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A Study on the Impact of Globalization on Business Ethics

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Abstract

It is evident that all businesses throughout the world are on a race to acquire increasingly, often through shortcuts. In acquiring more, they are doing things that are not acceptable to society. This brings about the need for business ethics. As a matter of fact, ethics occurs everywhere in every aspect of our lives as well as in our professional lives. In Business ethics, ethical principles and problems were examined or analysed. Many businesses now have to think about ethical issues when doing business in different cultures. This is because the global economy has made it easier for companies to sell their products and services to lots of different people around the world. By incorporating business ethics as part of strategic business decision-making, many companies have gained competitive advantage, goodwill and recognition in the global business community. They have attracted a good workforce and ensure a healthy working atmosphere. All of this has ultimately resulted in good profits and healthy competition in the business world. This paper looks at the effects of globalization on business and highlights some ethical concerns that have arisen as a result.

I. INTRODUCTION

Individuals and businesses should value ethics in all aspects of their lives. It means deciding what is right and wrong, and sticking to those decisions. It is a way of following certain moral codes, norms, beliefs, and practices. Business ethics is a form of applied ethics or professional ethics that studies ethical principles and moral or ethical issues encountered in a business environment. It is a specialized area of moral law and focuses on the application of moral standards to business institutions

and organizations. It applies to all aspects of business conduct and is relevant to the conduct of individuals and business organizations.

Today, the world of business is characterized by free trade, free market capitalism, and an open, competitive global market. This means that businesses are increasingly interconnected, and the world economy is becoming increasingly intertwined. Globalization is the process of creating a global community by creating global institutions and cultural traditions. The global economy is a system where people from all around the world trade products and services to help each other. It's a way to make things more uniform and easier to buy and sell, and it's also a way to make sure that everyone has the same rights and is treated equally. Finally, the global economy is a way to integrate the world based on certain values that are important to everyone, like human rights and equality.

Globalization refers to the influence (economic, social or political) that countries and regions have on each other through the exchange of people, products and values. In this light, globalization can be seen as a medium for the exchange of work ethics in relation to attitudes towards work. Several studies have examined the possible impact of globalization on the work ethics of individuals living in a particular community and have come up with differing (sometimes conflicting) results.

Objective

- To examine the impact of globalization in business ethics.
- To know about the significant and challenges of business ethics.
- To understand the influence of Globalization on various Stakeholders.

Scope

The aim of this study is to examine the theoretical aspects of business ethics and development from a global perspective as the study is based solely on secondary data.

Research methodology

The approach taken is analytical in that it aims to comprehend the social issues raised by globalization as well as how it functions fundamentally.

Sources of data

It is a descriptive study based on secondary data, which was primarily gathered through various periodicals, magazines, government notices, scholarly journals, magazines and books.

Review of literature

Japhet Imhanzenobe (2021) in his study titled **"Impact of globalization on work ethics: A review of existing literature"**Globalization as a concept goes beyond mere openness to symbiotic economic relationships. Globalization refers to the degree of openness and positive attitude towards the products, values and ideologies of other people and cultures. The study reviews the existing literature on the impact of globalization on work ethics around the world and attempts to observe possible trends of convergence in work ethics between several countries. Most of the studies reviewed showed a significant impact of globalization on work ethics. The more recent studies also showed rapprochement tendencies between some countries that are geographically distant and initially had different cultural work orientations. As globalization is an on-going process, the degree of this convergence may vary over time.

Barnali Ghosh (2020) in his study titled **"Ethics of Business in the Age of Globalization"** The world has become a lot more complicated since the last time we were all together. There are more competition and change happening all around the world than ever before. This is because globalization has made it easier for companies to trade with each other and to compete in different areas. Globalization has made businesses more interdependent, so some problems have arisen. For example, some big companies have been caught doing things that are against the law, like Enron, WorldCom, and Tyco. We're seeing a lot of businesses go bankrupt recently, and that's because it's important to look at a company's business conduct from both an economic and ethical perspective. Ethics can help a company make more money and stay in business for a long time, and it also helps a company be strong and resilient. This paper looks at how globalization is affecting business and examines some ethical issues that may arise.

Reshmi M Gurnani (2015) in her study titled "**Globalization and ethical challenges"**, Companies around the world are always trying to get more money and possessions as quickly as possible. This often leads to them doing things that are not accepted by society, like buying other companies. To make sure that business ethics is always a part of their operations, companies have started studying ethical principles. Many businesses today have to deal with ethical issues in different cultures, because the world is getting more and more connected. This article looks at how important it is for businesses to have good ethical practices in international situations. It shows that having good corporate governance is important for a long-term success. Leaders should try to be values-based in order to help their businesses be successful. This paper looks at how business ethics can be useful in different types of business situations. It discusses how different disciplines can work together to create a better understanding of business ethics.

Importance of Business ethics

Relevance of globalization to in this ever-changing, dynamic business world, corporate houses have placed themselves under the umbrella of ethics, making them their shield and one of the most important strategic means to attract more customers. A company that is ethical and contributes to the well-being and uplift of society has a very positive response from society. People like to be associated with such corporate houses. They feel honoured to work in such an environment and thus draw a kind of bias in favour of the goods and services of these companies. Thus, the good will in society attracts good employees and several loyal customers who attract more customers, which allows them to compete in the market and thereby earn more profits. Also, having a positive and ethical value approach in a firm gives its employees better decision-making generating power to its employees. Managers can decide more wisely in ways that benefit society, clients, and their own staff. Management of ethics have taken various kinds of measures like preventing environmental pollution, protecting the right of workers also contribute to enhance or to build up a strong and improving society.

