

Business ethics

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Business Ethics Multinational moral responsibility It is undeniable that multinational corporations cannot be free from moral responsibilities since there are continual interactions between them and the society. Given that business practices impact on the society, multinational companies cannot ignore the power of the latter on such practices. Corporation observation of social and moral responsibilities thus becomes an important aspect in business continuity and growth. Therefore, when either introducing new business or expanding existing business in terms of size and thus space, it is imperative that consideration of effects of such behavior on the society be given priority especially when making decisions that could shock the society. In this perspective, there is a moral responsibility for multinational corporations in selling Starbucks in Forbidden City.

To begin with, the every individual has a fundamental right to maintain and preserve a culture (Kent, 2010). The people of Forbidden city thus have the same right and consequently expect this right to be respected by other individuals and corporations that venture into their city. Multinational corporations are consequently obliged to respect this right to cultural preservation. Business practices that harm this right would be considered as a violation of this fundamental right of the Chinese in cultural preservation and thus will be unwelcome. From a normative perspective, multinational corporations as a result have a responsibility in observing this right in respect for Chinese culture.

Secondly, there is the need for consideration of beneficial business practices to both parties that would result in happiness for both, as utilitarianism states for the purposes of coexistence (Kent, 2010). Since multinational businesses make intrusions into societies' environments, it is important that

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they consider what would be of great benefit to both parties. Selling Starbucks in this area is obviously not beneficial to both parties since there has been creation of conflict. In order to create a practice that would be beneficial to both corporations and society, it is imperative that consideration of this decision be made since selling the firm as it does not bring happiness to both parties.

Thirdly, great moral philosophers argued before that major principles of moral philosophy demand both parties to be equal such that none should take advantage of the other. When making a decision to sell Starbucks in Forbidden City, multinational corporations should consider the effect of their actions on Chinese culture. If such action is intended at using Forbidden City to attract other investors and use Chinese culture for corporate gains, then that decision should be deemed wrong, since the former would have been used as a means to the end and not the end by itself. This will imply ignorant, non-considerate and unfair business practices by such multinationals (Kent, 2010).

Criticism and its defense

From an instrumental perspective, Kent (2010) argues that business has a legal right to purchase and sell businesses in Forbidden City and the decision to stop this action is undemocratic. As granted by the law, introduction and existence of Starbucks is legally right and therefore, multinational businesses can engage in such trading without need for reconsideration of their decisions. He further contends that since the primary aim of business is to minimize losses and make profits, it is advisable that trading of Starbucks goes on if such action results in minimization of losses and maximization of profits. While it is entirely true, such action might only reflect only one-sided

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interest and thus affect customer relations.

However, critics should take note that businesses are supposed to respond in a certain friendly and descriptive way to the society. The action to trade the hotel in China at the expense of Chinese culture might lead to arousal of public hatred and thus unrest of the Chinese, which in turn might lead to disruption of business activities. In order to avoid such bad practices in the future, corporations are supposed to react as it is expected of them - towards societal interest.

References

Kent, A. *Multinational Corporations, International Trade and Morality*.
Houston, Texas: Wiley. 2010