

# trevino and nelson ethical decision making essay sample

[Business](#), [Decision Making](#)



Instruction:

Details:

1. Gather the Facts.

\*Felipe Montez was hired in 2003 and is a junior member of the staff \*Felipe Montez is the purchasing director and product designer. \* This is a Spanish electronics Company supplying fashion-forward personal electronics, ie cell phones & MP3 Players. \* Built companies reputation by rapid response to trends in electronics at a reasonable price point. \* Company outsourced certain production keep pricing low and production fast, primarily to factories in China. \* Company had a 27year history with one Hong Kong distributor prior to Felipe's hiring. \* No one had ever visited the actual factories where their goods were manufactured during the 27 year run with Hong Kong distributor. \* Felipe had prior experience working in Asia.

\* Felipe planned to work directly with factories to cut out middleman/ keep prices lower (saving as much as 30%) and to have faster communication and deliveries from the factories. \* Felipe visited several factories during his first trip to China \* Conditions varied from each factory; clean/organized to very chaotic. \* He was very concerned about the conditions at the factory where the majority of their products were manufactured. \* Some employees of this factory were very young (12-16 years old.) \* Employees were working 8 hours/day, 6 days per week

\* Employees were not allowed to look up so concentration could be kept. \* Foreman advised Felipe that younger girls were more valued because of their small hands. Although slower, they were cheaper to run and maintain

than assembly machines. \* Workers were required to work without magnifying tools, so eye strain was common with the small chips. \* Proper safety and health precautions were not taken for the factory workers. \* Felipe discussed his concerns with the factory to his 'moral community' and manager. They both seemed far less concerned. \* Felipe heard talk about electronic companies creating industry groups enforcing better labor standards in Asia. \* Felipe's company had a small charitable fund for financing loads to Indian women.

\* The distributor used for 27 years concealed the true conditions of the manufacturer \* Felipe does not know what Upper Management would think about the conditions \* Other companies have talked about forming an industry group to enforce better labor standards in Asian factories.

2. Define the Ethical Issues (I) in moral terms

(e. g., Is X action morally right, given Y?).

Is it morally right for Felipe to withhold their Chinese manufacturer's unethical labor practices from his upper management, given that changing manufacturers will increase the company's manufacturing costs and decrease profits? 3. Identify the affected Parties.

Felipe Montez - decision maker

Felipe's family

Felipe's Manager

Felipe's Company, Upper management, stakeholders

Company Customers

Factory Employees and their families

-Current Employees

-Future Employees

Factory Stakeholders

Other potential Asian Factories

Potential clients

Society, human rights activists and groups

Lawyers

Media

Competitors

Suppliers

4. Identify the Consequences. State:

(a) the consequentialist principle (CP) used to assess the actions of the decision maker (e. g., egoism, utilitarianism); (b) the standard implicit in this principle (e. g., action in my long-term self-interest); (c) the key potential consequences for each

4a - Utilitarianism; 4b - Standard implicit - An action is morally right if it yields the greatest good for the greatest number of people (Greatest balance between good and bad consequences). 4c&d. Below is a summary of consequences for various parties.

of the affected parties;

(d) the extent to which each consequence undermines (U) or supports (S) the issue based on the CP selected.

Felipe Montez - decision maker

Financial gain from sales of product (S)

Promotion opportunities accruing from revenue generation (S) Satisfaction of supporting research that assists in disease treatment (S) Positive PR from support of research that assists in disease treatment (S) Damage to reputation for selling a product that is used to discriminate against ethnic groups (U) Guilty conscious for selling product that is used to discriminate against certain ethnic groups (U) Potential legal culpability (U)

Loss of revenue from damaged reputation, legal actions (U)

Potential demotion/termination due to loss of revenue from damaged reputation, legal actions (U) Felipe's Family

Financial gain from sales of product (S)

Attraction of investor capital due to history of revenue generation (S)

Increase in employee morale derived from supporting research that assists in disease treatment (S) Positive PR from support of research that assists in disease treatment (S) Damage to reputation for selling a product that is used to discriminate against ethnic groups (U) Damage to employee morale for selling product that is used to discriminate against certain ethnic groups (U) Potential legal culpability (U)

Loss of revenue from damaged reputation, legal actions (U)

Potential attraction of employee talent due to positive gains in reputation (S)

Potential dilution of employee talent due to turnover and hiring difficulties arising from loss of reputation (U) Loss of investment capital if reputation is damaged (U)

Increase in regulation resulting from reports of discriminatory applications of technology (U) Felipe's Manager

Financial gain from sales of product (S)

Increase in morale derived from supporting research that assists in disease treatment (S) Damage to morale for selling product that is used to discriminate against certain ethnic groups (U) Felipe's Company, Upper Management

Potential improvements to health through research findings regarding diseases common to their genetic group (S) Potential discrimination from insurance companies, etc. (U)

Company's Customers

Potential dilution of health care due to redirection of research to diseases impacting other ethnic groups (U) Potential decrease in insurance rates (S)

Factory Owner, Employees and their families

Increase in scientific knowledge that can be used for effective disease treatment and prevention (S) Opportunity to use information generated to discriminate against specific ethnic groups (U)

