

Rent way essay example

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



Morgenstern took the responsibility of informing the authorities. He showed his accountability and responsibility as a leader. In addition, he was concerned with the welfare of his employees, thus showing his understanding of treating his relationship with the employees as a form of partnership (DuBrin, 2010). However, Morgenstern would have done much more in dealing with the situation. For instance, he would have laid out measures to ensure that internal system does not contain any more space for other employees to commit fraud. Morgenstern waited for the annual conference so that he could address the issue publicly to the shareholder. The conference happened four months after the incident had occurred. Although he had done the right thing by informing the authorities, he did not take enough measures to address the issue in public. He would have exempted himself and the company off the fraud, immediately he discovered it. Since he already had the proof, he would have informed the public on the events surrounding the proof. This would have helped him avoid the confrontations that he and his family faced. The people would already have been aware of all the events taking place, and they would have understood the situation. They would have sympathized with him and with his company because of the loss that he had incurred. Moreover, they would have been proud to be associated with a socially responsible and ethical company. This would have reduced the chance of the company incurring such losses, and it would have maintained and enhanced the company's reputation. Being socially responsible means doing the right thing in business. In some cases, some people might find that engaging in unethical behavior can lead to better profits. For instance, they might find it cheaper to use a certain

product, which is cheaper compared to the alternative. Using this product would enable the company to save on costs. However, the product would be bad for the environment and would cause a lot of damage. Therefore, this compels the company to use the other alternative product, which is more expensive, but which will not cause any damage to the environment. In this way, the company ends up forfeiting the profits it would have made, had it used the cheaper product. Socially responsible companies have to comply with the stipulated regulations.

Companies have to show that they are not involved in any illegal activities. This essentially means reporting any cases of illegal activities when they happen. Companies who do this are essentially facing risks, not only of losing profits, but also of closing their businesses. Businesses spend a lot of money on different projects and programs as they try to ensure that they are socially responsible. Much as the businesses do this for the sake of advertising and public relation purposes, they do incur heavy costs. In some cases, they do not get to recover these costs, since the customers do not recognize their efforts.

The case has several lessons that are useful for any business. For instance, it highlights the importance of collecting substantial evidence before accusing employees of any crimes. Secondly, the case highlights the importance of involving the authorities when investigating any wrongdoing in the company. The case highlights the importance of communication. It is important for a company's management to communicate to the public, much as it has communicated with the authorities. The authorities might help the company in the legalities of the issue, but they cannot guarantee that the company

will be able to maintain its reputation. The company has to do a lot to improve its reputation, and this calls for it to improve its public relations. The case also highlights the importance of having a leader with integrity. The company's CEO knew that he faced a tremendous challenge and a possible loss by revealing all the details of the fraud case. However, he never compromised on his integrity and he did not cover for the mistakes of his employees.

References

DuBrin, A. J. (2010). *Leadership: Research findings, practice and skills*, 6th ed. Mason, OH: South-Western Cengage Learning.