

# The introduction of globalization and ethics



In The Globalization and business ethics issues develop, it also affects Organizational diversity from all of aspects of the Organization, such as educational level, cultural background, occupation background. At the same time, the Organizational diversity may become the competition advantage for a company.

The report will first introduce the organizational diversity . secondly , it will analysis the Globalization, the Globalization in sociology . thirdly , it will introduce the business ethics , and analysis the business ethics impact on the Organizational diversity . fourthly, it will analysis How the diversity become the resource of competitive advantage. Finally, it will give the short conclusion.

Discussion and analysis

## **2. Organizational diversity**

organizational diversity Organizational diversity refers to the distribution of characteristics of different individuals within the interdependence of the members in the unit of work, and the diversity of organizations to examine the properties of the differences between group members and impact on its organizational development process and organization of production mainly from a social point of view. Organizational diversity generally refers to differences the members of the Organization in terms of age, sex, race, educational level, cultural background, and occupation background, the length of service in the organization, as well as a position in the organization (Susan E Jackson and et al, 2003). Member of organizations in these areas generally be considered related with organization, affecting the stability of

the organization, innovation, competitiveness, organizational structure and organizational performance.

Diversity makes the entire planet into a whole, gathers the globalization people together, as well as gathers a large number of intelligence together; business ethics has binding effects on the economic organization. So that the global behavior standardized gradually among the economic organization, but also makes these organizations pursuit greater diversification in order to adapt to fierce competition in the community. Diversity is divided into:

## 2. 1 Horizontal diversification

Horizontal diversification is based on the existing product market; expand the business areas into the horizontal direction, also known as the level of diversification and professional diversity.

## 2. 2 Multi-diversified

This means that although there are relations with the existing products and the market area, it can make the business areas diversity through developing the entirely heterogeneous products and market. This multi-diversification includes three types:

### 2. 2. 1 Technology relations diversity

This refers to based on the research techniques or production technology in the field of existing businesses, develops differentiated products. In general, this type of diversity is suited for the large enterprises in intensive technology industries.

## 2. 2. 2 The diversification of marketing relationship

This is joining into the different products market based on marketing campaigns in the existing market segments. Marketing diversification uses the common sales channel, common customers, common promotional methods, a common corporate image and visibility, thus earn a sale multiply effect (Schein, 1992). This type of diversity is not suitable for high-density technology, as well as for the enterprises with the stronger marketing ability.

## 2. 2. 3 The resources diversity.

This is the strategic that based on the material existing in the business; it puts the differentiated products into the market area, and then obtains the resources fully utilized.

## 2. 2. 4 Compound diversity.

This is seeking the growth opportunities in the existing areas that there is no significant relationship between product and market, which is the needed technology, management methods and sales channels must be re-obtained, because the new opened up business enterprise has no relation with the original product and market.

# 3. Globalization

## 3. 1 Globalization in sociology

“ Globalization” is one of the most popular topics in the international academic community. Since the 1990s, with the accelerating process of globalization, people understanding of globalization theory are deepening

gradually. Different scholars examine and research the issue of globalization from different disciplines, such as political science, economics, history, cultural studies, sociology and other point of view, and then strengthen the link and cooperation between different disciplines.

Sociological of It began in the 20th century that the sociology studied the globalization theory, in the late sixties and the seventies the theories mainly contained global convergence theory from P. Sorokin, R. Aaron on the international community, D. Bell's post-industrial society theory, I.

Wallenstein's world system theory, in the 1970s and 1980s, it has emerged A. Toffler's super-industrial society theory, in the 1990s, in addition to the development of Wallenstein's world system theory, it has formed a more targeted the institutional changes theory, R. Robertson's cultural systems theory and the global system theory and so on. The comprehensive characteristics of sociology make the study of globalization have more strong advantage.

### 3. 2The globalization theory of Samir Amin

Amin graduated from the University of Paris in 1957, received Ph. D. in economic philosophy, and worked in the United Nations for a long time. He believes that "making globalization through the market" is a reactionary utopia. In order to oppose this reactionary utopia, it must develop alternative humanitarian programs from the socialist vision (Kast, and Rosenzweig, 1970). The program is establishing a global political system. if it say that the nation-state is on behalf of the domestic market framework, not just the scheduling of this market place, then the global political system is nor the

global market proxy, but for the provisions of the various parameters in this market.

