

Critical business ethics in global workplace human relations essay samples

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Ethical challenges are common in the workplace for employees on a daily basis. There are plenty of examples of ethics in the world of business but the ethical choices have been made rather difficult in the modern era since the target changes with the progress of society. This is the reason why discussions concerning business ethics in the international workplace at frequent intervals can have a positive impact on the human relations. If the contemporary corporate business ethics and morals in the global workplace are applied to the situation “ Credit Suisse admits guilt over tax evasion, fined \$2. 8 billion” , it appears that the Swiss Bank Employees Association has been faced with an uncomfortable yet vital issue – the profits gleaned by a few of their employers from the “ tax evasion” of the clients. Though this problem has been “ generally known” for many years, it has remained incontestable, as several of the managers of the bank concede. However, now that the existence of the practice is in the spotlight, and apparently has come to an end, it raises the pertinent question involving business and ethics, namely why were neither the employees nor the managers of the Swiss banks concerned with the ongoing model of business which clearly flouted the international workplace human relations. The case of the Swiss Bank might be subjected to an ethical framework since it will prove to be useful in deciphering the question of what is right in any specific ethical dilemma, even though they are not really changed by the fact that the ethics happen to be based on the values of individuals, and may therefore be subjective. There are five main ethical frameworks viz. a utilitarian perspective, a rights perspective, a virtue perspective, a care perspective and a non-essentialist perspective . The ethical framework

accounts for the majority of practical consequences of any given decision. Through the harnessing of experience and emotion apart from intellect, this sort of ethical framework lets the decision-maker effectively use the greater personal resources than other frameworks. However, the ethical framework struggles in a single area – decisions involving specialized knowledge that the common people do not have access to. However, in case of the Swiss Bank fiasco, all the details have been leaked by the media. More information is being uncovered occasionally and it is only a matter of time that the full details of the tax evasion scandal faced by the Credit Suisse will come to light.

The Credit Suisse's chief executive, Brady Dougan, was brought forth the United States legislators in order to explain how the organization helped many American citizens evade their taxes. He stated that a few Swiss-based private bankers took an active interest in disguising their bad conduct from the executive management. According to the group of employees, the claim managed to slight the professionalism of the workforce and could hardly be termed "credible". However, the last statement might not be entirely fair since it makes complete sense that a handful of eager employees, at the prospect of raking in new business, and well aware about the existence of an official policy against aiding tax evasion, concealed many important facts from the higher-ups. They understand how full disclosure would only mean trouble for them and so, they opted for the easier path – they would bring in new business and would be suitably rewarded, with few questions raised. Therefore, in this case, both the Common Good Approach and the Virtue Approach were clearly sacrificed but they must have implemented in the

system for the Bank to have a failsafe in times like the present.

However, if Dougan and the managers were actually ignorant about the going-ons in the bank, doubts begin to crop up about their efficiency and aptitude. This is mainly due to the fact that the commitment to modify the old banking culture in the Swiss banks - which asked so little that the accounts bore numbers instead of names - had begun much prior to the year 2001 when the Credit Suisse began to take its efforts very seriously involving the cleaning up of its comparatively minor private banking operations in the United States. Hence, it was confusing that the management which seemed to be extremely serious about rooting out entrenched habits would have set out to show that their institutions would from now on focus on service instead of secrecy. On the other hand, for a long period of time, they might have avoided closer inspection of the matter .

If the management at Credit Suisse had adopted a very relaxed position about abandoning a flawed corporate culture, it would enjoy a great deal of company. It is a well-known fact that in almost every single economic scandal in the world of business over the course of the past decade, insiders who were actually interested might have found evidence easily that something was being carried out in an improper way . But the truth of the matter is that sufficient amount of attention on the subject was lacking and there was a general scarcity of action. The explanation for such a situation is rather simple and uncomplicated. The employees of the organization realized that they stood to gain every little from complaining about the dubious behaviour as the bosses themselves were almost always less keen on morality than in gaining high returns, achieving an edge over the

competition and retaining employees who were of importance to the organization. In short, the main culprit in this case was the ethical inertia that is an inherent aspect of almost all major corporate cultures.

