

On the other hand,
mcdonalds boasts of
being the leading
global food retailer
ess...

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



Business Ethics Case: Application of Ethical Tenets

Introduction

Contemporary organizations have increasingly promoted social responsibility and conformity to ethical standards. Two of the most popular global organizations are Wal-Mart and McDonald's. According to Wal-Mart's official website:

- " Wal-Mart operates over 11, 000 retail units under 71 banners in 27 countries
- Wal-Mart employs 2. 2 million associates around the world — 1. 3 million in the U. S. alone" .
- Established " more than 35, 000 local restaurants;
- serving nearly 70 million people,
- in more than 100 countries each day" .

As such, these two organizations touch and influence millions of people through the products and services being offered on a daily basis. Their adherence to ethical, moral, and legal standards are promoted through the values and corporate philosophies promulgated through their online sites. Wal-Mart announced their global responsibility through announcing that " we believe we have an opportunity and a responsibility to make a difference on the big issues that matter to us all. Issues like preserving the environment, fighting hunger, empowering women and providing access to healthy, affordable food" . Concurrently, McDonald's emphasized commitment to doing good . In this regard, the current discourse aims to present the following points:

Ethical Tenets

- Immanuel Kant conceptualized the ethical tenet which focuses on the study of duty (deontological ethics) where individuals should base decisions based on the motive behind an action .
- John Stuart Mill believes in utilitarianism or “ the idea that the moral worth of an action is determined solely by its utility in providing happiness or pleasure” .
- Finally, the proposition of Ayn Rand centered on rational self-interest through delving into pursuits that serve personal happiness.

These ethical tenets would be the theoretical frameworks for evaluating the actions and decisions made in Wal-Mart and McDonald's in the documentaries Wal-Mart: the High Cost of Low Prices and Supersize Me.

Application of Ethical Tenets to Wal-Mart and McDonald's

In the documentary Wal-Mart: the High Cost of Low Prices, the thrust of the video was Wal-Mart's alleged misleading the public that their establishment of stores in local communities would be beneficial in terms of the accessibility to varied products of significantly low prices. However, the documentary revealed that whenever Wal-Mart establishes branches in identified states, local businesses go bankrupt. In addition, their business practices counter ethical, moral, and legal standards. As disclosed, management pays their workers considerably low and does not provide affordable health benefits. As such, most of the employees resort to government-support social and health services. On the other hand, in the documentary entitled Supersize Me, Morgan Spurlock ate only McDonald's

products for 30 days. The intention was to determine the effect of McDonald's meals to the health of individuals consuming their products. After the 30-day period, Spurlock's health deteriorated, especially through gaining more than 24 pounds, a cholesterol level that reached 230, fat accumulation in his liver, mood swings and sexual dysfunction .

The application of ethical tenets to Wal-Mart's business model is seen through management's assertion that by patronizing their products, consumers would benefit most through the lowest prices offered in the market. This could be consistent with Mill's utilitarian approach where a greater number of people would benefit most from their firm entrenchment of the retail industry. However, taking the perspectives of the local community and local business owners, the establishment of Wal-Mart business in other states evidently killed local business enterprises that served the community for a long time. As such, it could be argued that Wal-Mart only achieves their own selfish interests over those of the residents and community members. By not providing appropriate compensation and good working conditions (especially to workers in China and Bangladesh), the owners and senior management of Wal-Mart violate legal and ethical standards. In addition, through local government's provision of subsidies, Wal-Mart is provided with monetary incentives to establish stores whereas these subsidies should have been channeled to more worthy causes: educational programs or health campaigns. The testimonies of their personnel also attested that management coerced them to lie, be indifferent to health, security and environmental hazards, as well as make false pronouncements of benefits to the public. In sum, Wal-Mart actually violates

ethical, moral, and legal laws through their primary objective of maximizing profits at the expense of others.

Concurrently, in the documentary *Supersize Me*, viewers could evaluate the ethical tenets of McDonald's business model of offering serving sizes (supersized) and products that are easy to avail and consume. Again, one affirms that McDonald's premise is to offer products that would be good for the public's consumption and therefore, is in conjunction with the utilitarianism theory. This is consistent with the organizational value and commitment of doing good. However, from the experience and testimony of Spurlock, he emphasized that consumption of McDonald's products on a daily basis, without taking into account the need for regular exercises, or the value of discerning the nutritional components of the food being consumed, would result to negative repercussions in one's health. It could be observed that despite warning from his internist, Spurlock continued to consume the food products which further caused detriment to his health. The ethics of Kant is applied here where the motive and not the outcome, is the perpetuator of the action.

At the onset, it is already known predominantly that consuming fast food items are hazardous to health due to the ingredients and manner of preparation of these food items: high in sodium, fat, and sugar, among others. Therefore, one contends that patronizing McDonald's products should be made with due discretion and diligence. It has been observed that the food products' ingredients and nutritional content could be reviewed through online sources. As such, consumers have the responsibility and accountability for exercising diligence in selecting food choices that cater to

personal needs. The ethical tenet seen to have been applicable by McDonald's, through its stakeholders (employees, managers, suppliers) as revealed through the documentary, was Kant's deontological theory: "the sole feature that gives an action moral worth is not the outcome that is achieved by the action, but the motive that is behind the action". This means that it is the obligation of the employees and management to promote their products to maximize profits and to provide compensation to the workers. As such, on the part of the consumers, it is their responsibility (and free-will) to discern how much of the products and in what frequency, should these products be consumed.

Conclusion

The information revealed in the documentaries Wal-Mart: the High Cost of Low Prices and Supersize Me are disturbing given the noted violations to ethical, moral, and legal standards. Using the theoretical frameworks of Kant, Mills, and Rand, the business models of Wal-Mart and McDonald's were evaluated and both have contended patronizing their products are consistent with Mill's utilitarian theory. However, in contrast, viewers could deduce that the real goal of these global giants is still profit maximization over looking more closely into considering and serving the interest of their workers or of the general public. As such, out of sheer duty and indifference to the perceived potential outcomes of their actions, both organizations have faced legal battles and complaints that intend to stir greater commitment to social responsibility and adherence to business ethics.

In retrospect, the public is thereby warned, through viewing these

documentaries that, each individual possesses cognitive abilities to discern which actions would be good and beneficial in serving personal welfare and those of the well-being of others. Like local community members and business owners who had openly opposed the establishment of Wal-Mart stores in their various states, individuals could also opt to say no in consuming McDonald's products that are deemed hazardous to one's health. Man's actions and decisions are governed by ethical, moral, and legal codes of conduct. In the end, each individual is accountable for what one becomes. Ethical rules are only guidelines that assist men in making responsible decisions.

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