Factory Stakeholders

Need to create regulatory guidance to address sale and use of technology (U) Other Potential Asian Factories

Increase return on investment accruing from product sales (S) Potential decrease in ROI due to negative publicity, lawsuits, etc. (U) Potential Clients

Increase in readership and revenue due to interest in health gains for

technology (S) Increase in readership and revenue due to discrimination arising from technology (U) Society, human rights activist and groups

Loss of revenue due to success of technology in treating diseases (N - Neutral implications for ethicality of decision) Increase in revenue due to adverse publicity and legal action directed at biotech firm (N - Neutral)  
Regulators, Lawyers

Investors

Media

5. Identify the Obligations. State:

(a) the deontological principle (DP) used to assess the actions of the decision maker (e. g., Kant's ethics, prima facie); (b) the standard implicit in this principle (e. g. categorical imperative - Could the action be willed into universal law?); (c) the key obligations of the decision maker for each of the affected parties; (d) the extent to which each obligation undermines (U) or supports (S) the issue based on the DT selected. 5a - Prima Facie; 5b - Standard Implicit: An action that fits my declared higher relative priority is morally right (Greatest Obligation)

5c&5d - Obligations of the decision maker (David Johnson) to affected parties.

David Johnson

Self-improvement - duty to promote one's own good; see consequences above (some S and some U) Upper Management, Biotech Firm, Investors,

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Suppliers & Other Employees Fidelity - obligations to promote firm profitability (S, U) Members of Specific Ethnic Groups

Beneficence & Care- duty to do good and care for others including patients from specific ethnic groups with common diseases (S) Non-injury & harm-prevention - obligation to do no harm to and prevent harm to others, including insurance customers from specific ethnic groups. Justice - duty to act in a way that distributes benefits and burdens fairly means all insurance customers should have equal access to products regardless of ethnicity (U), but also could be interpreted as supporting differential rates based on risk (S) Members of Other Ethnic Groups

Non-injury & harm-prevention - obligation to avoid harming health care due to dilution of research attention to non-genetic based diseases (U)

Beneficence - obligation to do good, including potentially decreasing insurance rates

(S) Justice - duty to act in a way that distributes benefits and burdens fairly means all potential should have equal access to research regardless of ethnicity (U) Society

Beneficence - obligation to do good through the expansion of scientific knowledge (S) Justice - duty to act in a way that distributes benefits and burdens fairly means all potential stakeholders should be protected from discrimination (U)

Regulators & Media

Fidelity - obligation to abide by all applicable regulations; currently sales are



unregulated (S) 6. Consider the decision maker's Character and Integrity, (Virtue Ethics) assuming an aspiration to be an authentic leader. Standard Implicit: An action is morally right if it meets the highest ethical standards of the relevant moral community. State: (a) the core ethical values and the virtues the authentic decision maker aspires to achieve; (b) the extent to which each value/virtue undermines (U) or supports (S) the issue. The relevant moral community is society at large, which expects firms to pursue research that can be potentially beneficial to humanity, but not to discriminate on the basis of race/ethnicity, age, gender, ability, etc.

An authentic leader of virtue, operating with integrity, would seek to abide by societal expectations of beneficence, care, and justice (S), while seeking to avoid actions that might result in discrimination (U). Additionally, applying the New York Times test, one can ask how David would feel if it were revealed in the press his firm sold the technology to those who will use it for genetic research into ethnicity based diseases (S, U). 7. State your conclusion in moral terms (e. g., Thus, X action is morally wrong.) for each principle (steps 4, 5, and 6): (a) Consequences

(b) Obligations

(c) Character and Integrity

Conclusion(s):

a)Utilitarianism: It is morally right to sell biotechnology to clients interested in using it to investigate the genes of specific ethnic groups to understand common diseases within these groups, because the potential gains to the firm, society, and patients from specific ethnic groups (e. g., effective

disease prevention and treatment) outweighs the risk of potential harm (e.g., discriminatory insurance offerings, etc.). b) Prima facie: Beneficence and care obligations to potential patients in terms of disease prevention and treatment, coupled with fidelity to investors, employees, and suppliers, represent a higher relative priority than harm-prevention and justice for insurance clients. c) Virtue ethics: Society expects leaders of character and integrity to promote improved health care, while simultaneously promoting justice. An authentic leader would pursue a solution that would facilitate the fulfillment of all of these obligations (see Step 9), and thereby enable him or her to pass the NY Times test. 8. Check your Gut: Is (are) the conclusions consistent with your sense of right and wrong. Yes, the conclusion is consistent with my gut about the right thing to do. 9. Think creatively about potential Actions:

(a) In an effort to be transparent, offer one or more alternatives (A) that an authentic leader could propose that would respond to the situation in order to address the conflict presented by the issue (moral dilemma). Be creative! Seek regulatory guidelines to clarify the dissemination of the technology, and provide oversight of the insurance industry to prohibit discriminatory applications of the information generated from the research. Secure contractual assurances from clients that limit the dissemination of research findings. Form a consortium of firms in the biotech industry to establish a code of ethics regarding the dissemination and application of biotechnology.