Organizations benefit from business ethics as it promotes a positive picture of the organization, builds integrity and solid connection within the shape of effective groups working environment, tend to support employee well-being, create or make strong cooperation will helps to expand the efficiency. General ethics in organizations has led to the building of strong, clean and moral social orders. It has progressed people's quality of life, and this upholding ethical behaviour and following the ethical codes of right and wrong helps in choosing the proper ethical courses in moral choices and difficult times. Ethics in a nutshell makes a difference the organizations to declare or attest them when confronted with war or economic slowdown.

Ethical Impacts of Globalization

Shareholders

Globalization offers potential for greater profitability, but also greater risks. Lack of regulation of global capital markets, leading to further financial risks and instability.

Employees

Corporations outsource production to developing countries to lower costs in the global marketplace, creating jobs but also increasing the potential for employee exploitation through poor working conditions.

Consumers

Global products bring social benefits to consumers around the world but may also encounter protests cultural imperialism and Westernization. Globalization can bring cheaper prices to customers, but vulnerable consumers in developing countries can also be exposed to the possibility of exploitation by multinational companies.

Suppliers and competitors

Suppliers in developing countries are regulated by the supply chain management of multinational companies. Small domestic competitors exposed to powerful global players.

Civil Society (Pressure groups, NGOs, etc.)

A global business brings the company into direct interaction with local communities with the potential for erosion of traditional community life; global interest groups emerge with the aim of monitoring corporations in countries with weak and tolerant governments.

Government and Regulation

Globalization weakens governments and increases corporate regulation for jobs, welfare, upholding ethical standards, etc. Globalization also confronts governments with corporations of different cultural expectations on issues such as bribery, corruption, taxation, and philanthropy.

Challenges of the recent era

In a complex world, it is important to have environmental ethics as our goals. These ethics focus on the responsibility, we have to the environment, as well as the protection and sustainability of resources. Because of this, companies nowadays are driven by principles such as responsibility and protection. All materials used to make things come from the Earth. When we use these materials to do things like have rest or other requirements creates and generates waste that has a veritably will harm the environment. Example for this context is Consumption of fossil energies, which contribute to air pollution and noise, while structure growth raises other environmental admonitions. So then comes what we call environmental operation and environmental ethics. It deals with the relationship between humans to the environment. In the rush of industrialization, we have espoused a neglected approach to the environmental ethics. We have used up all of our resources and endangered our own safety. Many countries and organizations have put in place laws and regulations to help protect the environment. These laws cover things like waste disposal, air and noise pollution, and more. Many government agencies and boards have been established to help enforce these laws and increase public awareness about environmental protection.

Child labour is a problem in many countries, and it can be different depending on where you are. In some places, it is an unethical practice and children should not work. In other places, it is allowed in a few specific cases, like when a family is very poor and can't find other ways to make money. In those cases, the family is usually very careful to make sure that the child is safe and treated well. However, it should be remembered that children should not be employed where there is large-scale work involving chemical and other toxic substances. What we can consider here is the theory of utilitarianism. This theory is based on the fact that our actions should be guided in such a way that they bring the greatest possible benefit to as many people as possible. Therefore, when families live solely on the income of the children, these families live well below the poverty line, and it becomes an unethical act not to employ such children.

There are 215 million child labourers between the ages of 5 and 17. These children are usually employed in jobs like farming and manufacturing. Some big businesses, like Nike, Gap, Wal-Mart, and Primark, employ a lot of children. Primark has a foundation called "The Primark Better Lives Foundation" which helps improve the lives of young people in developing countries. By behaving ethically, Primark is helping these people to improve their standard of living and have a better quality of life. These children work in agriculture or manufacturing, and this has led to them being seen as unethical by many people. This has caused customers to not buy their products, and these companies have suffered as a result. The main reason these companies employ children is because it is cheaper to do so, but this has often led to legal disputes and the loss of important skills.

Findings

- Due to globalisation, numerous nations have adopted particular approaches to corporate ethics.
- Corporate ethics have changed a lot in the past due to globalization. Different countries have developed their own sets of rules and expectations for how companies should behave.
- As a result of globalisation, more people are aware of and uphold essential values including basic human rights and other workplace ethics.
- Ethics in business in the era of globalisation affects the government, democratic institutions, individuals, consumers, suppliers, shareholders and a host of other stakeholders.

II. CONCLUSION

Business is part of our society and needs to operate ethically to grow. Businesses must follow ethical guidelines to make good decisions. This is especially important as globalization has made trade a bigger part of our society. Business ethics offers pertinent outcomes to the concerns and dilemmas faced by global organizations. Ethical leadership is essential to the long-term survival and success of any organization. In the age of globalization, business ethics has a significant impact on shareholders, employees, customers, suppliers, competitors, government and civil society. The commendable work of global companies in adopting and practicing business ethics underscores the importance of values-based leadership in international business scenarios. Globalization can have both good and bad effects. When a company behaves unethically, it can lose customers and market share, which can hurt its profits. However, doing ethical business practices and contributing to charitable causes can also help a company's image and increase its profits.

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