

# Ethics and corporate responsibility in the workplace and the world case study exa...

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



1.

The case study is focused on describing unethical practices adopted by CompCARE a subsidiary of PharmaCARE. The company is involved in workplace discrimination, and not managing safe appropriate working conditions. All people involve in the processes and getting impacted by the ParmaCARE operations are stakeholders of the scenario. Major stakeholders in the case are: PharmaCARE, CompCARE, WellCo, employees working in the CompCARE, people of Colberia, and regulatory authorities of Colberia. WellCo recently acquired CompCARE and will get impacted by all the decisions taken by the old management in the past. Employees are facing major health challenges due to poor and unhealthy working conditions. PharmaCARE operations are negatively impacting environment and people of Colberia.

2.

Business ethics can describe as values and morals that inform organizations about acceptable ways to perform business. All companies require to perform their business by adopting ethical approach in dealing with internal and external stakeholders. Companies often face litigations due to unethical business practices, and ill treatment provided to different stakeholders as well as environment. For example litigation was filed on Nike from its employee claiming for unethical and deceptive labor practices. Kasky v. Nike, 1998 had settled at \$1. 5 million (Ferrell et al., 2008).

Social organizations and consumers believe that companies should focus on making profit without harming environment in which they are operating and other stakeholders. Corporate social responsibility refers to the obligations of organizations towards society and environment. Under CSR, companies

adopt practices that minimize negative impact of operations on the society while maximizing benefits. In given case, PharmaCARE is not treating Colberia's population in ethical way. The behavior depicted by company is unacceptable as company is not adhering with the business ethics and regulations. The compensation policy of the company is unfair; on one hand company is paying lucrative packages to its senior executives and on other hand company is paying very low salaries to the workers (Andersen, 2004). The company is also involve in racial discrimination because it is not treating Colberia's workers in same manner as it treats American workers. Colberia's workers are not offered same compensation and working conditions provided to Colberia's workers are also very poor. Company is providing unsafe working conditions to Colberia's workers which resulting in creating health problems for the workers. Government formed rules and laws to ensure that companies adopt business standards that are ethical and acceptable by the society.

3.

Allen should not fire Donna, Tom, and Ayesha because this move will be unethical. Donna is suffering from health problems because of the unsafe working environment provided by the company. Therefore her discharge from the office will be unethical, and may result in a new litigation for the company. Similarly Tom is aware about the poor working environment of the company and ignorance of OSHA standards. Any notification to OSHA will invite sudden audit by the OSHA officials, and huge fine because of non-compliance with OSHA standards. Ayesha case refers to racial discrimination and unethical promotion & appraisal policy as she did not receive promotion

because of her religion (Andersen, 2004). Firing of any employee is unethical when:

- Employee fired without any good logical reason.
- Employee fired on whistle blowing grounds which referred as protected disclosure.
- Employee is fired on health or safety grounds.

An employee can sue his or her employers if they are being fired without any ethical & legal reasons. In given case all three employees can file litigation on the company if fired. The company can defend itself only when firing is made on substantial grounds such as non performance of employee, breach of contract, misconduct, or redundancy. Court makes decision after evaluating arguments presented by plaintiff and defender. Constitutional rights protect the interest of employees. Equal Employment Act protects employees from any type of discrimination at the workplace that occurs due to race, religion, ethnicity, color, gender, or age. According to the law all employees should provided with equal opportunity.

A company can fire employee on the ground of unsatisfactory performance, but health problem or physical injury can not make logical ground for firing. Occupational Safety and Health Act (OSHA) facilitate healthy and safe work place environment for all employees. Family and Medical Leave Act (FMLA) protect employees in case of medical leaves (Hogler, 2004). All these laws are formed to prevent employees from unethical firings. Therefore, it is important for employer to fire employees only after ensuring valid reason, and by taking steps that shows the transparency of the process; these steps will prevent employer from any type of lawsuit. Court generally consider if

employer adopted fair process to fire employee, and the firing is reasonable or unjustified. Therefore, Allen should dismiss employees only if solid reason is available and his act is legally justified.

