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Global Business Ethics: Cross-cultural, political, and social insights

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Abstract

The purpose of this report is to explore the practices and challenges of business ethics within the global marketplace, with particular emphasis on the variances that occur in diverse cultural and national settings. By examining the viewpoints of thinkers like Kishore Mahbubani and delving into business practices in China, Japan, and Europe, this report will concentrate on the core values that companies uphold when confronted with ethical dilemmas. It will also strive to pinpoint the root causes of these problems and propose corresponding solutions. Additionally, this report will critically evaluate how businesses are influenced and restricted by their cultural, political, and social surroundings, and investigate ways to achieve success in the global marketplace without sacrificing ethical principles.

Keywords: marketplace; companies; global.

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1. Introduction

In today's interconnected global marketplace, businesses face a myriad of challenges and opportunities that extend far beyond mere profit-making. This paper delves into the crucial realm of business ethics, exploring how practices vary across diverse cultural and national landscapes. With globalization blurring boundaries, understanding the distinctions between Western and Asian business ethics, for instance, becomes pivotal. By drawing on the works of thinkers like Kishore Mahbubani and analyzing practices in regions such as China, Japan, and Europe, we aim to uncover the core values that guide companies when ethical tensions arise. Moreover, we will dissect how cultural, political, and social environments shape business conduct and seek solutions that allow firms to thrive while upholding ethical principles. Our exploration sets the stage for a comprehensive understanding of the complex dynamics at play in the world of global business ethics.

2. Ethical Differences in Business Practices

In the *Journal of Business Ethics*, Burrell et al. (2022) conducted a study that delved into the ethics and politics surrounding academic knowledge production, thereby shedding light on the future prospects of business ethics. Their research emphasizes the necessity of acquiring a refined and

context-sensitive understanding of ethical frameworks, which proves especially significant when comparing Western and Asian business practices.

Likewise, Vidgen et al. (2020), in the *European Journal of Operational Research*, explored the ethical ramifications of business analytics. They underlined the importance of taking cultural subtleties into account during ethical decision-making processes.

Gloor et al. (2022), in *Scientific Reports*, introduced an innovative methodology for gauging ethical behavior with the aid of AI and natural language processing. This demonstrated how technology could contribute to evaluating business success from an ethical perspective. Nevertheless, it should be noted that the efficacy of such tools might differ across diverse cultural backgrounds, thus underlining the indispensability of cultural awareness and sensitivity.

3. The Political Ecology of Climate Change Mitigation

In *Energy Research and Social Science*, Sovacool (2021) examined the victims of low-carbon transitions, which contributed to the political ecology of climate change mitigation. This perspective holds crucial significance as businesses grapple with the ethical implications of their operations in relation to the environment. In this regard, Asian and Western businesses are likely to adopt different approaches to environmental stewardship, given that they are influenced by their respective cultural and political contexts.

4. Qualitative Comparative Analysis and International Business

In the Journal of International Business Studies, Fainshmidt et al. (2020) spotlighted the contributions of qualitative comparative analysis (QCA) to international business research. This methodology is applicable for comparing and contrasting ethical frameworks across various regions, thus offering valuable insights into the distinct challenges that businesses encounter when operating in diverse settings.

In the Journal of Sustainable Tourism, Gössling et al. (2020) utilized COVID - 19 as a case study to assess the impact of pandemics on tourism and global change. Their work emphasized the ethical dilemmas faced by businesses in the tourism sector. Specifically, there is a struggle to balance economic interests with public health concerns. These challenges can differ markedly between Western and Asian countries, attributable to disparities in governance structures and cultural stances regarding health and safety.

DesJardins (2023) furnished an introduction to business ethics, stressing the significance of factoring in stakeholder interests during ethical decision-making. This viewpoint is especially pertinent when juxtaposing Western and Asian business practices since stakeholder priorities and expectations can vary from one region to another.

In the Journal of Business Research, Ferrell et al. (2019) delved into the relationship among business ethics, corporate social responsibility (CSR), and

brand attitudes. Their research findings indicated that CSR initiatives could exert a positive influence on brand perceptions, thereby highlighting the ethical aspects of marketing and branding strategies. However, it is worth noting that the effectiveness of these strategies might vary across different cultural backgrounds.

5. Stakeholder Theory and Political Economy

Freeman (2023) explores the future directions of stakeholder theory, with particular emphasis on the political aspects of this framework. In the realm of global business, comprehending the political economy of diverse regions is essential for effectively addressing ethical challenges. For example, as Kallert et al. (2021) investigated in the *Journal of Rural Studies*, the political economy of rural governance in Germany illustrates how regional development initiatives can entail varying ethical consequences, depending on the specific political and cultural contexts.

Likewise, Mattioli et al. (2020), in *Energy Research and Social Science*, examined the political economy of car dependence and disclosed how transportation policies can mirror different ethical priorities across different countries. These findings hold significance for businesses active in the automotive and transportation sectors, especially when they grapple with the ethical implications of their products and services on society and the

environment. Gennaioli and Tabellini (2019), in a working paper on identity, beliefs, and political conflict, stress the role of cultural elements in constructing ethical frameworks. Their research highlights the intricacy of handling ethical challenges in global business, given that cultural identities and beliefs can differ substantially from one region to another.

