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Ethics has variously been described as a set of generally accepted guidelines designed to govern the conduct of those that are part of the organization or class in context (Bhal & Sharma, 2004). Ethics can be said to be a set of accepted standards in line with which all decisions and actions in an organization should be evaluated. According to the philosophers of ancient Greece, the significance of ethics was to achieve what they referred to as the highest good for a common cause. Highest good has been explained as a state in which everybody within a group or a society is satisfied. Something is said to satisfy the cause of highest good if it prioritizes organizational or societal interests over individual desires. Business ethics also referred to as professional ethics are a set of guidelines governing the conduct of the members of staff within the workplace. This paper seeks to explain some of the strategies used by the top management to solve ethical dilemmas in the light of two cases involving unethical decisions by employees of ECG.
The first case explains the conduct of an employee who is pushing for a business acquisition that is clearly meant to benefit her together with her spouse. The major issue of ethics under this case is conflict of interest. There is a conflict of interest between the desires of the employee and the organizational interest. According to the classical theories of management, it is I order for a member of the management as a steward of the shareholders, to subordinate individual interest to organizational interest (Koehn, 1994). As part of satisfying the principles of the highest good in light of common interest, individual desires should be subordinated to organizational interest.
According to the stakeholder principle of professional ethics, the decision of this member of staff is unethical. The stakeholder principle of business ethics holds that any managerial decision should be made in consideration of all the stakeholders affected by decisions of such nature (Jones et al, 2005). Considering the fact that ECG has a predetermined and well established code of conduct, it is expected that the employee acts in line with such codes of conduct. The decision maker is at the center of a wide array of stakeholders who are affected by top managerial decisions. Among the factors to be taken into consideration in the decision making process are; the general public, the values of the decision maker, the objectives of the shareholders, participants in the business process and the wider interest of society.
The fact that the case under review involves an initial public offer, IPO, implies that all decisions made affect not only the internal business environment, but also members of public and potential investors, as well as the entire business community. The fact that the traditional business objective of profit maximization has long been replaced by the maximization of share holders wealth, the members of management are ethically obliged to make decisions in line with this contemporary business environment objective (Davson, 2009). In line with the ethical principle referred to as input receiving, the wants of others, in this case other members of management and the ECG stakeholders ought to be furnished with information regarding the said members’ interest in ECG as well as their investments in Government Allies, Inc.
One of the values of ethics is fidelity. Fidelity entails that a member should remain faithful to their commitments and formal promises throughout (Jennings, 2012). The member of staff in this case acts contrary to the value of fidelity in the sense that she is neither faithful to her commitment in ECG nor her investments in Government Allies, Inc. she violates the ethical principle of respect in the sense that she does not act in the best concern of the shareholders who have entrusted upon her the responsibility of stewardship. The principle of integrity is also violated in this case because, critically analyzed, this amounts to moral corruption. The member of staff compromises her integrity and this amounts to breach of trust between her and the share holders as well as the other members of staff.
This case can be analyzed and solved using the various classical and contemporary approaches to the evaluation and implementation of professional ethics. One such approach is the utilitarian approach, which holds that, for an action to be considered ethical, it should yield highest good or least harm (Koehn, 1994). In light of this case, highest good can be equated to the interest of the shareholders and the rights of all stake holders. Making a decision that will result in the maximization of share holders’ wealth constitutes highest good, while decisions made with the intent of self gratification violates the presumption of this approach.
As a solution to this, conflict of interest and gross violation of professional ethics, the organization has to choose from the many available courses of action. Among such alternatives, is the option of revoking the business acquisition and setting up a new candidates select committee to handle the issue, in which case the Government Allies, Inc should not be considered a candidate. This option comes with various consequences, among them; the possibility of ECG foregoing the projected expansion that would otherwise benefit the shareholders. This option if adopted implies that, the said member of staff will not have achieved her malicious intent of gaining through unrightful means. Similarly, the share holders’ wealth will not have been maximized.
The ultimate solution to this case should be to give the employee at the centre of controversy the option of withdrawing her interest in one of the organizations before the acquisition is effected. This would be a more ethically acceptable alternative than the former considering the fact that it is in line with the share holders’ wealth maximization and the virtue approach of critical thinking. The provisions of the utilitarian approach would hold the same view since the share holders’ interests constitute the highest good as opposed to the individual interest of a single employee.
In the second case, the employee acts unethically by maintaining constant contact with the employees of X TelCo who are in charge of the bid process. As such, he is able to gain unfair advantage on behalf of the firm. Rationally, it is ethical that all bidding parties be equal in the bid process. This implies that, they should be furnished with equal information and to the same extent, for fair and just results. The fact that the employee is secretly obtaining details of the bid process through informal means amounts to violation of professional ethics under the fairness and justice approach. This approach holds that for an action to be considered ethical, all members and parties at the same level should be subjected to equal opportunities and treated as such.
Under the fairness and justice approach, the acts of the ECG employee brings about unfair competition since, his informal links with X TelCo officials increases the chances of ECG winning the bid, not because it has formally recognized competitive advantage, but because of the unethical relationship between the employee and his former colleagues in the communication industry. Under the virtue approach, the unethical behavior of the employee has negative implications of the corporate image of ECG. This is because the virtue approach of ethical thinking seeks to answer the question, what kind of people shall we become if we commit or omit this?
The corporate image of the company will be tainted if it becomes apparent that they won the bid through unethical means. Additionally, the employee does not act in accordance with the provisions and principles of fidelity. As stated earlier, fidelity involves the principles of faithfulness to all parties and institutions to which a decision maker subscribes. It is the right of the share holder s and all stake holders of the company, ECG, to be informed on the status and links of all those in the bid committee to the bidding company, X TelCo. Under the rights approach of ethics, an action is considered ethical if it safeguards and respects all the rights and moral standards of the majority in the organization or society. Apparently, the employee in this case is held in breach of the provisions of the rights approach.
As a way of solving such cases and reducing such incidences, the leadership of the organization in conjunction with the ethics review committee should revoke the bidding process to the extent to which the said employee is involved. This is to ensure objectivity in the process. In furtherance to the effectiveness of the ethics implementation programme, the leadership of RCG through the ethics review committee should introduce a well designed and organized disciplinary process which prescribes suitable penalties for cases in violation of professional ethics. Such penalties should vary in intensity depending on the gravity of the breach. For instance, unethical behavior that impacts on a majority of the stake holders should be penalized by expulsion from the organization.
In conclusion therefore, it is worth noting that ethics have a fundamental responsibility to undertake in the management of an organization and governance of the professional conduct of the employees of such organization. A well recognized code of conduct coupled with a strict disciplinary process within an organization ensures discipline and integrity among the work force (Jennings, 2012). This eliminates or mitigates the chances of unethical actions that may have detrimental and adverse effects on the possibilities of achieving the long term goal of every organization. Achievement of share holders’ wealth maximization is the rationale for the existence of business firms in the contemporary business world. From the foregoing professional ethics play an important role in concentrating the efforts of all stake holders towards achievement of this goal.

## References

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