

Report on business and ethics

Business



| Report on business & Ethics| | Submitted ToCommunicationTrimester 02, 2011Submitted By| | 9/30/2011| | Table of Contents Introduction: 3 Description of the Issue: 4 Case Study: 4 Case 1 – Controversial Chemical (Triclosan) Poses Challenge for Colgate-Palmolive4 Case 2 – Rupert Murdoch’s ‘ News of the World’ to shut after 168 years; the voicemail-hacking scandal6 Problems and various aspects-7 Solutions: 9 Colgate-Palmolive case-9 Rupert Murdoch’s “ the News of the World” case -10 Conclusion: 11 Bibliography14 Introduction: There is a primitive saying that, “ Empires down the history have been known to get built only to be lost subsequently”. This has proved true mainly for the business that built for self-serving motives and unethical decisions. Many businesses becomes history for not being changed with changes with technology, market dynamics, business environment, but the most remarkable cause for many corporate giants out of business only for their unethical moves and not being visionary in their business activities. Business ethics is all about the sprite of true “ value creation” and excellence in business. Mandal, 2010) The law is the key starting point for any business.

Most leading businesses also have their own statement of Business Principles which set out their core values and standards. Here in this report we will discuss about two real life cases which can be interesting examples of business ethics issue. First case study is all about Colegate-Palmolive Company is in a high powered argument and in a main point of a case study in product disclosure and corporate ethics responsibility because of widely used chemical. This case shows the hazy regulatory review of the companies and how they handle their customers over unsettled science. In second case

study we will talk about shutter down of 168-year-old “ the News of the World” because of the voicemail-hacking scandal.

This used to be one of the most renowned newspaper running by the business tycoon Rupert Murdoch. The paper that’s been accused of hiring private investigators to hack into cell phones and performing a extensive conspiracy to hide it. Description of the Issue: Ethics is a system of moral principles and attitude that guides our actions to be morally correct, fair and just. One can question what is business ethics all about? – Business ethics are moral values that can lead the way how business should carry out its activities. The same kind of principles that establish an individual’s dealings also be appropriate to business. Doing business in ethical way includes making the “ right” choice by distinguishing between “ right” and “ wrong”.

It is comparatively easy to identify unethical business activities. For example we can say, using of child labour, unlawfully use of copyrighted resources, engage within bribery. Even though, it is not all the time simple to make similar firm definitions of high-quality moral practice. Businesses have to make a competitive return for its shareholders and treat its employees fairly. Nonetheless companies also have extensive tasks. They should not generate any harm to the environment and work in ways that do not mess up with the communities in which they functioning.

This is known as corporate social responsibility. (Mandal, 2010) Case Study: Case 1 – Controversial Chemical (Triclosan) Poses Challenge for Colgate-Palmolive Colegate-Palmolive Company is in a high powered argument and in a main point of a case study in product disclosure and corporate ethics

responsibility because of widely used chemical. This case shows the hazy regulatory review of the companies and how they handle their customers over unsettled science. Because of the recent grip on Colgate from US food and drug administration (FDA) the company take decision to concentrate microscopes more intimately on triclosan, which is a chemical with antibacterial materials. Lately it has been used to so many products, but now the chemical is under new analysis because of various experiments suggested it not only harm human wellbeing but also the environment.

Despite the fact that the FDA preparing its evaluation and critics of triclosan shows their point of view to restrict its use - Colgate and other product manufacturers have to make a decision what they going to say about this matter to the market and their customers, more importantly when and how to convey it is the discussion issue, while the FDA accomplish its evaluation and critics rise their point of view to restrict its use. (Stabile, 2010) Triclosan is not only just Colgate's concern, but its extensive usage in fact creates the issue complicated for the company. Triclosan is an artificial chemical used in many delicate and household care products to restrain diseases caused by bacterial infection. " It works by breaking down the biochemical pathways that bacteria use to keep their cell walls intact, and as such kills potentially harmful germs if used in strong enough formulations. " (EarthTalk, 2010) In 1972 triclosan developed as a surgical scrub, now it is being using in various customer- oriented products, which are more than 700.

This kind of products like hand soaps, deodorants, toothpastes, kids' toys, yoga mats and, of course, hand sanitizers. The problem the company facing is understandable, a basic component of its top-selling Colgate Total

toothpaste is all of a sudden the centre-point of a public health concern, but regulators have not yet prohibited the chemical or consider it risky. In 1997 Colgate total won special FDA approval for the uses of the chemical to prevent gingivitis, which is generally a gum disease. Colgate total becomes the top-selling product, and it contributes to 44. % of Colgate's share of the global toothpaste market and 35.