The Swiss bankers had to be rewarded rather generously for attracting a fresh batch of American customer via their practices which they most certainly knew were lacking in ethics. Their bosses, all the way to the high levels of the organizations, were even better rewarded for choosing not to ask any sort of questions which would lead to the generation of uncomfortable or controversial answers. In this manner, to some extent, the institution was complying with the utilitarian approach since it was offering the greatest good and producing the least harm to the members i. e. the clients of the Bank. However, the main point from which the approach of the Swiss Bank deviates is that it solely focused on the good without reducing the harm done.

Neither the bosses nor the Swiss bankers who broke the American laws noticed anything foolish or out of place in the entire scenario. Like the majority of businessmen who are found to be in the wrong, they were surely intelligent individuals who were rather capable of moral analysis but they did not fight against the ethical corruption in the institution but rather stifled their voice of consciences.

In the workplace, it is always a challenge to hold on to one's sense of virtue while pursuing legitimate business and personal objectives. Even in the most honest organizations, the desire to remain fair to the customers, colleagues and the suppliers often pushes in the opposite direction from the pressure to succeed. This is complemented by the added pressure to cut ethical corners

and happens to be a much bigger deal in enterprises which possess a well-established tradition or practices which is considered unacceptable in society in the present generation. However, this might have been offset by the fairness or justice approach where the ethical action involves equal treatment of all human beings. Even if they are treated in an unequal manner, it must have been fairly based on some defensible standard. The Swiss Bank neglected to follow this system and has no way out at the moment.

It appears that the bosses and workers of the organizations find it extremely simple to silence their own consciences and come up with excuses that could be deemed plausible in the long run. They may be able to cite obedience, loyalty, standards of the industry as well as the need to support their families. The senior executives are also in a position to utilize the tools of bureaucracy, concealed behind the mask of shared responsibility and stated commitments to policies which seem to be beneficial for the development of the organization. In ethical relativism, the claim that there is no moral principle is a highly prized after trait and is universally applicable but it also mentions that irrespective of the culture, people must respect the moral codes of others .

Corporate behaviour that is generally viewed as bad may be hard to alter. Once the bosses have condemned malpractice but rewarded it in deed, the employees will no longer feel the need to take the newest pronouncements seriously at all. Even if it means firing a few people, the consciences remain unheard while the rest of the employees wait for the situation to resolve itself in time and go back to normal. At the same time, the bosses who would

not have managed to climb up the ladder of hierarchy without locating any of the methods to get around the stipulated ethical commitments, usually without admitting that this is what they are doing, will struggle to learn the new ways .

Swiss banks have been in the news for their neutral standpoint in terms of the subject of tax evasion . This brings to mind the point of ethical relativism which claims that there is no objective or moral standard of right and wrong and that the moral values stem from the individual or cultural background of a person, and is relative to a particular situation. The management of the Swiss Bank did not check whether their actions were right and wrong and they were guided by archaic laws that shaped the current predicament of the organization. There is no doubt that tax evasion is an illegal practice since it provides an individual the opportunity to avoid paying their liabilities.

Switzerland has long been famed for being the biggest tax haven in the world. Owing to the old secrecy laws of the bank which date back to the year 1934, revealing the identity of the bank's clients is considered a criminal offence . Over the course of the years, this has enabled the formation of a \$2. 1 trillion offshore economic sector . There is no doubt, however, that the United States tax evasion request to Switzerland will have far-reaching consequences both for the global economy and the state of business ethics in the global workforce human resources.

The citizens of any nation should consider it their civic duty towards the other members of the community to pay whatever taxes are demanded by the state. The role of the taxes is very significant in terms of the effective functioning of a country. Taxes are essential for the maintenance of a

civilized society and the fact that the Swiss Bank helped their customers evade their taxes implies that they were not only aiding their criminal intents but were actively hastening the crumbling of the modern social structure.

