

Reconciling ethics in the global market assignment

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Reconciling Ethics in the Global Market Values, morals, and ethics are three interrelated concepts that influence the decisions in our personal lives. Values are usually acquired throughout childhood, based on experiences and influenced by many sources including parents, teachers, media, religious affiliations and many other factors. Morals are developed throughout a person's life, as he or she acquires personal beliefs of right and wrong, (Walker, 2001). Ethics are standards of conduct that indicate how individuals ought to behave when faced with difficult situations.

These standards are based primarily on values and principles about what is right or wrong. Secondary factors can also affect ethical behavior, and these include differences in the systems of laws in different countries, organizational culture, and professional cultures and codes of ethic (Pitta). Business ethics has become a very popular topic of discussion in recent years from the media to the academic arena. This attention is mostly the result of the recent financial scandals but is also due to the globalization of the business community.

Ethical behavior is an important component of managerial decision making. The need for global and multicultural nature of business operations has brought a new challenge to companies and managers, who must make ethical decisions that may conflict with the cultural values and beliefs of the country where they operate. According to Axinn (2004), culture has a significant influence on one's ethical values, therefore, one might expect that culture influences ethical decision making. Multinational corporations need to adapt to different cultures in order to avoid costly mistakes and misunderstandings.

The potential for these misconceptions increases when managers interact with foreign partners or clients who may have different values and beliefs. Having a good understanding of these differences allows companies to better adapt to these different cultures and can lead to a more successful global business practice. Cultural misunderstandings can occur not only when a difference is observed, but also when what seems like a similarity (e. g. language or dress) masks differences at a deeper level (Ariane).

For example, assuming similarities between two English speaking cultures can create a block to intercultural communication, because two English speaking countries may have different alcohol tolerance regulations for the workplace and this can create an ethical conflict. How does a company or an individual bridge this gap? Knowledge and understanding of the other culture and its ethical values is one way to start shortening this gap. To understand and appreciate a different country or culture, one must first get to know the culture, and from knowing comes understanding.

Knowing one's own culture and understanding is the other side of this equation in order to make comparisons and determine the differences versus the similarities. A business that wants to provide goods across a global, multicultural market, must know the tastes and preferences of the current geographical market versus those of the other markets where they want to invest. Does the firm have a product that can be changed and adapted to meet the local needs? Is the company willing to make these changes? Localizing a product may require making certain compromises and decision by the company (Guilty).

For instance, localizing a website would involve translating into the local language, changing any cultural references, like flags, ensuring that the material is not offensive and that the content is relevant to the target culture. All these adaptations must be done within the boundaries of existing ethical values and beliefs. Ad campaigns for example, if not tailored correctly for their marketing recipients can result in controversy, as was the case of United Colors of Benetton when in 2000 released an ad featuring pictures and interviews with death row inmates.

The campaign was criticized for being sick, cynical and for glamorizing murderers, despite Benetton's claims that it was an "innovative mode of corporate communication." (Taylor, 2000) Sometimes product localization is not enough to break into the foreign markets because their cultural differences or ethical values are so marked that the regular product would not be acceptable. A company needs to be prepared to introduce new and radical products that cater and adjust to the local culture.

Conducting market research analysis before embarking in business in a new area is one way to know and understand the needs of the potential customers. A successful international business must respect the cultural, religious, and other beliefs of other countries when deciding on new product lines. An example of a successful approach to introducing new product lines to cater and adjust to different cultures is McDonalds. The company did research in China and changed their product lines to offer less menu selections and new teriyaki flavored menu items.

In Saudi Arabia, McDonalds closes five times a day for Muslim prayers and does not server pork. In India McDonald's has radically modified their menu to remove beef and pork from all their sandwiches, serving vegetarian Big Macs (Craft, 2007). Conclusion Investing in new countries can bring many benefits, but many challenges are also involved. Expanding into neighboring geographic markets has become an attractive option for companies looking to broaden their horizons, reduce their costs, increase their customer base and maximize their profits.

A critical challenge for global companies is reconciling the differences between the company and the country's cultural and ethical beliefs.

Understanding the differences is critical in determining whether to adapt existing products and strategies, or adopt new ones, to meet the different ethical, cultural, and religious expectations. References Axinn, C. & Blair, M. & Heorhiadi, A. & Thach, S. (2004). Comparing Ethical Ideologies Across Cultures. *Journal of Business Ethics*. 54, 103 ??? 119. Retrieved on October 19, 2007 from EBSCO database.

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