequences with regard to reconciliation and reparation in South Africa. As regards the activities of TNCs on the environment, finding the appropriate costing and accounting systems with respect to international business activities is a potentially challenging area of research. For example, how do we really get the true cost of the products we consume? For instance, in valuing a mahogany bed, what is the environmental value of the trees felled? Existing costs are measured purely in monetary terms. Capturing the appropriate costs depends on the perspective taken (New et al., 1995).

An analysis of environmental impact depends on where the system boundary is drawn. This will reflect the purpose, ambition and philosophical disposition of the research. Sophistication in costing in the technical sense is a necessary, but not sufficient condition. Therefore, the issue of environmental 'sustainability' is not primarily an ecological or even economic argument, but one of politics and ideology (Steingraber, 1998; O'Connor, 1994; New, 1997; Dinham & Hines, 1983; Dinham, 1987). The operation of many global supply networks is largely built upon the availability of cheap commodities and finished goods from developing countries. At a glance, this fact may appear as a victory for world trade and trade liberalisation, and a good step for developing countries towards wealth creation and development. There is a direct link between the design and operation of supply chains and the socio-economic experience of those with the least power. For instance, in the fashion industry, Benetton's manufacturing systems, which are designed for quick response and low inventory, are often dependent on cheap Third World labourers who are often coerced into working long shifts. Sometimes these workers are mistreated. Weaker partners in the chain have often had to bear the brunt of the downsides of these innovations.

### **Tying it all Together**

The overall direction of management – oriented international business research is that, some form of organisational structure or business behaviour yields a competitive advantage, and hence profits. As a consequence, theorising in IM has largely focussed on how large and powerful corporations can do better with less resources, or organise their activities in a better way (or produce a 'higher quality' product or service). However, the leap from increased efficiency or better products to social benefit does not account for the way in which benefits arising thereof, are distributed. The overall benefit is generally assumed to be worthwhile regardless of the way in which it is distributed. It is simply assumed that the benefit filters down to general benefit by some process similar

to the philosophy of ‘trickle-down economics’ (Stone, 1991). Available evidence contradicts this assumption. Equity and justice in the distribution of benefits, however is a necessity.

In addition, there are criteria other than efficiency by which international issues in management may be evaluated. These alternatives include justice, empathy and compassion, which this article will loosely term ‘justice’, since empathy and compassion in dealings with others will almost certainly result in fair play and justice for all (Mofid, 2004; Stone, 1991). Consequently, all social institutions should be bound by the dictates of justice as it is ‘the first virtue of social institutions’ (Rawls, 1971: p.4). In a ‘just’ system of international business, for example, it would not suffice for international business organisations to undertake and justify an action because corporations argue that the net benefit of all relevant stakeholders is increased. A benefit to one does not permit an injustice to another. With efficiency on the other hand, an overall advantage can be seen to compensate for a penalty incurred by a particular sub-component of the international business system. From the perspective of ‘justice’, no such trade-off is allowable (Rawls, 1971). These two criteria, namely efficiency and justice, can be used to conceptualise, analyse and evaluate international business phenomena as illustrated in table.1 below. The table further provides a comparison of the traditional ‘efficiency’ perspective of international business management/ international business research to the one advocated in this article.

Table 1

Illustration & comparison of notions of Efficiency and Justice in international business and IM research (Adapted from New, 1997)

	<b>Example of Efficiency</b>	<b>Example of Justice, Empathy &amp; Compassion</b>
<b>Normative</b>	How should firms organise their relationships with their workers, customers and suppliers to increase efficiency?	How should firms deal with issues of child labour in the Malawian Tobacco industry? TNCs can take into account inequalities on many fronts (e.g. in power) when bargaining with developing countries.
<b>Focus</b>	Economic rationale	Social/Political interpretation
<b>Descriptive</b>	How do firms increase their profits in the Third World?	How do firms evaluate their social/ethical/environmental performance with regard to justice, empathy and compassion in international business activities?
<b>Focus</b>	Management action	Radical reform action needed
<b>Disposition</b>	Corporatist	Radical

### **Concluding remarks**

The view expressed, favours management research that takes into account and explicitly considers, the socio-economic, political, ethical and operational context of international business activities in our modern industrial world, in addition to its implications, i.e. an all encompassing view. The ethical/corporate social responsibility research needs to be extended further, in order to encompass weaker and poorer groups, as well as all constituencies that are impacted by activities of international business and their managers. The research agenda in international business must not be driven by corporate interests alone, otherwise management – oriented, and international business research will ultimately lose whatever objectivity it has. At best, it may be seen as one-sided. It is therefore important and necessary to understand the wider context of international business action before intellectually sound prescriptions can be made to corporate decision-makers. The powerless and the exploited of the world should also be considered fairly. This article recognises that the arguments postulated may not be acceptable to some; however IM researchers recognise that international business practice is important to the material welfare of all societies. Thus research in the field has to be of practical value to powerful users, as well as others. One may argue for research

that follows a strictly academic agenda (without 'real-world' impact), or, research that develops theoretical frameworks that allow new research pathways to emerge, but, the former will be an exercise in futility, and the later, like this article, will point the way forward. In addition, the ideological and philosophical foundations of research and its objectives in international business also need to be dynamic, transparent and open to challenge and debate. International business as a management discipline lacks the paradigmatic unity found in some other disciplines. However, this lack of consensus means that research can be challenged and debated according to its underlying philosophy, as well as its substance. This article is not suggesting that a convergence of approaches is necessary, but rather that the intellectual basis of the work be acknowledged explicitly. Otherwise the pitfall is that researchers and intellectuals may unwittingly lend support to the dominant 'conventional mainstream', whatever that may be. This, however, is not to deny the value of commercially-driven research, for it will be unwise to reject the idea of such profit-oriented research. Nevertheless, this article points the way to the possibility of research with different and explicit objectives. A sincere debate and disagreement is preferable to a tacit agreement to skirt around the fundamental questions. This must be the priority for those who want the field of IM and international business research to grow in a manner commensurate with its present and potential impact in the world.

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