

# Effect of capitalism on society



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## **ABSTRACT**

Relationships in business management values and beliefs play a critical role in establish long-term mutual benefits to organizations, However back in history capitalism was envisaged through religious beliefs which apply even to date in our daily life's, however social networking and educations systems have opened up markets globally,

This research paper looks on the impacts associated with capitalism and ethical responsibilities to society; that business and government both have important roles to play in the modern economy; and that ethics and integrity are essential to personal fulfillment and to business success.

## **INTRODUCTION**

The world today believes in change and liberation due to beliefs and values of every society, the quality of living based on individual decisions and moral

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values are critical in building and of business relationship. It is therefore vital to understand how business and society can be governed and all manner of people and races respected. Every society has taboos and social entities that control its environment; however business and society is based on values that can be created by others though scientific research. According to Weber, The Protestant Ethic is a starting point towards understanding the multiple dimensions of social change. The relationship between business and ethics is interlocked in the sense that a successful company is one which can effectively maintain the relationship which exists between them and the other parties.

For effective corporate management, organization varies due to policies and systems of operation in service deliver, most professionals governed by professional code of ethics invent individual personality. Religious beliefs critically affect each individual spiritual being. Today businesses that have strong corporate codes of ethics are performing well in the long-term. Government policies and competition is vital for survival in every business entity, customer expectations and organization relationships to society are critical in branding and corporate image which differentiates company's offering from those of competitors. To manage it demand for in the long run demands commitment and sound moral behavior. This demonstrates dedication to all stakeholders, ethics enhance how a company operates and also enhances a company's reputation and this brings more profits to the organizations.

## **MAX WEBER PROTESTANT ETHICS**

Max Weber a German sociologist and political economist (1864 – 1920) aimed at understanding the revolution power based on political stability and control of capitalism. With his social and religious beliefs, he investigated to know why the districts that were most economically developed were also most favorable to a revolution. In his findings, Weber argues that according to the occupational statistics of countries of mixed religious composition, business leaders and owners, as well as the higher skilled laborers and personnel, are overwhelmingly Protestant. He aimed to bring change and revolution. The argument was based on development and education by the Catholics which he believes led to a nationality imbalance.

Resources were unfairly distributed thus the districts ended up converting to Protestant, it plumbs the deep cultural forces that affect contemporary work life and the workplace in the capitalist communities, and it plumbs the deep religion forces that affect contemporary work life and the workplace.

He professed religion balance between the Catholic and Protestant parents tend to give their children different kinds of education, in which his belief was that education is an equal asset to both the Catholics and Protestants', however he was not of the opinion that Catholics have more of a tendency in education while Protestants stay in handicrafts and sectors rather than to go into industry. This suggests that their environment has determined the choice of occupation and seems all the more likely because one would normally expect Catholics to get involved in economic activity. His argument was based on political power and influence and his belief that Protestants had stronger tendencies and capabilities to develop the economy

rationalism. To him this was not a philosophy of mere greed but a statement laden with moral language. Creating modern capitalism that affects contemporary life and work place ethically.

Lacks of ethics contribute to a state where the corporate bottom lines make profits through immoral acts. This relents to damaged image and leads to corrupt dealings and poor ethical practices. Managers who promote an atmosphere with high ethical standards create a competitive concept that positions a company above rivals. This will impact help increase revenues for the benefit of all stakeholders.

## **SPIRIT OF CAPITALISM**

Capitalism is an economic system in which the means of production are privately owned and operated for profit. Decisions regarding supply, demand, price, distribution, and investment are made within a free market. Profit is sent to owners who invest in businesses, and wages are paid to workers.

The world of business is where religion demands high moral and values; Weber's idea of modern capitalism as growing out of the religious pursuit of wealth meant a change to a rational means of existence, wealth. Looking at this argument the world today has changed due to advancement of human knowledge and technological advances, religion affects business depending on relationship created among business partners, however religion is an obligation to look at, basically the impact can be based on critical values of entrepreneurs or markets targeted. Every organization is critically evaluated through its promise and purposes to deliver its products and services. The

compliment can be on ability to abide by the vision and mission statement. Weber says, at some point the Calvinist rationale informing the “ spirit” of capitalism became unreliant on the underlying religious movement behind it, leaving only rational capitalism. In essence then, Weber’s “ Spirit of Capitalism” is effectively and more broadly a Spirit of rationalization which can be too personal.

Weber’s argues that the first and probably most vital feature of the spirit of capitalism was that it invested “ economizing” with high moral significance. The individual engages in capitalistic economizing not only for the expediency of making a living, but in the expectation that such activity would test his inner resources and thus affirm his moral worth. Today communication among business entities has created a link to doing business better, the advancement of technology e. g. the use of electronic mode of payment has brought about cross boundary relationships which can easily be manage and monitored. In this regard, likewise, the individual entrepreneur isn’t allowed to become overly absorbed into or preoccupied with him. His existence revolves around an objective concern outside himself, which unceasingly demands his devotion and thus, becomes a test of his self-worth; Weber aims of scrutinizing individual strength and builds trust which is critical to business operations. This is to provide opportunities for resistance in the organizational structures with emancipation alongside those for repression and subordination.

