

Cheating in a bottom line economy

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SUMMARY & CRITIQUE OF: “ *Cheating in a Bottom Line Economy*” (by David Callahan)

In “ *Cheating in a Bottom Line Economy*,” author David Callahan explains the fundamental reasons for the decay of simple business ethics in today’s economy in order to meet bottom line standards. Callahan draws conclusions from everyday businesses such as auto mechanic services, law offices, and even professional medical firms to prove that people will almost always choose financial stability over integrity.

The economic life in America has transformed itself into a vast land of professionals focused on achieving “ lean and mean” businesses in efforts to achieve the “ American Dream,” but in essence lose sense of their morals. What happens when an employee is living a standard life with a job just barely getting them by? Executives at corporate headquarters decide to send down a new set of marching orders that drill employees with twice as much work for a sharply decreased base pay. Those marching orders have coined the term bottom line standards.

American businesses have become highly competitive today in a market that is constantly changing to keep up with a new generation of ideas. These fluctuations in the economy have caused businesses to take different methods of actions to be competitive in the market. In the 1970’s Sears reigned as one of America’s well known retailers and shaped popular culture. As the market of demand became more competitive, Sears’ earnings began falling off the market. In order to get on the stock market, Sears had to cut 48, 000 jobs and institutionalized a new compensation system (Callahan 31).

As Sears set their new bottom-line standards to increase efficiency, it caused uproar from the employees. The demands of the company ultimately undermined the integrity of their workers. The pressure to make unpleasant ethical choices at work had employees “ torn between moral integrity, losing [their] job, and trying to figure out how to work all this out” (Callahan 31). Employees of companies with bottom line standards were faced with a new decision at margin which made doing the right thing harder: suffer a pay cut and risk losing their job or cheat the customer.

Not to our surprise, the employee would almost always choose their economic stability over their integrity. It is still not easy to say that the employee’s conscious didn’t warn them of the risks, the first time. It begins with just a simple upgrade tune up and then trickles to \$1, 000 in new auto parts. If we look back at the Sear’s auto mechanic example, a mechanic could easily convince the customer that their car needed a whole new system because of the customer’s lack of knowledge of the subject. The customer automatically assumes there is a guaranteed trust commitment to their service, but in turn gets fooled.

The evidence unearthed by investigators found nearly identical reports of cheating at one Sears auto repair shop after another. The art of deception played a key role in fooling customers. The “ ordinary people” at the New York City law firms were bound by an oath to abide a rigorous code of ethics (Callahan 33). Though these lawyers dealt with legal affairs of America’s largest companies, they were faced with not meeting year end billing requirements. In the most desperate cases of being downsized, lawyers turned to padding their hours by simply making up the numbers.

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They rounded up their hours and added in miscellaneous hours which was described as the “ new math” (Callahan 39). “ Let me tell you how you will start acting unethically...One day, not too long after you start practicing law, you will sit down at the end of a long, tiring day, and you just won’t have much to show for your efforts in terms of billable hours...so what you’ll do is pad your time sheet just a bit...However you will promise yourself that you will repay the client at the first opportunity by doing thirty minutes for the client for ‘ free. In this way, you will be ‘ borrowin,’ not stealing,” (Schlitz qtd. in Callahan 39). Commitments to meeting bottom line standards and greed have become directions of undermining integrity of even the most trusted profession: medical doctors. Medical professionals begin engaging in multilevel marketing companies such as the Wellness International Network (WIN), which dictate distributors to sell their company’s product at any extent. By earning money off of new distributors, this multilevel marketing became a pyramid scheme for destruction. Report peg the sale of health supplements by doctors at nearly \$200 million in 2001, a tenfold increase from 1997. An estimated 20, 000 doctors are now selling supplements from their offices, more than double the number of five years ago” (Callahan 49). These sorts of insider trading within their offices go against the American Medical Association guidelines that “ doctors must ensure that the claims supporting any products they sell to patients are ‘ scientifically valid and backed up by peer reviewed literature and other unbiased scientific sources’” (Callahan 49).

They clearly prohibit the exchange of medical equipment, but the profit is too grand for the doctors to pass up. Those in the medical profession argue

that they resort to such options to pay for their debt payments and management. Comments such as “ I was used to following doctors advice... Doctors have the training, so you’ve got to respect their expertise” (Cumminskey qtd. in Callahan 48) prove that doctors hold a high level of respect for their profession, but it diminishes as scandals of deception are released to the public.

In Steven Messner’s and Richard Rosenfeld’s article *A Society Organized for Crime*, they explain that people’s behavior towards meeting bottom line standards is to fulfill the American Dream. They state that the American Dream is an ideology that “ people are socialized to accept the desirability of pursuing the goal of material success, and they are encouraged to believe that the changes of the Dream are sufficiently high to justify a continued commitment to this cultural goal” (Messner 6). Generally, success in today’s society is defined by monetary and material gains. Therefore people are willing to go at any measure to achieve that success.

Both articles explain how crime and delinquency arise from economic disputes that are settled with unethical behavior. The issue at hand is the fact that these issues cannot be solved in conventional ways, but only by working around the system to deceive their customers. Callahan’s article reinforces these popular notions that crime is not always intentional, but a means of getting through small obstacles in life in an unethical matter. These illegal activities begin as small meaningless preconceived activities and then sprout to everyday routines that are accepted within their business community.

Callahan also makes us reconsider the power of higher authority figures that knowingly condone and usually promote this unethical behavior. This takes us back to the old saying, would you jump off a cliff if everyone did? The answer is yes. In all three of the cases, personal issues about cheating were put aside because “ everyone was doing it. ” I found these readings really interesting and relevant to the topic of crime and delinquency. Callahan does an excellent job of explaining the effects of bottom lines standards on people and the economy.

I completely agree with his perspective that choosing economical stability over integrity will get a person closer to the American Dream then losing their job. It poses a moral issue, but in this century you can't live on just integrity. The sad truth is people gain integrity from their monetary and material wealth. I believe Callahan could really expand on this topic by looking further into the psychological standpoint of meeting bottom line standards in order to get a better understanding of what goes through a person's mind when deciding to go against their morals.

KEY POINTS, ISSUES, AND QUESTIONS:

- Doing the right thing gets harder as the pressure between financial stability and integrity is put on the line.
- The game of hustling becomes everyday knowledge that moral ethics are completely put aside.
- The American Dream causes people to act irrationally, but if you really think about it their unethical act stimulate the economy.

Question:

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What are the implications of Callahan's work for discovering cheating in a bottom line economy?

Question:

What are the psychological aspects of going against morals to deceive people ?