

# [Fortune global 500 corporation](https://assignbuster.com/fortune-global-500-corporation/)

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Samsung is a South Korean company based in Seoul and has been in operation for the last 73 years. The company’s roots can be traced to its founder, Byung-Chull Lee who in 1938 started an export company in a rather humble setting. In the beginning, Lee exported vegetables, fruits, and fish to the Chinese market and in the year 1951, the company successfully became a co-operation. From the year 1958, Samsung ventured into other sectors such as shipbuilding, media, medical services, chemicals, engineering, and chemicals. Samsung electronics started in 1969 manufacturing products such as Television sets, radios, computer accessories, and security appliances. Mobile phones came later on in the ’90s. In the ’90s (Business Week, 2006), the company established factories in Britain, the United States of America, Thailand, Mexico, China, and Spain. South Korea is Samsung’s mother country but the company has opened up subsidiaries in many other countries, that total up to about 67. 2 In most countries where Samsung operates, the mixed economy market system is in place. The system blends free enterprise as well as elements of state control. Some resources are owned by the state and others are owned by private entities (Lindblom 2002). The other element of the mixed economy system is that the state is most active in influencing tax regimes and laws. The private businesses are allowed to operate within these laws when making and implementing theirs in house decisions. Lawful systems that exist in countries where Samsung operates in are based on religious law, civil law, and common law or a blend of the three.

Market systems and legal systems can affect a company’s operations, in this case, the Samsung Company. The type of the market system in a country of operation can either propel growth for the company or spell doom for the company in that particular country. For example, if a country subscribes to the planned economy, where the state decides everything as well as controlling all businesses, the company operating in that country is most likely to close shop since the business environment is not conducive. The same case applies to the legal systems. If a country has detrimental and rigid legal systems that do not favor business initiatives and ventures, companies operating in that particular country are bound to face numerous difficulties in there day to day operations (Kritzer and Silbey, 2003).

Therefore, the success of companies operating in various countries is dependent on favorable market and legal systems. 3 Political risk in this scenario can be described as the risk a host state will make as it formulates and implements political decisions and these decisions prove to have magnified effects on a multi-national company’s profits and/or objectives. Political risks can be immense property destruction brought about by conflicts or revolutions.
Political risk can also be of financial nature, where a state introduces retrogressive laws and tax regimes that hinder capital movement and profit-making (Kritzer and Silbey, 2003). Political risks can force a company to increase the prices of its products due to the high cost of production. They can also force a company to close shop in that particular country if the investor climate in that particular country is not conducive. If I was a political consultant for a company, I would advise the company to first conduct research on the political risks in a country before venturing into the investments. Therefore, political risks can be related to the market and legal systems that countries have subscribed to. A company like Samsung must satisfy a number of stakeholders as it conducts its operations. First, it must satisfy the needs of its clients and learn effectively on how to cope with the high demand for its products and services. The company must also take into consideration the welfare of its employees seriously in order to boost morale and Productivity. It is also feasible for the company to satisfy also the host state’s list of demands and protocols, as it ensures that there is a suitable investor environment for businesses to operate. A company like Samsung must also gear towards satisfying the needs of the wider population that its clients represent. However, this is somehow difficult for companies operating internationally due to various legal and market systems that define different countries. Furthermore, the goals and aspirations of the company or companies might collude with the systems that exist in different countries of operation, much to the emergence of business downfalls. Samsung’s code of conduct is centered towards achieving a larger market share in line with its administration viewpoint and corporate identity. Its code of conduct is of the essence in achieving long-term objectives that include large-scale investments and advancing professionalism. The code of conduct works to improve intellectual capital, organizational innovations, creativity, and empowerment of its employees in the quest to satisfy market needs at any given time. Samsung has established numerous corporate social programs in the countries that it operates. It has sponsored sporting proceedings in the past. An example is the 2004 Athens Olympic Games held in Greece. The Company has also ventured into Environmental preservation drives, Educational sponsorships, Arts festivals, and Animal welfare initiatives. An example of animal welfare initiatives started by Samsung is the pet ownership initiative where Samsung employees can get healthy dogs. In addition, the employees and their families get pet handling training. There are guide dogs, rescue dogs, and even hearing dogs reared in the Samsung pet ownership facilities. Samsung might monitor several factors as it seeks to guide investments and actions in the future. International political events and climate, financial market forecasts, technology dynamics, and population trends in countries of operation are some of the indicators that Samsung might look at to guide their investments and actions in the future (Business Week, 2006).