## **4. Business ethics**

Business ethics, which is a kind of professional ethics, it refers to the conduct codes and norms that should obey in the business work. Business ethics was a historical category, as an ideology, it was determined not only by a certain extent socio-economic and cultural, but also counterproductive in a certain socio-economic, and had an important guiding significance in the commercial activities (McGregor, 1962).

### **4. 1 The impact of Business ethics on organizational diversity**

Diversity has become a unique enterprise competitive advantage. Therefore, it can increase the competitiveness of enterprises by strengthening the management of diversity. It is mainly manifested in the business ethics. With the social progress and development, companies are becoming more aware of the importance of business ethics in the strategic management process. It should establish the correct concept of business ethics and moral values rose to enterprise strategic management level in order to make company survive in society.

It can be seen from the above analysis that the major influencing factors of organizational diversity are age, gender, race, which means the human factor plays an important role in the organization. The business ethics is just to study these characteristics, making the organization reacts on the diversity of organization these factors to stimulate the enterprises do well.

#### 4. 2 The business ethics can improve the employee engagement

The employee engagement is the performance that employees have invested in the enterprise. Industry research shows that companies with high employee engagement in general have a good performance. The Companies' three-year average operating profit growth is 3.7%, which the company has a high employee engagement, while companies with low employee engagement, the three-year operating profit will be reduced an average of 2%. The business ethics in an enterprise will directly affect the employee engagement (Shafritz, and Ott, 2001). Once the employee considers that the inauguration enterprises do not have business ethics, employee engagement will be lowered very serious. Therefore, enhancing the business ethics, or corporate employees promoted business ethics, especially the business ethics in senior leaders, will enhance staff engagement.

### **5. How the diversity become the resource of competitive advantage**

a large number of studies have shown that the organization diversity have a significant impact on the company, it is also raise a series of human resource management practices affect on enterprises.

#### 5. 1 businesses will be more focus on innovation and change

The employment markets develop more and more mature, the traditional lifetime employment and rigid distribution system was broken, people flows between enterprises become more frequent (Knight and et al, 1999). In this practical context, in the early days of business, organizations will be more pursuit the action consistency, at this time, a homogeneous high degree of

organization is more conducive to achieve this goal; while with the organization into a mature stage, businesses will be more focus on innovation and change in order to obtain a new impetus to the development, at this time, companies need to adjust its organizational structure, and improve the diversity of the organization, it good for the organization innovation and the implementation of organizational change.

#### 5. 2 there are different types of employee in the different organizations

In the different organizations, there are different types of employee behavior and psychological needs, therefore, it designed different incentives for different types of employees according to the organization constitutes a diversity of features, it can help improve the staff's enthusiasm for work, and reduce staff intention to leave, thereby, it would increase organizational performance.

#### 5. 3 Various functional teams frequently exist within the organization

Moreover, with the social division of labor and information technology development, more frequent cooperation among the organization, various functional teams frequently exist within the organization, such as R & D team, sales team, planning team, business the project team and so on. Different teams have different functions in the organization and its ways is inevitable differences in composition. For example, the R & D team, planning team, focus on innovation, and therefore it should build innovation team model which have a climate conducive to improve the team composition heterogeneity (Neal M Ashkanasy and et al, 2002), and, it will more emphasis on harmony within the team and team efficiency in



implementation of the project team, so it should establish the Team module that it should be easy to eliminate the higher homogeneity of the conflict in a team format, and easy to communicate with each other. Enterprises must take into account the impact of cultural heterogeneity, and establish a mechanism to reduce the cultural conflicts in the organization

5. 4 different characteristics of the management has an important influence on enterprises.

Different characteristics of the management team constitutes has an important influence on the development of enterprises. Executive management team diversity prefers companies with high innovation and change, while enterprises which the executive management team constitutes a higher degree of homogeneity are more conservative and stability. A good team should be no discriminatory acts to employees, in the recruitment, it should not have the discrimination for the people because of age, disability, race and other aspects, in the work, management should implement management of diversity in order to avoid discriminatory (Crane and Matten, 2007). Management team select a good staff based on individual character, experience and other factors to form a diversity of organizations, such organizations can more effectively fulfill the organization mandate, so it can make the competitive advantage for company. The above analysis show that the organization diversity has an important guiding significance on recruitment, internal promotion, employee incentive mechanism design, team building, conflict management and so on.

## **Conclusion**

Any business want to success, it should have a guiding core values, the one of the core values is business ethics. In the strategy implementation process, it makes the diversity of organization due to the different business ethic. At the same time, Globalization has played an important role in the diversity of organization, if the organization can effectively managed, the diversity of the organization can be a competitive advantage for organization.