

Ethical leadership and decision making report case study examples

[Business](#), [Company](#)



The situation at Zyedego illustrates how difficult ethical leadership and decision making can be for many HR managers. The situation also symbolizes the increased importance for addressing matters that touch on ethical and legal considerations for many an organization (Linda, Ferrell, and Fraedrich, 147). Many managers often encounter situations where determining what is right or wrong is a challenge. For this reason, ethics always becomes an issue of concern for many managers. Despite the importance of ethics in decision making, widespread moral lapses in the corporate world has contributed to the collapse of respected organizations. Adopting appropriate code of ethics can enable many an organization practice legal safeguards and use ethically responsible policies in handling their issues (Wall Ch. 2).

Setting Objectives and Areas for consideration

The presentation of the above facts calls for the need to follow appropriate rules and guidelines to address issues that might warrant ethical or legal cases. The objectives for this cases are directly dependent on the consideration of implications that might occur for violating the legal laws or ethical rules due to certain decisions. The three major areas for consideration are:

- i. Consequences for hiring truck drivers with DWI records
- ii. Re-Hiring Dana Gonzales or Allowing her to work for the competitor
- iii. The Martin's Family and Payment of claims to 24 other cases (pared down by 40%)

Based on these considerations, the objectives of this case would be to offer appropriate advice to Peter to enable him make ethical decisions that are fair to all parties affected by the issues above. Having the above considerations in mind, the following objectives are applicable:

- i. Offering advice to Peter by illustrating the consequences of Hiring drivers with DWI
- ii. Outlining the rights of Dana Gonzales regarding her rights to work while pregnant and if Gwyn stands a chance to win pending his allegations
- iii. Examining the effect of Peter's emotional attachment to Martin's Case and examining other contributing factors that are certain to hinder him from making rational judgments.

Facts for the Case and Possible Problems

Legal and ethical risks associated with the decision about hiring truck drivers at Zyedego

Hiring truck drivers with past DWI (driving when intoxicated) infractions needs to be approached with due care given the legal and ethical implications it can bring to the company. While the Equal Employment Opportunity Act requires companies and organizations to offer employment opportunities without discrimination, Peter needs to assess the nature and gravity of DWI offenses committed by the affected truck drivers. This is critical because of the security and safety of Zyedego and its clients. DWI records often follow affected drivers for many years because it becomes a record for the public.

There is no doubt that the increasing need for truck drivers calls for the need to hire more drivers, Peter needs to weigh the interests of Zyedego and measure them against the hiring needs. If the excess amounts of insurance premiums paid because of hiring DWI drivers is less than the level of productivity contributed by the DWI drivers, Peter should continue with the hiring process. However, he must do so with a great deal of caution, responsibility, and consideration because a criminal record is involved in the hiring process. DWI convictions are not necessarily the only ethical or legal factor that must be considered. I would also advice Peter to conduct background checks to unearth any hidden acts or criminal offenses because not all individuals act with honesty when revealing secrets. Background information are known to be a rich source for revealing information provided that appropriate legal procedures are followed.

Recommendations on Dana's Case

The law has stern requirements for protecting pregnant employees and therefore, it is always sound and ethical to comply with these requirements. Employers ought to exercise increased caution to ensure that they do not breach or violate any laws that cater for pregnant women. It is illegal and unethical to discriminate employees because of their pregnancy situation. It is also the responsibility of pregnant women to reveal their pregnancy to potential employers in order to allow them make proper arrangements for their convenience and safety in the work place.

Dana Gonzales's cases raises several ethical and legal considerations for Peter and Gwyn. First, Gonzales as a right to be reinstated given that her

absence from work was caused by a natural disaster (Hurricane Katrina for this matter). The fact that she is pregnant does not warrant Gwyn to discriminate her by paying a lesser amount as compared to other employees because this amounts to a violation of labor laws. Second, it is the responsibility of Zyedego to ensure that safe and proper working conditions are put in place to ensure the safety of Dana. Examples of potential and hazardous dangers that might affect Dana include exposure to increased noise, proper environment for rest, and exposure to less ergonomic risks. Ergonomic risks include heavy objects, repetitive sitting and standing for longer without enough rest, and other heavy work.

Third, allegations that Dana Gonzales might not be a legal US citizen might be baseless and opportunistic. Why didn't the company validate this allegation during the first hiring process? Was it not illegal to hire an illegal citizen? Considering answers to such questions can enable the Gwyn and Peter to find solutions to these allegations. It could be possible that they are trying to take advantage of the natural calamity that led to the loss of original documents thereby putting Dana at a disadvantage when it comes to producing original documents. The slowed procedure in the provision of legal documents by Dana can be attributed to other issues such as the legal bureaucracies associated with the acquisition of new documents. Maybe they should give more time to search for the documents. However, time might be a limiting factor and same applies to the pregnancy, and giving more time would provide few incentives.

