

Business paradigm 1597



Key Point 1: How does Corporate Restructuring affect our Society?

In the early 1990s, corporate restructuring was being reported in newspapers and magazines almost daily. In 1995 alone, domestic mergers totaled more than \$450 Billion. In just the first week of the second quarter of 1996, merger activity totaled \$28.3 Billion. To name a couple of corporations that were involved were Bell Telephone systems and AT & T.

Pros and cons come from such large mergers and acquisitions. A good aspect that came from the Bell merger was that they were able to provide service to 30 million residential and business customers in seven states west of the Mississippi. On the other hand, a negative aspect that arrived from mergers is that often times, after the merger had taken place, the companies decided to downsize to make their new corporations more efficient. Long-time employees are now being pushed out of the company.

Investors and analysts alike, seemed to respect the companies that inflicted the deepest cuts and fired the greatest number of workers. Executive pay rose along with corporate profits and productivity. The compensation packages for those individuals laid-off were tied to job performance. This created a huge amount of hostility. Mergers also created fear amongst the employees. The fear of job loss eroded the loyalty between employees and their companies.

Mergers, however, are sometimes inevitable. The corporations must find ways to stay competitive, not only internationally, but globally.

Key Point 2: Social Responsiveness Management

Large corporations are responsible for providing the consumer with a safe and reliable product. They are also legally obligated to ensure what the company is offering the consumer is what the consumer gets. Take the in-class video on U-Haul for example.

U-Haul stated that each vehicle is routinely inspected to ensure customer safety. The inspection log would have a recent date annotating the last inspection. A team of reporters visited several U-Haul subsidiaries throughout the United States. The findings were shocking. It was found after having professional mechanics inspect the vehicles, that most were unsafe to drive. This negligence on U-haul" s behalf places the consumers life in jeopardy. It has become a huge issue after several fatalities that resulted from U-haul" s vehicle negligence. Laws should become more stringent on companies that provides this type of service to consumers.

Key Point 3: Code of Ethics and Business Conduct (Nuclear Energy)

The debate over whether nuclear energy is a socially acceptable has gone on for years. Recently, it has become quite questionable from early perceptions. The chaos at Three Mile Island turned passive stakeholders into active opponents of the development of nuclear energy sources. In 1986, the disaster at the Chenobyl plant in former Soviet Union further strengthened the position of antinuclear energy forces, particularly here in the United States.

Public interests groups went to court to prevent new plants from opening. They also ensured that antinuclear energy questions were placed on state and local ballots. Everyone is now aware of the damages that are caused by

nuclear radiation. The thing is how to solve the problem. Where is a safe place to dispose of nuclear waste? There is no safe place. The only way to prevent radioactive disasters is to destroy its source.

Key Point 4: Crisis Management

Every company or corporation faces some type of crisis during the existence of the company. These companies have to manage disasters precipitated by people, organizations, organizational structures, economics, and/or technology that can cause extensive damage to human life, and natural and social environments.

One example of a company that experienced a crisis was Dow Corning (a breast implant company). Dow Corning had been in the implant business for 30 years and had received ample warning that a crisis could occur. Japanese researchers had even told them that the silicone implants may cause inflammatory immune diseases. Dow Corning continued the production and surgeries despite the warnings.

Task force teams were created to do a study on the safety and effectiveness of the implants. It was ascertained from experimental animals, that after one week, the animals showed mild to acute inflammatory reaction. This became a major problem with the people who had previously received the implants. In December 1991, Dow Corning was ordered to pay a woman \$7.3 million in damages because the firm concealed evidence linking implant ruptures to immune system disorders. Additional suits were pending.

In my opinion, extensive research should be conducted before a product hits the market. The implants are not safe and the should be liable for the negligence of not adhering to the Japanese researchers. Consumers want to be sure that the products they are using are safe and not hazardous to their health.

Key Point 5: Setting Standards for Ethical Behavior in Corporations.

Many companies today have established ethic programs for which the employees should abide by. Ethics are very important because they seem to differentiate between right decisions and wrong ones. Before a company can draw up an ethics program, they must decide which ethical issues are important to them and how to identify and manage them. One good ethical question that should be asked, " Who could your decision or action injure?" This is important to determine if a product has a legitimate use, if it is likely to harm the consumer by falling into the wrong hands or being incorrectly used.

