

Business ethics and globalization business essay

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The following assessment brief report is created to give an idea about what business ethics are, and to provide an understanding about corporate responsibilities and the affect of globalization in today business world. The question arises in minds what ethic is? Ethics is mostly two things. Firstly ethics can be real standards of right and wrong which decide what people must do, when it comes to deal with rights, responsibility, society's welfare, justice and integrity. Ethical standards also consist of honour of truth, tenderness, and faithfulness. And, ethical standards give shelter for standards describing rights, for example the right to life, freedom, injury and privacy. These standards are acceptable standards of ethics because that they are supported by valid reasons. Second, ethics encourage research and development of an individual's ethical standards. Feelings, laws, and social norms can go in different directions from what is ethical. It is important to determine an individual's standards to make sure that they are reasonable and strong. Ethics also means, the steady attempt of researching our own moral beliefs and our moral direction, and also make an effort to make our workplace more tolerable and solid. (Manuel Velasquez, Claire Andre, Thomas Shanks, S. J., and Michael J. Meyer, " What Ethic Is", scu. edu). There are five ethical theories which are discussed more often in business ethic studies. Each of these theories is well formulated. Presented here is just a brief description of these theories, they are much more complicated. Each of these theories has their own perspective about what's right and wrong, good and bad. Egoism: Egoism can be considered as " self" and its needs, which

means the height of being right or wrong, good or bad is justified by self satisfaction, satisfying the urge of desire. Utilitarianism: This theory believes something is good or bad, right or wrong when experiences highest level of pleasure minimum level of pain or " lack of pain", not just for self but also for the large number of people. Deontology: Basic idea behind this theory is that one's satisfaction in fulfilling duties for self and towards other is the main cause for being right and wrong, good or bad. Care Ethics: This theory stands for taking actions which caring toward others. The height of being ethical according to this theory is nurturing and caring especially towards employees and children. Virtue Ethics: Virtue stands for promoting cultural traits either inherited or adopted to honour one's ethical values. Good virtue practices are the key elements of this theory, it believes in justice, courage, self respect and respecting others. (Gregory, B. Sadler, (2011), " Five Ethical Theories: base bones for business educators", According to (Institute of business ethics) business ethics is the utilization of ethical values, like integrity, respect, fairness, openness. Business ethics includes all activities of a company about how it develops, produces and delivers its goods and services, also its cooperation with its customers, employees, suppliers and society. Implanting these values is increasingly becoming important for businesses to be successful. (Eastwood, Sam, " Business Ethics overview", nortonrose. com). European Commission Published a new policy on corporate social responsibility in October 2011. It states that to completely meet their social responsibilities, " enterprises should have in place a process to integrate their social, environmental, ethical, and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders". The target is to appreciate a positive outcome through the <https://assignbuster.com/business-ethics-and-globalization-business-essay/>

introduction of new goods and services that are useful to society and corporation itself. It is also trying to decrease and prevent negative impacts. There is a new policy welcome by EU member state in the Competitiveness Council in December 2011. (Sustainable and Responsible Corporate Social Responsibility (CSR): " European Policy on CSR", europa. eu)According to " Our Common Future" a UN report on global context for environment and sustainability which states " Our Common Future stated on lot of the global realities investigate and approved immediate measures on eight key issues to be sure that development was sustainable, which means that it meets the needs of actual people without any negotiation in making future generations to be able to satisfy their need on their own. Following are the eight issues: Human Resources and PopulationBusiness IndustriesFood SecurityEcosystems and all SpeciesThe Urban ChallengeManaging the CommonsEnergyClash and Environmental Decline

THE BRUNDTLAND REPORT

World Commission on Environment and Development made Brundtland Report sustainable development very popular in 1987 report. The title of report was " Our Common Future", it was also named after the Chair of the Commission and former Prime Minister of Norway, Gro Harlem Brundtland and became known as Brundtland Report. The main purpose of the World Commission was to look for practical ways of forwarding the problems in the world related to environment and development, three major objectives areTo review the demeaning environmental and development issues and to codify sensible proposals for handling them; To recommend new arrangements of international mutual efforts on matters that effect behaviour and occurrences

