

The importance of understanding differences in a business setting

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THE IMPORTANCE OF UNDERSTANDING DIFFERENCES IN A BUSINESS SETTING

In a business setting, understanding cultural, ethnic and gender differences can help managers and professionals ensure efficiency and productivity among fellow employees. At the least, that understanding leads to tolerance which can greatly reduce personal clashes in the workplace. The understanding of these differences therefore influences the harmonious relationship among the employees and, in the long run, the overall status of the organization. For the part of managers, making certain that the business organization is running smoothly is a vital task. Cultural, ethnic or gender misunderstandings can impede the growth of the business, thereby making them parts of the core concerns of business managers. On the other hand, business professionals need to understand these differences in order to widen the scope of their business know-how in transacting with other people and to foster healthy business dealings.

In “Islamic Ethics and the Implications for Business,” author Gillian Rice (1999) presents the idea that managers are compelled to gain more knowledge of foreign cultures in cases where one’s business is expanding in the global market. By sharing the Islamic perspective, the article concludes that “it is important to understand the ethical ideals and practices of Muslim business partners” primarily because “much international business is conducted using agents and various types of joint ventures” (Rice, 1999, p. 356). The findings are consistent with the idea that there is a need to understand cultural and ethnic differences in most if not all business settings. In the case of an American business organization with immigrant

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employees, American business managers have the task of understanding the cultural and ethnic background of these employees for at least two important reasons: one, it enables managers to communicate more openly and effectively with their immigrant employees, thereby improving internal transparency in the organization, and; two, it enables managers to easily find ways to encourage the employees to work for the benefit of the stakeholders within ethical boundaries.

An important point to consider is the idea that to understand cultural and ethnic differences is to be equipped with a fundamental knowledge required to arrive at specific managerial strategies. A manager who knows the cultural and ethnic backgrounds of his Asian employees is someone who can relate to the personal and corporate interests of his employees more efficiently as cultural and ethnic boundaries begin to dissolve. A manager who knows the cultural upbringing of his Latin American staff members is someone who can easily resolve internal conflicts in the organization as he is fully able to make a direct intervention on possible workplace problems, especially those that involve personal clashes between employees of different cultural backgrounds.

In "The Effects of Gender and Setting on Accountants' Ethically Sensitive Decisions," author Robin R. Radtke (2000) finds that there are differences between male and female accountants when it comes to dealing with ethically sensitive decisions. For example, the article shows that there is a significant difference between male and female accountants when it comes to "dealing with trading on inside information" as well as "dealing with freedom of speech," specifically pointing-out the observation that "men
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were more ethical on the personal issue and less ethical on the business issue than women" (Radtke, 2000, p. 306). The article provides basis for the claim that gender differences in the business setting do exist especially when it comes to professionals dealing with sensitive business matters. It is important to understand the gender differences among professionals because an understanding of such differences can provide the information needed to organize the workplace. For instance, a business organization may hire either male or female professionals—depending on business interests and preference—suitable for the position of handling sensitive internal corporate information. A specific combination of male and female professional employees in a particular office department may also be desired.

However, an understanding of gender differences not only in terms of gender-related capabilities and limitations as far as a business organization is concerned can lead to gender bias. A business supervisor may be tempted to layoff some of his male or female employees because of the belief in certain gender-related workplace capacities. The same may be true for an understanding of cultural and ethnic differences. Managers, for example, may find themselves hesitant to hire applicants belonging to a certain culture or having a certain ethnicity largely due to the knowledge of the negative aspects of their culture or ethnicity. Nevertheless, an understanding of these differences can be of great use for both managers and professionals in the business setting. For the most part, managers will be able to pinpoint the cultural weaknesses of their employees and help them overcome these weak points through proper business training.

Professionals may also be able to identify any of their gender-related weaknesses and improve on them while pinpointing their strengths and further enhancing them in order to increase their work performance. To be sure, it is not always the case that the understanding of cultural, ethnic and gender differences lead to sound and ethical business decisions. Yet the same understanding can heighten the efficiency and productivity of employees while allowing managers to minimize or prevent internal business conflicts at the same time.

The greater task, therefore, is not only to understand the differences among employees in terms of culture, ethnicity and gender but also to appreciate their differences. It is not enough to merely understand; the more important business decision is to make use of that knowledge to the fullest potential of the business organization without having to resort to unethical business decisions and actions.

References

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