6. Peer Production and the Political Economy

Birkinbine (2020), in *The Handbook of Peer Production*, examines the political economy of peer production, offering valuable insights into the ethical aspects of collaborative and decentralized business models. This perspective proves relevant when it comes to understanding how emerging business practices in Asia and other regions can pose challenges to traditional Western concepts of ethics and governance.

Kudla (2021), in *Environment and Planning A: Economy and Space*, delves into the socio-cultural power of lobbying within business improvement areas, uncovering how market interests can mold urban development initiatives. This research highlights the ethical dilemmas that businesses and policymakers encounter while attempting to balance economic growth with social equity, especially in the complex settings of diverse urban environments.

Gorton et al. (2022), in the Annual Review of Financial Economics, analyze corporate culture, stressing its significance in shaping business practices and ethical decision-making. Their work emphasizes the necessity for businesses to foster a robust ethical culture, especially as they maneuver through the intricacies of global markets.

Košičiarová et al. (2021), in Sustainability, explore leadership and motivation as integral components of international corporate culture, underlining the importance of cross-cultural understanding in global business. Their findings spotlight the ethical implications of leadership and motivation, as these elements can significantly influence employee behavior and business practices across diverse contexts.

Kasperson and Kasperson (2022), in Social Contours of Risk, discuss corporate culture and technology transfer, providing valuable perspectives on how cultural factors can impact the adoption and implementation of new technologies. Their work emphasizes the importance of taking cultural subtleties into account during ethical decision-making, especially when businesses grapple with the ethical consequences of emerging technologies.

GorjianKhanzad and Gooyabadi (2022), in the Open Journal of Business and Management, dissect the role of corporate culture in digital strategizing, stressing the need for a solid ethical foundation in digital transformation efforts. Their work highlights the ethical hurdles that businesses face when adopting new technologies and strategies to maintain their competitive edge in the global market.

Regarding the transformation of corporate culture and the European Green Deal, Sukiennik et al. (2020), in Inżynieria Mineralna, examine how

corporate culture is evolving within the context of the European Green Deal, shedding light on how businesses in Poland and other regions are adjusting to new environmental regulations. Their research underlines the ethical dimensions of environmental stewardship, particularly as businesses strive to balance economic growth with environmental sustainability.

Tulcanaza-Prieto et al. (2021), in *Administrative Sciences*, analyze the relationship between organizational culture and corporate performance in Ecuador, presenting insights into the ethical aspects of organizational behavior in various contexts. Their work emphasizes the importance of cultivating a strong ethical culture, especially when businesses aim to enhance their performance and competitiveness.

Mahbubani's works, such as "How China Could Win Over the Post-Coronavirus World and Leave the US Behind" (2022) and "East Asia's New Edge" (2022), offer profound insights into the future of global power dynamics. His viewpoints on the increasing influence of Asian countries, especially China, accentuate the ethical challenges that businesses must confront as they navigate the changing geopolitical landscapes. Comprehending these dynamics is vital for businesses that aspire to operate both ethically and successfully in diverse global settings.

7. Ethical Differences in Business Practices

The literature underscores substantial ethical distinctions between Western and Asian business practices. For example, Kudla (2021) contends that within business improvement areas, market interests are frequently imposed on affordable housing development, exemplifying a profit-oriented

approach that is widespread in Western settings. In contrast, Asian business practices are more likely to place emphasis on social and cultural elements, like community cohesion and long-term sustainability.

Gorton et al. (2022) explore the role of corporate culture in molding business ethics. They observe that Western companies generally stress individualism and competition, while Asian firms typically prioritize collectivism and harmony. Such a cultural divergence impacts decision-making procedures, risk-taking behaviors, and ethical benchmarks within organizations.

Košičiarová et al. (2021) further highlight the significance of leadership and motivation in shaping corporate culture. They propose that Asian leaders commonly concentrate on collective goals and long-term vision, whereas Western leaders often focus on individual performance and short-term outcomes. This disparity in leadership styles gives rise to divergent ethical orientations in business practices.

8. The Role of Kishore Mahbubani

Mahbubani has been an outspoken advocate for Asian perspectives on the global stage. In his works, he delves into the burgeoning influence of Asia and its distinctive approaches to business and governance. Mahbubani and Mahbubani (2022) assert that China's response to the COVID-19 pandemic showcases its capacity to harness its political system for swift decision-making and large-scale action, which stands in contrast to the decentralized and comparatively sluggish response witnessed in Western democracies.

In another piece, Mahbubani and Mahbubani (2022) explore East Asia's emerging edge, spotlighting the region's economic vitality and technological innovation. They posit that Asian business practices, marked by a pronounced emphasis on education, discipline, and collectivism, underpin this success. These practices, they contend, cultivate a culture of resilience and adaptability, empowering Asian companies to maneuver through complex global markets.

