



Abdullah S. Al-Salloum

Ethics and CSR

ID 0801202023

1/16/2010

MGT571 International Business Operations

Fall 2009/2010

Dr. Nabeel Sawalha

*This is an official document to be submitted to a party associated with the
MBA program at Gulf University for Science and Technology – GUST.*



Ethics is an important term in international management. Discuss.

Ethics is the study of morality and standards of conduct. It is important in the study of international management because ethical behavior often varies from one country to another. Ethics manifests itself in the way societies and companies address issues such as employment conditions, human rights, and corruption. A danger in international management is the ethical relativism trap – “When in Rome, do as the Romans do.”

During the years ahead, multinationals likely will become more concerned about being socially responsible. Discuss.

NGOs – nongovernmental organizations – are forcing the issue. Countries are passing laws to regulate ethical practices and governance rules for MNCs. MNCs are being more proactive (often because they realize it makes good business sense) in making social contributions in the regions in which they operate and in developing codes of conduct to govern ethics and social responsibility. One area in which companies have been especially active is in pursuing strategies that blend environmental sustainability – developments that meets humanity’s needs without harming future generations – and business objectives.

MNCs – in conjunction with governments and NGOs – are also contributing to international development assistance and working to ensure that corporate governance practices are sound and effective.