

International business

Business



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Legal, Cultural and Ethical Challenges

Multinational organizations face complex set of legal, ethical and cultural challenges as they operate in different countries which are having different legal and ethical environments. Google has been one of those organizations that strongly believe in ethical values. The principle mantra for Google is ‘ don’t be evil’ (Henninger, 2006). The company has been committed to protect the integrity of all the search results. However, it faced serious challenges while operating in China where the government censors politically sensitive sites and contents. Till 2005, Google was providing services to its Chinese users from its US unit. However, the company realized the fact that China would be one of the largest markets in near future. Hence, in 2006 it decided to set up a different home page in Chinese. The site is controlled and maintained by the Chinese employees who work in the company’s Shanghai and Beijing offices. The main challenge that Google faced was to meet up its users’ expectation while not violating the Chinese government’s rules regarding the content of politically sensitive issues. Google has been famous for providing all the relevant search results irrespective of the nature of the subject of search. As a result, when the company started its full-fledged operation in China, users expected that they could access to more information. However, Google had to abide by the Chinese rule and hence declared that the company would enable Chinese users to access “ the greatest amount of information possible” (Henninger, 2006). The company

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was unable to provide the best information regarding subjects like democratic reform, Falun Gong movement, Taiwanese independence and Tiananmen Square massacre. As a consequence, several experts especially the human rights activists showed their protest against the company. Google tried to manage the situation by saying that it is actually better to provide limited information rather than provide nothing. This was, though, not in alignment with the Google's ethical values, but the company had to compromise in order to manage the legal challenges from the Chinese government.

Role of Host Government

In this case of Google, Chinese government is the host government which has played significant role in limiting Google's ability to provide information to its Chinese users. Chinese government has strong policy regarding the nature of information that is to be revealed to the people of the country. It has been very cautious so that the common Chinese people cannot gain insight into the sensitive subjects like democratic reform, Falun Gong movement, Taiwanese independence and Tiananmen Square massacre. The government has developed a huge firewall between the internet services in other parts of the world and the same in China. Such firewall enables the censors in blocking all the sites which are not from China and which include contents that are politically sensitive. In 2002, when Google used to serve its Chinese users from US, Chinese government blocked the site from being used in the country. In fact all the users from China were redirected to another search engine which is a rival of Google. However, two weeks later the 'block' was removed. In 2006 when Google started a separate home page in Chinese only for its Chinese users, everyone expected that they

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could access to all those information that were out of reach till then. However, Google had to limit its ability due to regulations of Chinese government.

The Strategic and Operational Challenges

Managers of almost all the firms that are truly global like Google face several strategic and operational challenges. In this case of Google, managers had to make decisions considering two major aspects – one is revenue and another one is the company's ethical values that have been followed over the years. By setting up full-fledged operation in China they transformed a source of revenue into a major source of revenue for the company. On the other hand, they tried to keep the values intact by saying that Google would provide all those information that can be really provided from China.

Reference

D. Henninger, March 10, 2006 “ Wonderland: Google in China,” The Wall Street Journal