

Week 9 discussion paper

Business



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As more companies come to realize their legal, moral and/or commercial need to address human rights issues within their own operations and activities, they are confronted with a number of challenges. What are some of the challenges in relation to diversity and inclusion?

Companies in the Western economies that operate globally find that their connotations they attach to some of the principles in the UN Global Compact do not evoke the same significance in other countries where they operate. For instance, collective bargaining and the right to form associations to negotiate with management for worker rights is a time-honored and legal right in the U. S., however in other countries unionism is frowned upon due to its monopolistic wage effects – when unions push up wages, product prices rise and in effect reduce the real incomes of nonunion workers (Pencavel, 1997). From a cultural viewpoint, Asian countries such as Japan expect workers to espouse filial piety and loyalty towards their companies which in return employ them for life. Therefore, the U. S. multinational company which chooses to operate in other countries where unionism is not welcome will be forced to change its human resources policies when operating in these areas; however, this may cause a double standard in HR policies which may give the impression that the company is discriminating among workers based on race.

How are organizations dealing with those challenges?

I would expect that different organizations deal differently with such challenges, depending upon the nature of the business (if it allows for adjustments for diversity) and the culture or country the firm is trying to penetrate or is setting up business in. The organization therefore derives an entry into the culture by conforming to local differences, although from an <https://assignbuster.com/week-9-discussion-paper/>

organization-wide point of view it appears to be applying a double standard. In other aspects, however, particularly in matters where the quality of the product or service is severely affected, the firm may choose to impose the same standards it practices in its own country. For instance, the policy of not employing child labor practices in the home country may be enforced among the firm's suppliers and subcontractors in other countries who, because it is commonplace in that country, may be employing children in sweat shops (Belletini, et al., 2005; Anderson, et al., 2010).

Review and discuss some of the issues within the UN page: human rights, labor, environment, business and peace, financial markets, supply chain sustainability, etc.

One problem that is exacerbated and even exploited by business is the graft and corruption prevalent in many developing countries. It is sad to note that while graft and corruption appears to be welcome among the political leadership in emerging countries, the gross negative impacts work to the further disadvantage of these same countries (Ionescu, 2011). In mid-2010, a task force was set up by NATO to control corruption in these countries perpetuated by Western companies; by this means, a “do not retain” list of contractors found to have engaged in corruption (Etzioni, 2011).

Another, and even more severe, problem is that of child labor, which is also taken advantage of by large firms because of the low labor costs it afford them. There are at least 120 million children who are between the ages of 5 and 12 who work full-time in underpaid jobs, mainly in underdeveloped countries. Because of extreme poverty, the children are forced by their parents to work and earn what meager income they can in order to survive. According to a study by Belletini, Ceroni and Ottoviano (2005), the rise in <https://assignbuster.com/week-9-discussion-paper/>

child labor is due to the reluctance of parents to educate, on the one hand, but more so the reluctance of firms to innovate, that is, to develop new and more efficient technological methods of production.

Finally, the business corporation, when it chooses to, can be a major force for peace in the world (Frederick, 2010); however, they are dissuaded from doing so because of the short-term cost-benefit calculations indicate that the estimated risks and costs of the firm's political involvement overshadow the potential benefits of peace (Cohen & Ben-Porat, 2008).

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