4.

Allen can improve the working conditions significantly by increasing the employees' participation. Allen should motivate employees to raise their concerns on health, safety and other ethical issues openly and frequently. Allen should inform all employees about the benefits of active participation in order to address workplace issues and to resolve them. Allen is required to be receptive with regard to communication related with workplace issues. Leader should develop a bonding of trust with the employees so that employees feel secure while communicating reprisal threats (Jennings, 2012).

Allen should facilitate development of open, collaborative, and non-threatening environment in which whistleblowers are rewarded by positive feedbacks, encouragement dialogues, and by providing reasonable solutions to their problems. Allen can adopt following measures to strengthen whistleblowing:

- Organization should bring changes and improvement to increase employee participation. The change can focus on process reengineering, and other practices that focuses on quality management of workplace.
- Evaluation of organizational programs to identify leaders or managers, or supervisors with whom employees have strong bonding, and can share information on unhealthy or unsafe activities comfortably.
- Employees should understand the problems and their nature which they

want to communicate.

Allen will be able to reduce malpractices that directly impact efficiency of organization. Whistle blowing policy will help in building positive image of the company. Such policy will ensure that the company is adhering with all laws, and minimize any penalty company might face due to non-compliance of established standards (Andersen, 2004).

5.

PharmaCARE provides unhealthy working environment to its employees. Several employees are facing serious health troubles due to harmful chemicals arising from the production facility. Management of the company is not taking any measure to improve the situation even after knowing its consequences. In other event, the company is producing and providing unsafe drug in the market place that is responsible for cardiac death of people. In light of these issues, stewardship initiative taken by the company is not effective, especially when company tries to safeguard it Colberis's operation by lobbying (Shaw, 2011).

Majority of the actions of the company are unethical and unacceptable by the society. PharmaCARE hence do not have moral authority to organize environmental matters because the image of the company in society has significantly damaged. Further, the poor treatment provided by the company to its worker incapacitates environmental efforts made by the company. A company that is incapable to protect its employees from unhealthy work environment can not protect environment without its own benefits (Shaw, 2011).

6.

Government formed The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) in year 1980 which further amended in year 1986 by The Superfund Amendments and Reauthorization Act (SARA). This act empowers local agencies that work for environment protection, to evaluate dumped sites polluted with hazardous material and pursue their cleanup. Trust fund is allocated to the agencies to carry out cleaning work (Ferrell et al., 2008).

CERCLA broadens liability of pollution to all possible classes of defendants. This act is a powerful tool that ensures that parties responsible for pollution fulfill the cost of cleanup. The act covers all possible elements & areas selected as hazardous. The act also protects provision of:

- Clean Water Act
- Toxic Substance Control Act
- Clean Air Act
- Resource Conservation and Recovery Act

PharmaCARE involves in damaging habitat and endangering local species.

The company is damaging environment and exposing its workers to hazardous materials which resulted in health problems in the workers.

Company should compensate all employees who are facing health troubles.

The company is also responsible under Clean Air Act and Toxic Substance Control Act for polluting air and emitting hazardous substances in the environment respectively.

## References

Andersen, B. (2004). Bringing business ethics to life: Achieving corporate social responsibility. Milwaukee, Wisc: ASQ Quality Press.

<https://assignbuster.com/ethics-and-corporate-responsibility-in-the-workplace-and-the-world-case-study-example/>

Ferrell, O. C., Fraedrich, J., & Ferrell, L. (2008). *Business Ethics: Ethical Decision Making and Cases*. Boston, MA: Cengage Learning.

Hogler, R. L. (2004). *Employment relations in the United States: Law, policy, and practice*. Thousand Oaks, California: Sage Publications.

Jennings, M. M. (2012). *Business: Its Legal, Ethical, and Global Environment*. Mason, OH: Cengage Learning.

Shaw, W. H. (2011). *Business Ethics: A Textbook With Cases*. Boston, MA: Cengage Learning.