

Ethical issues faced by global organizations

[Business](#), [Organization](#)



Ethics has increasingly become an essential constituent of corporate business organizations worldwide. Business ethics is commonly understood as to the system of moral values and rules and code of conduct applied to business (Jalan, 2005). The issues that may arise in the ethical context of business are multifaceted; they can be interpreted in the way desired by organizations. It is known that there is no universally accepted ethical behavior for organizations because the practice of moral values and code of conduct vary from country to country.

However, there are some common ethical issues faced by global organizations. This paper attempts to discuss the common ethical issues faced by organizations in the global business environment. The paper takes a descriptive approach where the important ethical issues are presented separately for each area of operations of a business. The globalised firms are looking for expanding and exploiting new business and demolishing their competitors through attacking strategies of various types. Little is talked about how strategies are formed ethically; which does not harm the competitors and other business organizations.

It is obligatory for every business to follow certain corporate codes that are underlying principles of corporate practice. The primary concern every business should be towards customers and society. Ethical issues in the society Every business has certain responsibilities towards the society in which it operates. This principle is the foundation of Corporate Responsibility Concept. Modern organizations have realized the importance of being socially responsible and adhere to social norms and

system. Following are some of the important ethical issues in this regards:

Over involvement in the community people

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Honesty, truthfulness and accuracy in the market

High usage of animal products and animals for testing.

Degree of safety attached to the product.

Selling of addictive products such as tobacco, alcohol etc.

Trading with repressive regimes. Ethical issues arising from internal and industry

Ethical issues arising from internal and industry practices Treatment of customers is

Treatment of customers is a main task of every businessman. At the time of selling the product to the customer's sellers agrees that we are providing good after sale service and warranty to the product but after the sale they are not following the said requirement of the customers.

Working conditions and treatment of employees in the business. At the time of joining they are agreeing for all facilities available in the company after joining they are refused to provide the facilities which is mentioned at the time of admission. ? Employment of disabled people in the organization will lead todiscriminationamong the workers.

Working of child labors in the company. ? Bribes to secure contracts. The employees of the company are doing some unethical practices while

purchasing the product from suppliers and negotiating with suppliers to the intention to get personal benefit. Ethical issues in marketing

Charging high prices for low quality products. The suppliers are misunderstanding customers that we are providing good products with attractive packing.

Selling at low prices with an intention to increase the market share of the company or to destroy the competitors in the same industry. ? Copying the style of the packaging design for misleading the customers and also some misleading advertisement. ? Issuing credit cards without bothering the capacity of the customers and value of credit cards Encouraging the customers to claim prizes when the customers are phoning for asking premium rates. Ethical issues related to production

Encouraging the customers to claim prizes when the customers are phoning for asking premium rates. Ethical issues related to production

Selling of goods to outside the country which is banned by the home country. It means without getting the license they are doing international business.

If the products having low quality or any default in the product, firms are omitting that information.

Providing unsafe products to the customers, they are not bothered about the customer requirement of the customer.

Low packaging of products and wasteful packaging.

Misappropriation in the size and content of the product.

Inaccurate testing of products and inappropriate testing of products

Conclusion Global firms face ethical issues both from local and international environment.

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They cannot avoid the ethical practice of every country in which they have operational units. Consequently, there are even conflicting practices between operational units in different countries as business practices and rules vary from country to country. However, it is possible to segregate certain problems as common to all global firms.

References Jalan, P. K. (2005) Encyclopedia of economic development Restructuring Indian economy for future challenges Business environment & challenges of poverty alleviation in India Economic development in Asia Pacific Region, Sarup & Sons