Based on the above factors and the legal considerations, Peter should advice Gwyn to allow Dana to seek employment from the competitor. Even though

this option comes with increased costs such as the payment of severance pay and loss of a productive employer, it might enable the company to cut down on costs on insurance and upkeep of the pregnant Dana. This would not amount to discrimination because Dana has asked to leave on own conditions and consent. The company is also undergoing tough conditions and might not be in a position to provide a complete coverage of all costs for Dana including insurance costs. The insurance company might require Zyedego to prove Dana's citizenship before it can agree to pay any legal claims that might be entitled to her.

Peter's Emotional Attachment to Martin's Case

Undoubtedly, Peter is emotionally connected with Guy's family as evidenced from his concern over their situation and again, given that he has helped the family out on several past occasions during times of tight financial difficulties. His concern for the wife and kids of the family also shows the extent to which his emotional attachment can have to his decision making abilities. Such emotional attachments might make Peter to favor this family as compared to other families when paying insurance claims. This sounds illogical and unethical because all affected families deserve equal pay and compensation. However, there are exceptions to this case given that it involved death of Guy. Guy met his while working for the company. This provides a case for Guy to support his cause for emotional concern. Other problems that might be responsible for Peter's emotional attachment include pending mortgage that if left unpaid might leave Martha and the kids jobless.

The storm also destroyed many documents that might impede the process of obtaining benefits.

The reimbursement of medical fees, death benefits, and pension plans has subjected Peter to intense financial pressure. To add insult to injury, the insurance company is unwilling to pay claims to all cases reported partly to due to increased financial payments and in part due to lack of substantial evidence. Areas that showed loopholes in the Martin's family include the provision of documents, and lack of Guys body or courts legal declaration of his death. Peter might also be forced by circumstances to give in to Darrell Lambert's proposals regarding the adjustment of insurance claims and pensions. Sadly, the company's upper management has given in to the deal and therefore, Peter inability to make rational decisions is not necessarily based on emotional attachments alone but rather it is influenced by pressures from his seniors, the tight financial situation, and the possible problems that might affect the affected families.

Alternative courses of action

Most decisions in the scenarios presented above involves making ethical decisions that have company-wide implications. Peter is faced with the dilemma of giving in to the interests of the company on one hand, and acting on the best interest of the affected workers provided it is ethically and legally right to do so. Each ethical scenario is presented with alternative courses of action.

On the case of hiring truck drivers with DWI records, Peter has the option of hiring them on a contractual basis to avoid having them on permanent basis, which requires the company to pay for increased insurance premiums. As such, these drivers will be forced to drive cautiously because any negligent action or cause of misconduct will make them carry their own burden. It will also serve to deter them from repeated violations. This objective will enable Zyedego to fulfil its current hiring requirements while at the same time reducing the likelihood of paying increased costs in form of insurance premiums.

The second case involving Dana would be letting her find alternative employment and settling severity costs. In this case, Dana would have left the company under her own consent. The third alternative cause of action entails failing to give in to the proposal presented by the insurance company to pay 40% less in form of reimbursement and pensions. Instead, he should seek legal counsel from the Court and explain his case. Natural calamities is unplanned and unavoidable, the need for evidences requested by Darrell Lambert might overruled in favor of Peter and the affected families.

Recommendations

Given the facts presented in the case and the legal considerations for each case scenario, the following recommendations will be given to Peter.

i. He should stop hiring truck Drivers with DWI infractions because of the increased financial implications they might bring to the company. For one, annual insurance premiums for the company would go up and in certain situations, insurance companies might be unwilling to cover drivers with past

DWI violations. Even though the Equal Employment Opportunity Act stipulates that no discriminations should exist, the same act offers guidelines to employers to prevent them from subjecting themselves to risks

ii. Peter should recommend Gwyn to hire Dina Gonzalez back and improve her working conditions. She holds valuable experience that translate to added benefits if allowed to work at the company. The idea of letting her to work for a competing firm would lead to a double loss to the company because she will reveal trade secrets to the competitor and severity costs will also be incurred as part of her settlement. Additionally, it is outright unethical to deny her employment opportunities based on her pregnant position.

iii. The third scenario involve Martin's family, Zyedego, and Darrell Lambert is quite challenging because both parties to the case have a chance for a win-win situation. Lack of evidence and prolonged court procedures might lead great suffering on the part of the affected families. By accepting the offered proposal, the families including Martin's family stand a higher chance of benefiting from the payout. On the other hand, the insurance company and Zyedego are undergoing difficult financial situations and settling for the deal offered might be beneficial to both parties. Peter has little say in this situation because the senior members of Zyedego have subscribed to the Darrell Lambert's proposal.

Implementing, Monitoring, and Evaluating

The real life situation presented in the Zyedego Case Study requires sound leadership and ethical decision making process to address the underlying

problems (Linda, Ferrell, and Fraedrich, 147). Based on the recommendations outlined above, Peter will have the responsibility using his leadership skills to ensure that due processes are followed. Monitoring the implemented decisions would require that he conducts frequent checks to ensure that all drivers have clean records, Dana Gonzalez is reinstated back, and the all conditions offered by the insurance company are fulfilled. Finally yet important, evaluation should be conducted to examine whether the implementation of the recommendation decisions were undertaken based on ethical and legal consideration. All parties to the deal must have received fair treatment in all situations that affected them either directly or indirectly.

Work Cited

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Situation