6% of the US Market. On the basis of the last year's company report, the Colgate total brand had 16% of the overall market in North America, along with its toothpaste range. (Stabile, 2010) To start new research on triclosan's safety, the FDA is working with other regulators, mainly the environmental protection agency. But recently the FDA declared that, " triclosan is not currently known to be hazardous to humans" and they don't have enough safety facts to recommend that consumers restrict the use of products that contain triclosan at this time. (Stabile, 2010) and the FDA will get its first answers after spring 2011. Case 2 - Rupert Murdoch's ' News of the World' to shut after 168 years; the voicemail-hacking scandal Rupert Murdoch shut down " the News of the World" on Thursday, July 7, 2011, which used to be Britain's biggest selling Sunday newspaper.

The paper that's been accused of hiring private investigators to hack into cell phones and performing a extensive conspiracy to hide it. At a quick look, the News of the World' s systemic approach of bribery and voicemail-hacking definitely looks like astonishing. Reporters and editors of the largest-selling newspaper in the world being accused of in process of corrupting police, hacking the personal voicemails of everybody from the royal family to the parents of soldiers killed in Iraq and Afghanistan, and using more than \$2

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million in hold back arrangement to sufferers with the full acquaintance of Murdoch's son and heir apparent, James. (Prodhon, 2011) (Dickinson, 2011) Investigations of the News of the World's phone hacking have been arising for more than a few years and until recently it has been believed that just celebrities and other renowned figures were the victims. But the scandal burst out after disclosure of an investigator working for the paper may have listened to and deleted the voicemail messages of a missing 13-year-old schoolgirl, later who found murdered. The scandal expands with alleges that the News of the World hacked the phones of relatives of British soldiers killed in action in Iraq and Afghanistan.

Most of the paper's readers horrified by knowing its reporters accessed the voicemails of missing children and bombing victims. The News of the World also gave money to Police for having information. It's been found that from senior journalists and executives of the paper, Police officers took more than 100, 000 pounds (\$160, 000) in payments. (Prodhon, 2011) Shortly before the announcement the paper would be closing for good, advertising website Brand Republic said the paper had lost all advertising for this weekend's edition. While facing Parliament, the business tycoon states that the News of the World's scandal concerned with " a tiny part of the business," which he cooperatively quantified as " less than one percent of his company. Problems and various aspects- This report aims to re-emphasis that without ethics, business is directionless and quite unlikely to reach its purposeful destination for society and sustainability.

Business ethics is all about the sprite of true " value creation" and excellence in business. Triclosan is being used in so many products, which <https://assignbuster.com/report-on-business-ethics/>

maybe causing harm instead of doing good for the regularly used consumers of those products. Studies show, triclosan involves with various human health problems. It is associated with skin irritation, has been shown to interfere with the body's hormones, and has been linked to an increased risk of developing respiratory illness, or asthma, and cancer, as well as subtle effects on learning ability," (EarthTalk, 2010) According to some studies, today 75 percent of Americans have trace levels of triclosan in their bloodstreams. So the indication is alarming indeed. Further than its probable human health effects, triclosan can be also harmful for the environment.

According to Beyond Pesticides, almost 96 percent of the triclosan from consumer products goes into wastewater treatment plants. Without doubt some of the triclosan gets away treatment and goes into local waterways, and with exposure to sunlight it converted into dioxins, which is a highly toxic group of chemicals that responsible for polluting waterways and causing disaster on wildlife. (EarthTalk, 2010) But Colgate is still not taking initiatives for this rising debate on triclosan, which is very irresponsible act of the company. On the other hand, The News of the World has been accused of hiring private investigators to hack into cell phones and staging a widespread cover-up to conceal it. This unethical activities is a reflection of the lawless culture that describes the company, it's not the work of a "non important" element within News Corp. As CEO, Murdoch not only tolerates personnel who push the margins of authenticity and ethics, he celebrates them.

There should be a broader culture within any company, which is missing in this case. Here is an example, when Col Allan, editor of Murdoch's New York
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Post, says in 2007. We like being pirates. ” This kind of attitude passed down from the top, like one of the experienced person of Murdoch’s tabloids who is aggressive and straight forward says: “ Anything we do is OK. We’re News Corp. — so fuck you and fuck your mother.

” (Dickinson, 2011) This case is an examination of Murdoch’s corporate history which reveals the unethical elements of the scandal in London – hacking, cutthroat reporting tactics, and unethical embarrassing situation with police, hush-money settlements and efforts to corrupt officials at the highest levels of government. Over the past decade, News Corp. has systematically employed such tactics in its U. S. operations. Before Parliament, the business tycoon states that the News of the World’s scandal concerned with “ a tiny part of the business,” which he cooperatively quantified as “ less than one percent of his company.