In most economies equal business opportunities are applied to allow free movement of labour and interest payment are legitimate returns on capital

which provides legal mechanism for state in mobilization of funds and partnerships and create a modern state.

The challenges in the society today are; highly competitive environments, global warming, inflation, which puts pressure on company's leaders to create profitable relationships remain competent to create channels which circumvent to stakeholders returns on investment. The pressure of delivering positive results can lead to unethical decisions by individuals. However Governing legal frameworks therefore become critical as a key competency for quality productivity. Every organization has to avoid unethical environment because if it occurs it usually gets passed down through the organization ruining its reputation.

In the world today China and India are believed to be federal capitalist who excises economical power, capitalism depends upon a delegation of power from the state to economic actors and upon the coercive power of the state to design, monitor, and ultimately enforce market regulation. The pricing mechanism coordinates supply and demand within a given market framework, while the visible hand of government enforces the framework and keeps it up to date. (Bruzz Scott: the root of modern capitalism journal 11 June 2008/

## **LUTHER CONCEPTION CALLING**

According to Weber his conception calling was on realization that people have got duty to fulfill and obligations imposed on them which must be attain, this believe adds value to letting each individual practice his capabilities and beliefs for betterment of living. He argues that each person

has got a legitimate calling or purpose by his God; however the society is a mix of races as others rarely believe in God. He came to believe in absolute obedience to God's will, and acceptance of the way things were.

According to Weber he was not trying to evaluate the ideas of the reformation in either social or religious worth. He was only trying to understand how certain characteristics of modern culture can be traced to the reformation. Scientifically most of Weber's unforeseen beliefs are today engulfing physically through research challenging these beliefs. Today the society demands quality products and services with gratification of immediate results, perhaps a reason some companies practice corporate values to deliver results based on professionalism and not mere religious hindrances.

Due to bureaucratic leaderships it is obvious that one's individual moral capabilities impact decisions and choices made in a business and in the process of it the immoral acts will decline. This in today's business relationship is based on training and staff motivation. The staff morale is critical; at such a case Weber's religion plays a role as most organizations start a day with a word of prayer as a way of building courage and etiquette among employees.

Thus, Weber's capitalistic spirit was not the goal of these religious reformers; their cultural impact was unforeseen and maybe undesired. Weber's moral values were that his study will hopefully contribute to the understanding of how ideas become effective forces in history. He in his calling was to civilize



other believers and create a more ethical responsible society with a better lifestyle.

In the modern society Weber also notes that societies having more Protestants should be those that have a more developed capitalist economy. Weber's transformation approach was not personal for monetary gain but based on passion for his Lutheran faith.

In the other part, his calling was that people be saved, and accumulate wealth as the resources were to be reinvested in worthy enterprises. The spirit of capitalism constituted a sort of moral "habitus" which burdened the possessor of money with a steward's obligation toward his own possessions. Weber argues that, the individual entrepreneur isn't allowed to become overly absorbed to a none ethical relationship, rather their existence revolves around an objective concern outside himself, which unceasingly demands his devotion and thus, becomes a test of his self-worth.

It is in the best interest of a company to promote universal ethically good behavior in the workplace. This can be through Consumer trust and confidence in a business. This ultimately enhances economical benefits to a company and its network will grow. Thus, Weber concludes that the simple idea of the calling in Lutheranism is at best of limited importance to his study

## **GLOBALIZATION**

Modern capitalism is about blended revolution aimed to create systems across boundaries; technology is factor that has influenced positively capitalism development on perspective of social systems, most government political challenges also affects the relationships by compromising

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relationships management across boundaries. However, this can be done through international marketing e. g. development abroad, franchising licensing and many others or through outsourcing services.

Trade is increasingly global in scope today. Technological has improved transportation and communication opportunities and trade is now more practical. Thus, consumers and businesses now have access to the very best products from many different countries. Increasingly rapid technology lifecycles also increases the competition among countries as to who can produce the newest in technology. In part to accommodate these realities, countries in the last several decades have taken increasing steps to promote global trade through agreements such as the General Treaty on Trade and Tariffs, (Lars Perner, Ph. D)

At glance ethical organizations create a stable organization culture and affects the level of decision making, the relationship between business and the society is vital, thus ethics is a component of doing good business. It would be a better world if the alternatives to source professionals could be utilized. However a population of unskilled workers is high and various governments' rules of socials and dictatorship style of management insulates countries with anti market policies creating a non conducive environment for investments. However adapting ethical social governance can change for well created government for capitalism has got to start somewhere due to poor leadership opponents of globalization worry that many of the economic opportunities afforded the world while in many developing countries.

## **CONCLUSION**

As the world advance and relationships are made, it is vital to understand the impact that matters to our daily life's devotions. All aspect and merits of life are contacted by beliefs and creation of one's faith.

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