that needs to be changed. To increase the level of consideration and obligation of individuals action, voluntary sectors, businesses, governments and laws. (Teaching and Learning for the Sustainable Future: "Understanding Sustainable Development", unesco. org). Ethics is entrenched in the culture of a nation. According to Hofstede " the collective programming of the mind that distinguishes the members of one group or category of people from another". The core element in culture is values." Even though, ethics is accountable to cultural values and norms. Ethics may be either negatively or positively. The negative image of ethics is corruption. Corruption is beyond the pale in the management literature as Hofstede stated. Nevertheless, it should be classified because of its constancy in business practices. Hofstede defines corruption as " those in power use illegal means to get the collaboration of authorities or to enrich themselves". In some cultures like Japan and China gift giving is an important custom and it is hard to tell whether it is bribery or not. Transparency International (TI) issues a yearly Corruption Perception Index (CPI) on the internet. The 1998 CPI includes 85 countries; the index moves from 1. 0 (extremely corrupt) to 10. 0 (entirely clean). List contains Denmark with a CPI score 10 is the cleanest and Cameron with a CPI score 1. 4 is the most corrupt. Peter Eigen the chairman of TI noted " shockingly and morosely there are about 50 countries that do not even achieve a score of 5, and there are lot of countries has scored less than 3". Czech Republic is in the 37th order with a CPI score 4. 8 and Turkey is on the 54th with a CPI score 3. 4. (Transparency International, Press Release: " Corruption Perception Index, Berlin, 1998. (www. CPI. com)In order to give a clear understanding why some countries are more corrupt than others, Hofstede made some analysis. Like the <https://assignbuster.com/business-ethics-and-globalization-business-essay/>

relationship between CPI scores and economic and cultural indexes. Gross National Product per capita and cultural dimensions such as individualism, power distance, uncertainty avoidance and masculinity/femininity derived from his widely known IBM research. In his conclusion to analysis sixty-six percent can be predicted from a country's poverty. He also said that " under conditions of poverty, acquiring money in unofficial ways is not just a matter of greed; it may be a matter of survival. Officials, police, and teachers in poor countries are often so ill paid that without side payments they cannot feed their families." He compared cultural dimensions. Large power distance increases grasped corruption. (Hofstede, G., " Problems Remain, But Theories Will Change: The Universal and the Specific in 21st-CenturyGlobal")An addiction to apply international labor standards across the countries. The standards can be described as " basic human rights". They are universal standards in the sense of being independent of a country's economic development. Two well known labor standards are fair working conditions and prohibition of child labor. There are debates for and against labor standards policy. GATT agreements (General Agreement on Trade and Tariffs) control nations from raising international business standards since GATT refuse to take out any kind of restrictions for a free trade world economy. The world Trade Organization (WTO) tries to prevent discriminations against its members and for that reason favours with corporations against AIP standards. American companies mostly, throughout the Fortune 500 voluntarily signed an ethical commitment drafted together with US officials. These ethical principles are " to develop their company operations in ways that: providing a safe and healthy workplace, use of fair employment practices, be liable for environmental protection, cooperate with

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federal, state and local laws, and keep up a corporate culture, where ethical conduct is identified, valued, and demonstrated by all employees." (Sengenberger, W.; Wilkinson, F., "Globalization and Labour Standards",)

World Trade Organisation (WTO):

The Members of the WTO made few rules on Trade Remedies by negotiation and agreement. The Rules leads the disciplines practice of Trade Remedy disciplines by and between Members. Everything achieved at the WTO is the result of negotiations, in which, governments getting together to talk and to figure out the trade problems they face with each other. The Rules are stated in the following WTO Agreements:

Antidumping

" Article VI of the General Agreement on Tariffs and Trade 1994 Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the Antidumping Agreement or ADA)"

Countervailing

Article XVI of the General Agreement on Tariffs and Trade 1994 Agreement on Subsidies and Countervailing Measures (the Subsidies Agreement or SCMA)

Safeguards

Article XIX of the General Agreement on Tariffs and Trade 1994 Agreement on Safeguards. To liberalize trade between nations efforts are made to reduce tariffs and other measures that controls access to markets of internationally traded products and to a fewer extent, services. Still, it is <https://assignbuster.com/business-ethics-and-globalization-business-essay/>

identified that nations would face adjustment costs and there would be instances where unfairly priced imports would enter the markets of Member. (The Safeguard Agreement or SA). (Anti Dumping and Subsidies Commission: " Global Context). Individual ethics involves routine in personal life of an individual and covers the Regular behavior according to the beliefs of an individual. The ethical responsibilities can include not telling lies, to keep promises, not to be hurtful to others. These listed duties and responsibilities may vary from one person to another. Due to this reason, no single universal right decision exists. (De George, R. T., " There is Ethics in Business Ethics; but there's More As Well")Corporation must generate a corporate code of ethics that is globally centralize yet locally answerable and establish an ethical culture which shall never make way for discrimination against small business in deciding ethical issues. Furthermore selection criteria for personnel working overseas must include ethical considerations such as moral development, sensitivity to cultural differences in ethical applications, and ability to make stable decisions in situations when home and host country interests clash. Instead of stressing on ethical behaviors organizations must try to use ethics more positively by setting principles such as dealing with justice, freedom, honesty, beauty, order and loyalty and employee training must include all these topics, whether the country is economically developed or underdeveloped. (Burke, F., " Ethical Decision Making: Global Concerns, Frameworks and Approaches").