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Perspective

International business ethics: A comparative study of western and eastern cultures

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INTRODUCTION

In today's globalized world, businesses face unique ethical challenges when operating across different cultural contexts. International business ethics refers to the ethical principles and values that guide business operations in a global context. As businesses expand their operations to different countries, they encounter varying cultural values and practices that can influence their ethical decisions. Western and Eastern cultures have different underlying values that shape their approach to business ethics, and understanding these differences is crucial for businesses to navigate ethical challenges in an international context. This article presents a comparative study of Western and Eastern cultures' approach to business ethics. It examines the cultural values that influence ethical decision-making in these regions and highlights the similarities and differences between the two cultural paradigms. The article concludes with practical recommendations for international businesses seeking to navigate ethical challenges in culturally diverse environments (Brown, 2014).

Western vs Eastern culture

Western culture is characterized by individualism, rationalism, and the rule of law. In the Western world, ethical decision-making is based on individual rights and autonomy, which emphasizes the importance of personal responsibility and accountability. Rationalism, or the use of reason and logic in decision-making, is also a fundamental value in Western culture, which encourages critical thinking and objective analysis. Finally, the rule of law is a cornerstone of Western society, emphasizing the importance of legal and regulatory frameworks in maintaining social order (Luo & Xie, 2021). In contrast, Eastern culture is characterized by collectivism, holistic thinking, and the importance of

relationships. In the Eastern world, ethical decision-making is based on the collective welfare of the group, rather than individual rights and autonomy. Holistic thinking, or the consideration of the broader context in decision-making, is also a fundamental value in Eastern culture, which emphasizes the interconnectedness of all things. Finally, the importance of relationships is a cornerstone of Eastern society, emphasizing the role of personal connections in decision-making (Rahman, 2017).

Similarities and differences

Despite these fundamental differences, Western and Eastern cultures share some similarities in their approach to business ethics. Both cultures emphasize the importance of integrity, honesty, and transparency in business operations. They also recognize the importance of social responsibility and the need to balance economic, social, and environmental concerns in decision-making (Bork et al., 2010).

However, there are also significant differences in the two cultural paradigms. For example, Western culture tends to prioritize shareholder value and profit maximization in business operations, while Eastern culture places greater emphasis on long-term relationships and mutual benefit. Additionally, Western culture tends to prioritize individual responsibility and accountability, while Eastern culture places greater emphasis on collective responsibility and accountability. Another significant difference between the two cultures is their approach to corruption. In Western culture, corruption is considered a serious ethical violation, and efforts to combat it are often prioritized. In contrast, Eastern culture may be more accepting of corruption, particularly in contexts where personal relationships and networks are critical to business operations (Allen et al., 2019).

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CONCLUSION

As businesses continue to expand their operations across different cultural contexts, it is essential to understand the underlying cultural values that influence ethical decision-making. Western and Eastern cultures have different approaches to business ethics, reflecting their distinct cultural paradigms. While both cultures share some common ethical values, there are also significant differences in their approach to ethical decision-making. International businesses must be aware of these cultural differences and navigate them carefully to avoid ethical dilemmas. This requires an understanding of the cultural context, building relationships, and communicating transparent.

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