

Moral universalism vs ethnocentrism commerce essay

[Experience](#), [Human Nature](#)



In today's scenario the manager across the globe are quite focused and clear when it comes to moral or ethical behavior because now a days there is a tremendous pressure from people, government and other concern bodies to do business ethically. Multinationals are the one who has to decide that what kind of approach they want to follow in their business process. Business ethics are the principals which are used to do business in a proper manner. This report is a critical assessment of ethical and moral challenges face by multinational companies in their overseas business operations.

Moral Universalism Vs Ethnocentrism

It is very difficult to define a similar set of rules of morality and ethics for each and every country of the world because every country, every religion, every community has their own likes and dislikes, their own set of rules, preferences, understanding etc. so it's become very difficult for an organization to form a similar set of rules which can be applied in each and every country of the world. The decision to set moral values differs from place to place in which an organization is doing business.

In Moral Universalism some set of ethics is accepted globally regardless of culture, race, sex, religion, nationality. These are certain set of ethics which are globally practiced. Moral Universalism is broader approach when it comes to apply ethics globally.

Example: - There are many examples where we see moral universalism used globally. The most common example of moral universalism is the equality in the workplace regardless of your gender. This is the most common example

of moral universalism when global moral and ethics are used in every country without any hesitation.

Ethnocentrism is the approach in which moral or the culture of a particular place, country or organization is judged accordingly to the standards set by a particular person, group or country. This style is very narrow in its approach and not widely accepted. Ethnocentrism mainly believed to be subtle and overt in its approach.

Code of Conduct

A number of organizations across the globe developed their own code of conduct when it comes to doing business overseas. Many organizations shake hands with other organizations in the world to develop a certain set of standards which can be used globally. Companies such as Avon (cosmetics), Sainsbury Plc. (a food retailer in the United Kingdom (UK)), Toys ' R Us (toy retailer) and Otto Versand (clothing retailer) have joined with the Council on Economic Priorities (CEP) to establish SA8000 (Social Accountability 8000, on the lines of the manufacturing quality standard ISO9000). (G. MEHALU, Kidus, 2011)

Some standards which are globally accepted are as follows:

Do not use child labor at work place.

Don't use forced labor.

Provide safe working environment.

Pay at at least minimum wages to the workers.

There are four major organizations which mainly decide the code of conduct for multinational across the globe:

International Chamber of Commerce.

Organization for Economic Cooperation & development.

International Labor Organization.

United nation commission on transnational corporations. (G. MEHALU, Kidus, 2011)

Factors affecting Moral and Ethical Behavior:

Stage of moral development- There are various stages involved in the development of moral of an individual. Starting from pre conventional, then to conventional when one tries to fulfill the expectations of others, then last stage is the self chosen path.

Individual characteristics- Moral and ethical behavior also differ from person to person. It's totally one's choice to decide what is right and what is wrong.

Structural factors- Structure of an organization is also affecting the ethical behavior and moral values of an individual.

Organizational culture- Organization working culture plays a decisive role in employees thinking. The organization laid the foundation stone in employees understanding of morality and ethical behavior. (G. MEHALU, Kidus, 2011)

Case-1

NIKE Sweatshop:

Nike is the world pioneer in the field of footwear and apparel manufacturing. It has the presence in over 140 countries across the globe with over 44000 workers. In the early 1990s, Nike products were being manufactured in six Indonesian factories, employing more than 25, 000 workers. Four of these factories were owned by Nike's Korean suppliers. As Nike's presence in Indonesia increased, the factories supplying its products (about six million pairs of shoes per year) came under greater scrutiny. Reports by a variety of NGOs and labor activists claimed that these plants were rife with exploitation, poor working conditions, and a range of human rights and labor abuses. Many Indonesian shoe factories did not even pay the minimum daily wage (at the time, 2, 100 rupiah or about US\$1). They petitioned the Indonesian government for exemptions to the legal minimum wage, claiming it would cause them "hardship" to pay. According to official Indonesian government calculations, this minimum daily wage only covered 70% of the basic needs of one individual - let alone a family. Nike's Korean suppliers were seen as especially stingy with wages and abusive to local workers.