Take the in-class video on the toys that were being manufactured. These toys were made of a polymer that children could extract by chewing or sucking on these toys. these toys could be very harmful to the children" s health. In this case, the company had to do research to determine the safety of these toys placed in a child" s mouth. It was concluded that the children could ingest this substance by chewing on the toy.

In my opinion, it would be ethical to remove these harmful toys from the shelf. The company" s effort were to provide a toy that would be enjoyable to

the child. They should have taken into consideration that a child would place this toy in their mouth.

Key Point 6: Polygraph Testing in the Workplace

Polygraphs were used in many companies until 1989. Many people had different perspectives on whether polygraph tests worked and whether they should be used. The operators assured that the polygraph was accurate, but many people doubted the accuracy.

In November 1987, the U. S. House of Representatives approved a bill that restricted the use of polygraphs to screen job applicants or test employees in private industry.

Today, an employer can ask a worker to take a polygraph test only if the worker has access to missing or damaged property and if the employer notifies the worker in writing that there is a reasonable suspicion that they were involved in the loss or damage.

I feel that polygraph should be used for high profile personnel. Positions like the senate, congress, and even a Presidential candidate. A polygraph is not necessary to be given to an employee that works for British Petroleum at a 24 hour convenience store. These type of tests seem to impede on a person's personal life.

Key Point 7: Stress

Many people suffer from stress in the workplace. This type of stress can often lead to violence. Employees have to make decisions so quickly that

they have no time to gather themselves. Employees at all levels appear to be stress victims.

As the economy lagged in the 1990" s, Americans worked harder to maintain their standard of living. There are several factors that can cause stress. Whether it be excessive workloads, physical ailments, and even problems in your personal life. Stress is particularly prevailment in jobs that require a great deal of customer contact or long hours in front of a computer. These jobs often are boring and require high, easily measurable output. Stress often causes high-blood pressure after a certain amount of time.

People need to learn to manage stress. Classes are now being given to reduce high stress levels. These classes have proven to be quite successful. People in the Military experience high levels of stress in the workplace. A lot of stress is placed on Military personnel that have been deployed and separated from their families for an excessive amount of time. I feel that all companies need good human resources and stress management programs to be productive.

Key Point 8: Family and Child Care Benefits

Family and child care are two of this decade" s most pressing workplace issues. In retrospect to when I was a child, my father was the sole provider for my family. My mother stayed at home with my sister and I until we were old enough to be home alone. Once we were old enough, my mother went searching for employment.

Times have changed dramatically since then. Most families now have both the father and the mother employed due to rising cost. Since the divorce rate has climbed, many families are ran by a single parent. This can be very tough because the children need supervision.

Several companies have teamed together to help provide their employers with child care and aging family members. The programs they created included new child care centers, in-home care for elderly family members, vacation programs for school-age children, and vocational training for at-home mothers.

In my opinion, these types of benefits for the employees will make them more committed to the job. This relieves a huge burden off their shoulders. Employee" s will be more apt to stay in the business due to these important benefits.

Key Point 9: sexual Harassment

Sexual harassment has become an important issue over the past few years. Not only in corporations, but the military as well. In recent years, women have fared better than minorities in the courts in terms of access to jobs and promotions.

There are two specific types of sexual harassment: (1) situations in which sexual harassment created a hostile work environment and (2) cases in which a supervisor demanded sexual favors in exchange for job benefits.

Corporations have finally put their foot down on sexual harassment. They have implemented policies in which the employees will abide by or they will

suffer the consequences. Sexual harassment can create tension that will give bad vibes in the company. It is finally time that corporations implement the zero tolerance level across the board.

Key Point 10: Management Strategy for Workplace Safety Issues

Managers have a hard time establishing health and safety programs because it is taught in school. Many have no experience in assessing the cost and benefits of workplace safety. However, they have established three ways in which it will assist the managers in developing safety issues; planning, organizing, and controlling.

Each category has questions that must be analyzed within each corporation to determine which ones will apply to their industry such as: How do other companies develop a corporate philosophy regarding safety and health matters? How do managers in high-hazard industries set occupational health and safety goals, and to what extent is the staff involved in the goals" exercise?

If something within the corporation is unsafe and someone is injured, this could result in high worker compensation costs, disrupt productivity, and add to hiring and training costs. Managers have to calculate dollar losses due to safety and health incidents. All companies should have a management strategy for workplace safety issues in order to keep good employees and keep compensation cost at a minimum.