

5.5: Summary

Section Summaries:

5.1 The Relationship between Business Ethics and Culture

Culture has a tremendous influence on ethics and its application in a business setting. In fact, we can argue that culture and ethics cannot be separated, because ethical norms have been established over time by and make sense to people who share the same background, language, and customs. For its part, business operates within at least two cultures: its organizational culture and the wider culture in which it was founded. When a business attempts to establish itself in a new environment, a third culture comes into play. With increasingly diverse domestic and global markets and the spread of consumerism, companies must consider the ethical implications of outsourcing production and resist the temptation to look the other way when their values are challenged by the reality of overseas supply or distribution chains.

5.2 Business Ethics over Time

As a function of culture, ethics is not static but changes in each new era. Technology is a driving force in ethical shifts, as we can see in tracing changes from the age of mercantilism to the Industrial Revolution to the postindustrial era and the Information Age. Some of the most successful recent efforts to advance ethical practices have come from influences outside industry, including government regulation and consumer pressure.

5.3 The Influence of Geography and Religion

Business is primarily about relationships—with employees, business partners, and customers and clients. Ethical standards and practices governing these relationships depend on the environment they exist in, an environment that, in turn, depends on additional factors such as geography and religion. Religion's role in business is less certain today; we are perhaps more likely to see a universal, secular code of ethics develop than to see religion serve as common ground for different cultures to come together.

5.4 Are the Values Central to Business Ethics Universal?

Any system of business ethics must consider the processes of enculturation and acculturation as well as the fact that ethical standards may shift depending on geography or time, even if certain underlying ethical values (e.g., prohibitions against lying, fraud, or murder) may remain constant. It is usually in a business's best interest to promote human flourishing within the organization, providing comprehensive training along a humanistic business model, which applies the social sciences to ensure profitability and responsibility in an organization as well as happy, productive employees.

Key Terms

acculturation

the cultural transmission and socialization process that stems from cultural exchange

consumerism

a lifestyle characterized by the acquisition of goods and services

enculturation

the process by which humans learn the rules, customs, skills, and values to participate in a society

humanistic business model

a business model for balancing profitability and responsibility fairly, especially with regard to stakeholders

localization

the process of adapting a product for non-native environments and languages, especially in other nations and cultures

mercantilism

the economic theory that global wealth is static and prosperity comes from the accumulation of wealth through extraction of resources or trade

moral agency

the self-awareness, freedom, and ability to make choices based on one's perception of right and wrong

universal values

ethical principles that apply everywhere despite differences in time, geography, and culture

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