Mahbubani and Varigonda (2022) deliberate on the future of global cooperation, zeroing in on the rivalry between BRICS (Brazil, Russia, India, China, and South Africa) and the G7. They argue that the BRICS countries, with their vast populations and expanding economies, constitute a formidable force in the global economy. Mahbubani's insights into the nascent global order accentuate the significance of grasping cultural and ethical disparities in business practices.

The literature lays stress on the necessity for businesses to strike a balance between profit and ethical concerns. Kasperson and Kasperson (2022) dissect the role of corporate culture in technology transfer, underlining the importance of ethical frameworks in steering innovation and guaranteeing that its benefits are equitably distributed. They propose that companies must foster cultures that give precedence to ethical values such as transparency, accountability, and respect for human rights.

GorjianKhanzad and Gooyabadi (2022) concentrate on the role of corporate culture in digital strategizing. They maintain that as businesses grow increasingly reliant on digital technologies, ethical considerations become all the more crucial. Companies must ensure that their digital strategies are congruent with their core values and contribute to positive social outcomes.

Sukiennik et al. (2020) scrutinize the transformation of corporate culture within the context of the European Green Deal, with a particular focus on the Polish raw materials industry. They suggest that businesses must adapt their cultures to comport with sustainability goals, highlighting the importance of environmental stewardship and responsible consumption.

Tulcanaza-Prieto et al. (2021) investigate the relationship between organizational culture and corporate performance in Ecuador. They discover that companies possessing strong ethical cultures tend to outperform those with weaker ethical frameworks. This finding underlines the importance of ethical considerations in propelling business success.

9. Addressing Climate Change and Other Global Challenges

The scientific claims concerning the impact of human activities on the environment and climate change present significant challenges for businesses. Kasperson and Kasperson (2022) contend that companies need to incorporate environmental considerations into their strategies to lessen their impacts on the planet. They propose that businesses can play a pivotal role in fostering sustainability and effecting positive change.

In this regard, Mahbubani's insights into the global order are especially pertinent. He emphasizes the necessity for nations to collaborate and cooperate in order to tackle global challenges, such as climate change. Mahbubani and Mahbubani (2022) explore ASEAN's quiet resilience,

highlighting the region's capacity to traverse complex geopolitical terrains, promote economic growth, and maintain social stability simultaneously.

The literature accentuates the significance of international comparisons in discerning different sensitivities and cultural requisites when addressing global challenges. For example, countries adopt varying approaches to issues like climate change, smoking, gambling, healthy eating, and exercise. These differences mirror their distinctive cultural, political, and social backgrounds, which in turn shape their responses to global challenges.

The literature puts forward several potential solutions to the ethical tensions encountered by businesses operating in diverse global markets. To begin with, businesses must cultivate a profound understanding of the cultural, political, and social contexts where they operate. Such an understanding will equip them to handle ethical dilemmas and make well-informed decisions that resonate with local values and expectations.

Secondly, businesses ought to give precedence to ethical considerations in their strategies and operations. This entails integrating ethical frameworks into decision-making procedures, ensuring transparency and accountability, and nurturing a culture of responsibility and sustainability. By doing so, businesses can showcase their dedication to ethical conduct and make a positive contribution to society.

Finally, international collaboration and cooperation are indispensable for confronting global challenges. When nations and businesses work in tandem, they can exchange knowledge, resources, and best practices, spurring innovation and progress towards sustainability.

10. Conclusion

The literature review underscores the intricate interplay among cultural, political, and social factors in molding business practices and ethical considerations. Marked differences exist between Western and Asian business practices, which mirror their distinct historical and cultural backgrounds. Comprehending these disparities is of utmost importance for businesses operating in diverse global markets.

Mahbubani's insights into the shifting global order and Asia's role offer valuable viewpoints on the challenges and opportunities that businesses presently encounter. His stress on collaboration, cooperation, and resilience emphasizes the significance of adaptability and innovation when traversing complex global landscapes.

In the face of ethical tensions, businesses must strike a balance between profit-making, ethical concerns, and environmental responsibilities. This equilibrium is vital for generating long-term value for stakeholders and making

a positive contribution to society. By incorporating ethical frameworks into their strategies and operations, businesses can showcase their dedication to responsible behavior and cultivate a culture of sustainability.

The scientific assertions regarding the impact of human activities on the environment present substantial challenges for businesses. Tackling these challenges demands a comprehensive strategy involving cooperation among nations, businesses, and other stakeholders. By collaborating, we can propel progress towards sustainability and build a more equitable and resilient global economy.

In conclusion, the literature review accentuates the necessity of understanding cultural, political, and social distinctions in shaping business practices and ethical considerations. By integrating ethical frameworks into their strategies, businesses can successfully navigate complex global markets, create long-term value, and contribute favorably to society. Mahbubani's perspectives furnish valuable insights into the challenges and opportunities that businesses face within the evolving global order.

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