” In these two cases we can easily see the companies’ moral values, the way of seeing the scandals, principles of doing business as serving communities are missing. Solutions: Colgate-Palmolive case- Companies who marketing these products with triclosan within it should clearly marked that they are not likely for children and there should be a word of warning tag for pregnant and nursing women who shouldn’t use it. Any company must have to determine what to disclose, because when you are not disclosing what you should, you assume risk. It is the corporate social responsibility of a company, the way they communicate with its consumers. For the case of Colgate, David Nash, partner at McMahon DeGulis, an environmental law firm based in Cleveland, points to prominent cases from just the past year, mentioning Toyota’s struggle with scrutiny on accidents involving its vehicles <https://assignbuster.com/report-on-business-ethics/>

that were attributed by some to faulty equipment; the firestorm that Goldman Sachs faced when securities regulators essentially accused it of cheating its customers; and BP's very public missteps in the wake of its giant Gulf of Mexico oil spill.

Stabile, 2010) Wide disclosure in a case like Colgate's could have a negative short-term impact on market share, but it also could generate long-term customer good will. " We talk to our clients about being transparent, but doing it in a smart, responsible way," Nash says. " Science changes," he adds. " Medicine changes, So does perception. So does politics. So does tolerance for risk.

" (Stabile, 2010) The company must totally understand and get knowledge about the " best available science" before disclosing. Rupert Murdoch's " the News of the World" case -For the second case to address the growing perception this problem reaches well beyond one paper, the company must revisit and reassert its corporate values (Dickinson, 2011). NewsCorp must spell out for every employee the core belief, from its very own values of conduct that " Compliance with the law is crucial to the reputation of NewsCorp and its business units. " The challenge is making clear those are not just words on a page. NewsCorp must go beyond the newsroom, and into the boardroom, to create real reform.

NewsCorp should re-establish its good reputation by embracing some measures: * Publicly reaffirm the primacy of its " Standards of Business Conduct" as the foundation for employee conduct all the way to the Executive Suite and provide employees. Live up to them. * Set a tone at the

top that consistently reinforces these values through both words and deeds. Tell employees, shareholders, and customers how company standards are guiding your decisions during this crisis. * Hold accountable individuals at every level of the organization who have violated standards of professional conduct. Employees need to see that your company will conduct a fair investigation to identify the individuals who have been involved in this scandal.

* Renew attention to organizational culture and root out mixed messages or subtle signals that might open the door to misconduct. * There should be a broader culture within the company. In a strong ethical culture where employees are more committed to the company, workplace misconduct can be reduced by as much as 50%. (Harned, 2011) To be more constructive, what's needed here is culture change. The fastest and deepest way to induce culture change is through a change in leadership. That means some combination of firings, resignations, take-overs, shareholder revolts, boycotts, investigate reporting (good luck with that one), buy-outs, mergers, or palace coups.

Short of that, history amply suggests that highly successful people rarely undergo conversions in their core value systems; particularly not because they were urged to embrace measures. Conclusion: This report aims to offer insights into the complications of moral and ethical issues in business and society. Ethics is a method of moral principles and attitude that leads our activities to be morally acceptable, reasonable and accurate. Ethics are the central part of our behaviour and reaction towards an event or a situation, which are not just only allowing good behaviour and virtue. Ethics are <https://assignbuster.com/report-on-business-ethics/>

expressions and presentation of values of moral performance leading the members of a profession, business or a society, so that it can protect the interests of the people involved with these organizations.

Business ethics guide the organizations regarding adequate values of what is morally right and wrong and intend to impose the discipline of consistency of those values. (Mandal, 2010) The two real life cases discussed above are interesting examples of business ethics matter. In first case study shows that how companies go through a hazy regulatory review and unsettled science should attend to their stakeholders and customers. It is all about the high-powered debate over the safety of a widely used chemical that leave Colgate-Palmolive at the centre-point of a case study in product disclosure and corporate responsibility. In second case study we will talk about shutter down of 168-year-old “the News of the World” because of the voicemail-hacking scandal, which used to be one of the most renowned newspaper running by the business tycoon Rupert Murdoch.

This case is an examination of Murdoch’s corporate history which reveals the unethical elements of the scandal in London – hacking, cutthroat reporting tactics, and unethical embarrassing situation with police, hush-money settlements and efforts to corrupt officials at the highest levels of government. Over the past decade, News Corp. has systematically employed such tactics in its U. S. operations. I think, what’s needed here in these cases is culture change.

Through a change in leadership is the fastest and deepest way to induce culture change. That means some combination of discharging, resignations,

take-overs, shareholder revolts, boycotts; investigate reporting, buy-outs, mergers, or palace coups. Though history adequately suggests that highly successful people rarely go through changes in their core value systems; mostly not because they were recommended to hold measures. The leadership should set a tone at the top that consistently reinforces these values through both words and deeds. And in Colgates situation, I think companies who market these products should clearly label that they are not intended for children and there should be a warning for pregnant and nursing women to also not use them. Bibliography Dickinson, T.

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