

y
by W R

Submission date: 24-Feb-2021 06:24PM (UTC+0300)

Submission ID: 1517042906

File name: Business_Ethics_1.edited.docx (17.59K)

Word count: 967

Character count: 5447

Ethical Dilemmas in International Business

Name

Institution

Course

Instructor

Date

Ethical Dilemmas in International Business

Changes in capitalism over the years have led to organizations globalizing their operations, especially from developed countries to developing countries where operations are considered more profitable. Such organizations are faced with ethical dilemmas due to the differences in labor market ethics, cultural diversity, human rights, among other social standards. Multinational companies are faced with the dilemma of whether to use their home countries' moral standards or to incorporate the standards of the host country.

Ethical Dilemma

One of the ethical dilemmas that multinational corporations face is cultural diversity. International law standards require organizations to uphold the culture and norms of the host communities where they operate. Still, some local cultural practices may not be worth upholding due to the violation of global minimum ethical standards (Schwartz, 2017). For instance, in Saudi Arabia, women are lowly valued and have no rights in the high professional fields. Therefore, a western organization whose culture supports and values women as spheres of professionalism and leadership may conflict with the Saudi Arabian community's culture. Consequently, international laws call for gender equality at workplaces; hence an organization may tear between upholding gender equality or respecting the Arabs culture; any decision has its consequences.

Tradeoffs

In a marketing strategy scenario, some organizations take advantage of countries with fewer restrictions or a favorable age of use for alcohol and tobacco use (Osita-Ejikeme, 2020). Suppose a country's home country has set the legal age of alcohol consumption as 21. In that

case, some companies may shift their operations where the legal age is 15. The dilemma determines whether the age is illegal based on some minimum global standard or people are skeptical about the age just because of cultural differences. In a practical situation, Heineken multinational company was reported to take advantage of the vulnerability of women in Africa by employing the girls as promoters and exploiting them in terms of pay and exposure to sexual harassment (Wells, 2020). The Western countries' ethical standards would not have allowed the company to take advantage of the women, but the cultural degrading of women in Africa would have favored the action. Heineken followed a path that seemed favorable at the time.

Proposed Solutions

There are different approaches to solving ethical dilemmas, but I will put the Heineken case in the context of Utilitarianism and Kantian approaches. Utilitarianism provides that ethically right decisions are the ones that follow utility principle of maximizing benefits as well as lowering risks to all partners (Beekun et al., 2010). The decision-making process involves highlighting all the alternative moves, making a list of people who will be impacted by the alternative moves, analyzing how every stakeholder will be affected by alternative action, and finally acting to ensure maximum benefit. Applying utilitarian agreement in this company case the decision arrived at may have benefited African countries and accumulated profits. The costs of operating multinationals in developing countries are low and the returns are high; therefore, the company accumulates more funds that can be used to support developments. From a practical point of view, such benefits and the provision of jobs for women would maximize utility even though some women's dignity is put on the line.

Kantian approach to ethical decision-making is mounted on the declaration that human beings have intrinsic dignity and universal rights. Therefore, when making decisions, an organization should accord equal dignity and respect to all by considering how the decisions made will affect everyone involved (Bowie, 2017). If the decision made might benefit one group than the other, the Kantian approach does not consider maximum benefit based on the number of people in the benefiting group. The Kantian approach can be applied in the case of Heineken company, where a decision to boost sales by using the vulnerable girls would be dismissed despite its benefits. This is because such a move does not consider rights and dignity of the few girls who have been subjected to sex work and low payments.

Pros and Cons

The Heineken Company faced a dilemma on whether to attach value to women as is the ethical practice in the home country or take advantage of the culture of degrading women in the host country and make more sales. The company adapted the Utilitarian approach because the solution has the advantage of benefiting the majority, providing jobs and influencing developments in developing countries. However, the Utilitarian solution is insensitive about the rights of individuals whose dignity is destroyed (Beekun et al., 2010). The Kantian solution is advantageous because it puts human rights first and considers all the individuals involved (Bowie, 2017). However, the disadvantage of leaning on human rights, especially for organizations, is the massive loss of profits. For instance, if Heineken made no decision, the result would be the loss of market and developmental value for the host countries.

In summation, in my own opinion, I believe that the rights of every human should be put into consideration when making decisions. It does not matter what greater good a certain action brings if it means hurting individualistic rights.

References

- Beekun, R. I., Stedham, Y., Westerman, J. W., & Yamamura, J. H. (2010). Effects of justice and utilitarianism on ethical decision making: A cross-cultural examination of gender similarities and differences. *Business Ethics: A European Review*, 19(4), 309-325.
- Bowie, N. E. (2017). *Business ethics: A Kantian perspective*. Cambridge University Press.
- Osita-Ejikeme, U. E. (2020). Ethical Challenges in International Business. *vvuqla/kku*, 27.
- Schwartz, M. S. (2017). *Business ethics: An ethical decision-making approach*. John Wiley & Sons.
- Wells, L. T. (2020). *Heineken in Africa: A Multinational Unleashed*. By Olivier van Beemen. Translated by Bram Posthumus. London: Hurst & Company, 2019. xvi+ 307 pp. Photographs, figures, bibliography, notes, index. Cloth, \$29.95. ISBN: 978-1-849-04902-3. *Business History Review*, 94(2), 467-470.

y

ORIGINALITY REPORT

0%

SIMILARITY INDEX

0%

INTERNET SOURCES

0%

PUBLICATIONS

0%

STUDENT PAPERS

PRIMARY SOURCES

Exclude quotes On

Exclude bibliography On

Exclude matches Off