

Ethics in management – case on pandg assignment

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**ASSIGN
BUSTER**

Assume that P&G's Hair care products marketing manager has the Unilever papers on his/her desk. The manager is considering doing nothing with the information, just keeping a lid on the situation and telling those involved to back off. Is this action ethical? The marketing manager at this point finds himself being in an ethical dilemma situation, which he is aware of. That is probably why he, for now, decided rather to "keep a lid" on the situation, than deciding whether to actually use the information or not.

He is very uncertain about what to do and therefore does nothing for now. This first reaction might give him some time to rethink his current action and to think about the options and possible outcomes of an ethical decision, which might follow. In general though, while neglecting to do anything one abandons to intervene in a process, although having the possibility to do so. Therefore also neglecting to do something about the situation can be considered as an act and thus can be punished. Not doing anything with this information is NOT ethical.

Even though he does not use the information to take actions, which could harm Unilever and thus benefit P&G, he still tolerates the illegal actions of the outside contractors and their subcontractors, which, even though indirectly, were assigned by P&G. Therefore P&G also carries a great share of responsibility. And even if the outside contractors did not say which tools they actually used to get such secret and very detailed information, a good manager is able to assume a greater violation of ethical behaviour. 1.

Suppose the marketing manager decides that his/her superiors should be told about the raid on Unilever, but they cannot decide, whether to suggest

sacrificing the contractors to the media to protect P&G, or admitting P&G's wrongdoing and apologizing to Unilever in public. What counsel would you offer and why? What is the ethical basis for your decision? The basis for my decision personally would be the moral rights approach in this specific situation. It concentrates on examination of the moral standing of actions independent of their results.

Of course it would be a lot easier to sacrifice the contractors to the media, since they were the direct actors violating ethic basic principles. But one should be very careful to assume P will be totally exempted from the whole situation afterwards. The media is not something which can be controlled in our society. Quite the contrary, it will be eager to bring to light the whole story, and if information is hold back, rumours are likely to arise. P is a very big company, therefore it is as likely as not, that the media is going to make this a big story, which could cause the company great harm.

Hence, as a manager in this situation I would choose admitting P's wrongdoing and apologizing to Unilever in public as this is in conformance with moral principles and most likely will also provide a much better outcome than sacrificing the contractors (mentioned above). In my opinion, P&G partly has to take responsibility for its outside contractors as well. There is no doubt that the subcontractors' behaviour ethically is not acceptable. In fact, to personate as market analysts and stealing top secret information is an illegal act.

P in no case can support this kind of behaviour, alone because of its good reputation and so forth. P should be honest and working together with

Unilever in order to reveal and investigate the incidents. Moreover P should ensure these procedures will not happen again. This could be done through a code of ethical conduct, which should be implemented and communicated not only within the organization, but also towards the outside, e. g. the media, contractors, customers, etc. 2.

Can you suggest another alternative to the marketing manager for dealing ethically with the information the company has obtained? The manager should by no means use the information against Unilever. In addition to the suggestions mentioned above, he could arrange a get-together with the Company and discuss further actions. Perhaps a calm agreement can be reached, which leaves each party satisfied with the outcomes. 3. P is known to conduct rigorous competitive analyses in many of its markets. At what point would you think the gathering of competitive intelligence becomes unethical? Why?

Almost every organization, especially large companies, makes use of some kind of information gathering about their competitors in order to stay competitive themselves. In fact, such activities have already become much of a standard aspect of market research. But it seems reasonable that there are ethical lines, which should not be crossed to acceptable kinds of information gathering. The “ last line”, which must not be crossed, is drawn by the law. But with the fast development in e. g. IT and further: the increase in professional competitive-intelligence firms, it has become much harder to see even the legal limits clearly.

Of course, ethical issues between and within organizations arise, when the law does not set the limits or the government is not willing to set new limits to adapt to changing basic positions. In the P case the gathering of competitive intelligence certainly was unethical. This becomes clear by looking at the really questionable tactics P, or their hired contractors used in order to reach their goals. Moreover there was no respect to private and secret information shown by the subcontractors, who “broke into” Unilever.

Individuals rights to privacy are established in the basic constitutional law, but with corporations it is much harder to establish the right to privacy, because they do not have the same boundaries as individuals do, they interact with many individuals and thus controlling information flows is very difficult, and they use shared infrastructure which nowadays easily can be tracked, observed, etc. But couldn't private/secret information which belong to an organization be considered as a new form of property? Is this information not comparable to things like patents or copyrights, etc.?

Information is not only information any more, but an intangible good itself, just like services are. All in all, it is difficult to find an exact answer to this question. But the dedication of “the golden rule” and other ethical principles often can help to get clarification. In conclusion, at some point within ethical issues the limits are questionable, but within the law, basic ethics are clearly expressed and enforced (see figure below). [pic] ————— LAW Clearly shows ethical limits Ethical Issues questionable Ethical correct behavior

Source: Own creation