(RICHARD M. LOCKE, Alvin J. Siteman, 2000)

This case clearly shows that multinational organizations mould their rules and working style according to their preferences and according to the place where they are operating. What Nike does in Vietnam, Indonesia, Pakistan they can't do the same things in America or any other European countries because they have strict rules and regulation for the working environment.

This a moral challenge which Nike faced during their operation in Asian countries but company decide lower their standard of operations in so called third world countries to make more profit.

Nike not follow the same policy of operation which they use in America or Europe. But they decide to go another way and do which is morally and ethically wrong to make more profit margins (RICHARD M. LOCKE, Alvin J. Siteman, 2000).

Case-2

Coca Cola Controversy in India

Coca-Cola is one of the most recognizable brands on the planet, and also one of the world's largest corporations. The company's profits amounted to just under \$15 billion in 2005, while its market value is calculated at over \$100 billion. Worldwide, more than one billion cans or bottles of Cola-Cola are consumed every day - or 12, 500 every second. But in 2004 in Kerala, Coca-Cola's plant was forced to close down after the village council refused to renew the company's license, on the grounds that it had over-used and contaminated local water resources. Four months earlier, the Kerala High Court had ruled that Coca-Cola's heavy extraction from the common groundwater resource was illegal, and ordered it to seek alternative sources for its production. Local villagers, politicians, environmentalists and scientists heralded the closure of the Plachimada plant as a major victory, and are now attempting to have it made permanent. In addition to the depletion of the groundwater, analyses indicated that water extracted by Coca-Cola had been contaminated with potentially harmful foreign particles as it was drawn

upwards through the various rock strata. The water subsequently became unfit for human consumption and even for irrigation purposes. (Coca Cola the alternative report, 2006)

Coke follows a strict rules and regulations in the US and in other developed countries but in third world countries coke doesn't remain in its ethical and moral value which they follow in their home country. In India and in many Asian countries coke working policy is ethically and morally correct but they change their policies according to their need (Coca Cola the alternative report, 2006).

Coke which is world most trusted brand is doing the things which are not ethically and morally correct. They must follow the same practices which follow in U. S & in other developed countries.

Case-3

Ethical issues of McDonalds in India

The major issue was beef. Cow being sacred and worshipped, beef could not be served. Muslims did not eat pork. The challenge was to change the form of the worldwide popular Hamburger to make an entry into India. With 25-30% of the population being vegetarian and a large majority eating meat, an alternative to beef and pork was necessary. The population of a billion was undoubtedly a promising opportunity for an international company.

McDonald's accepted the challenge and created the Aloo - Tikki Burger known as McAloo Tikki™ especially for the Indian vegetarian customers. Aloo- Tikki was a potato patty with spices. It also made a chicken and fish

option available for the non vegetarians. McDonald's even separated the non vegetarian cooking process and the vegetarian cooking process to convince the customers of the " Shudh Shakahari Experience' which means pure vegetarian experience. In addition, the crew cooking vegetarian food was asked to wear green aprons. McDonald's in India was one of its kinds as it did not offer beef at all. In order to convince and change the perception of the customers about the burgers they offered, McDonald's made attempts to clarify their stand about beef in India. So the world famous hamburger was without meat. This was indeed a classic case of product adaptation, to gain foothold in a new market. (KULKARNI, Dr. Smita, 2009)

McDonalds faces a crucial ethical and moral challenge in India bur they accordingly and tries to follow the practices which are used in India instead of imposing their own preferences over the people. McDonalds handle this situation of cross culturalism and ethical values very smartly and not lend into any controversy as we already discussed above.

Conclusion:

In keeping with the examples discussed above, one can say that moral values and ethics are depends on organizations. Organizations have to decide their moral values and ethics and implement them accordingly. As in this case company working policy is debatable but you can't accuse them because they don't do it forcefully, and they also give back to the society.