

Example of research paper on culture and ethics in china

[Business](#), [Company](#)



Culture and Ethics in China

Knowing who you are on the market in which you activate is essential for your business. This implies knowing your competitors – the existent ones, your potential competitors (new entries or substitute products) and the partners you can rely on or on which you depend (suppliers, corporate clients, for instance). This Porter's Five Forces Analysis is very useful for knowing yourself in the market in which you activate. For Multi U, a multinational company activating in the IT industry (an ever growing and competitive industry), knowing its environment in the countries in which it operates helped the company remain competitive and one of the leaders of the industry. As the company is now thinking of extending its operation in China (considering its various benefits: skilled work force, lower salaries than in Europe or United States, FDI incentives), it needs to assess this market from various perspectives (social, legal, economic, political, technological aspects), but also from a more specific aspect – the business model and its general ethical code when it comes to business conduct.

This report investigates China's code of ethics in business relations, evaluating how the moral values and the ethical specificities of China are compared to U. S. and whether there are conflictual aspects. Moreover, the paper assesses what specific values of the Chinese business ethics are superior to the American ones and what are the moral values that need to be addressed, as they contravene the business ethics of Multi U.

In terms of business conduct, the Chinese business culture is based on relations and preferences within an organization, which influence the appraisal process or the recommendations (Silverthorne, 2005). Schulman

confirms this business conduct, while discussing about the corruption in China, which influences the professional conduct. The author states that the business relations are favored by the familial relations, by citing Rothlin, who initially explains this business conduct to be a local tradition, specific to China. Instead, Mozi considers that favoring family in business relations is the root of corruption (in Schulman, “ Business Ethics in China”).

Regarding this point, Ciulla, Martin and Solomon discuss about the moral equality of employees, referring to fiduciary duties, risks, contracts and to the utilitarian argument (The most good for the biggest amount of people) (2010). However, when discussing about the moral equality of employees, the utilitarianism argument is not sustained, in a working context, considering that most employees are positioned in the lower levels of the companies and moreover, that they do not share an equal morality, considering the different hierarchical levels, in China.

Favoring relatives in the business environment is contradictory to Multi U company, which sustains the initiative spirit, creativity and talents of all its employees or partners. This business code in China is disfavoring the real talents and it is against an open society, based on real competitive advantages, hence there is a questionable ethic code in this practice.

Schulman observes that China operates on a global market, interacting with different countries and their cultures and this allows the Chinese business people to influence other cultures and business conducts, through its direct interaction with them (Schulman, “ Business Ethics in China”).

Referring to tradition and the way they are entrenched in the business environment, Quereschi notes that China’s past business ethics were deeply

enrooted in Confucianism, which includes traditional values such as the prevailing of the righteousness over profit or of the collective benefits and spiritual values over the individual benefits and material values (Quereshi, “Chinese Business Values”).

There was considered that the honesty and trustworthiness were leading to harmony and a balanced society. This theory was adjusted to the business environment, emphasizing the business integrity. This influenced cultures and business styles outside China in the past.

In the past business values imposed equalitarianism as a business ethics (sustaining the equal results, rather than the equal opportunities), nowadays China’s business style is following the hierarchical system. The social distance is encouraged here (most often under the name of power distance) and this creates the proliferation of polarization, as Irwin observes (2012).

Other business strategies utilized in the Chinese companies include partying before the actual negotiation process starts, most usual form of entertaining being karaoke. As a result of such activity, the business delegates are becoming more relaxed they might consider the process of negotiation with the Chinese smooth and easy, but this is solely a diversion, as the Chinese are known for their good and tough negotiation style (Genzberger, 1995).

For the American multinational company this is a positive moral value, which illustrates the richness of Chinese sense of honor and it should also determine a reconsideration of the human relations. In the capital economy the business relationships are based on a mutual agreed and signed contract and the personal commitment has little if no signification at all. However, to this aspect it contributes also the culture and as China is entrenched in

Confucianism's teachings, these values were transmitted and inherited from generation to generation. One cannot state the same for the Western civilization. However, in terms of moral values, the personal commitment in closing a deal is superior to the American's signed contract. On the other hand, this model could not apply in any other part that in China (or other Asian countries like Japan), in which the honor represents a real life code. Although the country's culture is based on the traditional learning of Confucianism which promotes common and equal benefits and an interest for applying morality in any action, in modern China morality and business ethics represent real challenges, which can impact the global business environment. In the end, at this moment the possibility of expanding Multi U in china translates through: follow the market or stay put. In other words, the company should adjust to the ethical code of conduct and the cultural aspects of the Chinese society for doing business in this country.

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