This has numerous ethical and moral implications. Taxes help to offer merit goods which seem to have positive externality effects such as better health resources . If the United States is able to reclaim its evaded taxes hidden in Switzerland which is currently valued at a total of \$1. 48 billion , it might be able to utilize this stream of revenue for the purpose of payment of debt or the further development of social welfare and redistributables income.

Currently, the Swiss Bank can hope to do damage control through the utilization of the Rights Approach which seeks to protect the moral rights of the affected. They must treat the other groups as ends instead of mere puppets where the en justifies the means.

Recent developments in the matter such as the agreements over the tax allegations that have been illustrated by the Credit Suisse in their deal with the German authorities and the forcible fine impinged upon certain organizations for the release of the clients, have indicated a sort of shift in the ethical scenario. It has gone from the protection of individual privacy to a sort of increasingly cooperative attitude involving the sharing and exchange of information. This is bound to have negative implications for the fate of Switzerland. In the first case, the transformation of the interpretation of the secrecy laws laid down by the bank harms the state of sovereignty that has been achieved by Switzerland. In the second instance, the potential loss of faith among their clients is bound to be a major issue for the Swiss Bank.

This all leads to the conclusion that the moral violators and the tax evaders

are having to live with the consequences of their actions of not paying taxes as the charges of criminal counts are commencing with time.

It should be kept in mind, however, by both the employees as well as the management of the organization that knowledge happens to be the first step towards the path of virtue. Instead of ethical absolutism, the Swiss Banks and all the other organizations embroiled in the controversy should aspire to follow the mode of ethical absolutism. This is a claim which mentions that there must be moral rules in place that hold for all persons in all situations. There is no exception in this case. Therefore, ethical absolutism must be implemented in the international workplace and it should be the moral duty of the management to ensure that the employees understand the gravity of the situation and act in accordance with this outlook. It is possible that seemingly conflicting behaviours within the management may be motivated by the same moral value/belief system i. e. the good of the organization. However, they must understand that the debate between moral belief and moral practice tends to differ based on the circumstances. In the present situation, though turning a blind eye towards the actions of a few employees helped them earn more profits and benefit the institution, in the long run, they could not hold on to this streak of success and ultimately had to succumb to their own folly. Therefore, it is important to verify the outcome of morality and understand which side would best suit the current circumstances. In spite of the complaints of the workers, both the employees of the Swiss Bank and their employers appear to have finally admitted to the fact that something was deeply wrong with the method they used to function. If this perceived effort towards moral reconciliation and truth were

repeated throughout the business and economic worlds, and backed up with solid judicial punishments, greater number of consciences might begin to be heard in the international workplace.

In retrospect, the employees and their employers at the Swiss Bank seem to have been following a method of ethical pluralism. Due to the flexible nature of this concept, they found it easy to bend the system as they saw fit. In public, they were clearly following a specific system of morality and had their own ethical support structure. In reality, however, they believed that there was not just one single good for human beings, but many. Here, though they were supporting the tax evasion habits of their customers, according to them, they were not very familiar with it and did so mainly for the long-term welfare of the institution. Ethical pluralism dictates that the varieties of the good may result in conflicts in values but that does not mean that the values cannot be subjective. This is what the management and the employees of the Swiss Bank were mainly banking on during the investigation by the U. S. legislators. They hoped that they would consider their side of the values to be important for the people they served. However, they failed to take into account the fact that these points were recognized but they were not held in the same vein by the other people. According to the dictates of ethical pluralism, there are only a few basic moral principles that every culture or organization needs to follow. However, beyond those principles, each organization or institution can possess its own specific system of values, provided it does follow the higher moral principles. But in the case of Credit Suisse, they were clearly in violation of these advanced principles since they were helping their clients commit evils by evading taxes, despite

understanding that these taxes were vital for the smooth functioning of the government. Though they claimed to be mainly unaware of the going-ons, it does not completely exempt them from their share of wrong-doings. A closer inspection of the activities within the framework of the organization should have been warranted by the management level. They could go on following their neutral perspective but it should have been based on the thin morality that people belonging to other organizations would be in a position to respect.

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