

# [Code of business ethics management essay](https://assignbuster.com/code-of-business-ethics-management-essay/)

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TransCanada Pipeline Limit (TPL) is a major marketing corporation in North America which provides natural gas transportation to Canada and United States with more than 35 years of experience in delivering natural gas market. The main stream of the company is mainline natural gas transmission, oil pipeline and energy which run through the provincial border of Alberta-Saskatchewan and Quebec-Vermont respectively. The Company has net income attributable to common share by $1. 3 billion in year 2012. (Transcanada Pipelines Limited, 2013)In the period of 1950s, the population in Canada increased rapidly especially in the cities and energy shortage was becoming a major problem. For example, population of Montreal grew from around 1. 83 million to 2. 57 million from 1956 to 1966. This period is during World War II years, when Canadian learnt that they could not depends on energy form United States, as United States put its own energy need first. Most of Canadian resources were under the ownership of United States and more than 65% of oil industry and 50% of Canadian mines were owned by U. S. businesses and the number was gradually increasing. Therefore, TransCanada Pipelines was incorporate in 1951 to undertake construction of natural gas pipeline project under the presidency of Nathan Eldon Tanner. (Transcanada Pipelines Limited, 2013)By the 1970s, the Company becomes a world leader in pipeline technology. The Company has developed a computer system which was capable of controlling and regulating the flow of gas accurately and precisely. They were the first company to introduce this type of technology in the market and this was the first devised system for pipeline. In addition, the Company also diversified themselves into chemical industry, and established several first of a kind gas extraction plants in Alberta. (Transcanada Pipelines Limited, 2013)

## Alaska Pipeline Project:

Alaska Pipeline Project is incorporated between TransCanada and ExxonMobil in year of 1974 in order to transport natural gas from Alaska North Slope to U. S. Midwest. Their main purpose is to promote exploration and development of Alaska’s oil and gas and encourages the people to involve in the shipment of natural gas from North Slope to markets in Alaska through a gas pipeline system. (Gas Pipeline Project Office, 2013)

## Keystone XL Pipe line project:

The Keystone pipeline project is pipeline system which transports synthetic crude oil, starting from Northern Alberta, Canada to multiple destinations in United States. This project consists two proposed pipeline segments which are Keystone Pipeline and Keystone – Cushing Extension or knows as Keystone XL Pipeline and the Gulf Coast Project. (Keystone XL Pipeline Project, 2013)Keystone XL Pipeline is construction of 1, 897 kilometers long, 36-inch diameter crude oil XL pipeline, starting from Hardisty, Alberta to Steele City, Nebraska. This project of pipeline is a critical infrastructure as far as the energy security of United States is concerned. Current status of the Keystone XL pipeline is awaiting approval from U. S. regulators after submitted a President Permit application which required for building across border pipeline. (Keystone XL Pipeline Project, 2013)The Company believes that this project will meet the needs of American consumers because these pipelines have capacity to transport 830, 000 barrels oil per day which helps reducing American dependence on oil from Venezuela and Middle East by 40 percent per day. The Company also believes that this preferred route will provide benefits in many ways. For example, it will avoid the area of Nebraska Sand hills and will create the employment of around 9, 000 jobs in American portion of pipeline and 2, 200 in Canada site. Also, the construction and operation is expected to have minimal environment impact in Nebraska and the operations of the pipeline manufacturing will have no effect on the surface as well as ground water quality. (News, 2013)

## Code of Business Ethics (Making right choices-Doing the right things)

There are some corporate values which company follows in order to make right choices doing right things they are as follows: Collaborate, Integrity, Responsibility, Innovative, Collaborate. Work together as one company to make right choices doing right things TransCanada has formed an organization called ethics and compliance organization which works across TransCanada’s various departments, regions to help ensure they make right choices to do right things together. (Transcanada Code of Business Ethics, 2012)They should follow some things to be collaborative such as: Compliance organizationEthics helplineReporting legal and ethical violations

## Integrity:

They act with high ethical standards and they comply with the legal requirements and corporate policies applicable to them in jobs. They should follow following things to maintain integrity: Trading with integrityCompeting fairlyAvoiding bribery and corruptionContracting with governmentAccounting, financial reporting and fraud prevention

## Responsibility:

In doing business they feel some responsibilities include protecting TransCanada assets and protecting health and safety of workers, environment and maintaining a respectful workplace. Things to be considered are: Protecting confidential informationProtecting and respecting intellectual property rightsProtecting and using TransCanada’s assetsManaging and maintaining the security of informationBeing social responsibleProtecting individual privacyEqual opportunity in employments

## Innovative:

They are to be very courageous and challengingThey have to enable positive changesTo find out new ways to do thingsEven if they try to do their best by following all principles of code of business ethics to make the right choice doing right things some time they are not that successful or unclear in that situations they themselves ask some fundamental questions In order to find the right way in that particular situation and that is clearly shown in the below flow chart. (Transcanada Code of Business Ethics, 2012)Figure1: Flow chart for Code of Business Ethics (Transcanada Code of Business Ethics, 2012)

## Ethical Business Practices:

The company follows ethical business practices strictly and implements as its responsibility. TransCanada takes responsibility for environment, public safety and awareness, develop projects with community support. It has several programs to reduce the environmental impacts and included health, safety and environment (HSE) management system. The issues like greenhouse gas emission, climate change are taken care by introducing technology development and advancing the programs. The controlling of greenhouse gas emission is taken care by reducing the emissions and using solar, wind and other forms to save energy. TransCanada’s main focus is on safety of public and making aware of safety policies to employees, stakeholders, ourselves, colleagues. PIPA’s (Pipelines and Informed Planning Alliance) goal is to reduce the risk and increase the safety for the communities which are affected by the pipeline disaster. (Corporate Responsibility Report, 2007)The controversy is that whether TransCanada is following the business practices ethically? Ethical dilemma has been created by not following the code of business ethical principles. As per the article by journalist, one of the inspectors whose job is to inspect the construction of the pipelines, he noticed that the material used to build the pipeline is cheap foreign material which was cracked when worker was welding it. In the ethical practices they also mentioned that they develop their projects with the agreement of communities. And the company failed to follow this practice in the Lubicon lake nation. TransCanada went against the Lubicon people agreement. The oil spill from the pipelines had made large impact on the Lubicon Lake. The oil spill cleaning process takes six to seven months. TransCanada failed to follow the Lubicon rights by not following the health and safety of Lubicon people, harming wild life, and damaged the land and environment. Is it ethical to use cheap material to build pipeline? The company basically focused in growing business and not on building good relations with partner. It is wrong practice followed by the TransCanada. The project of building pipeline in Alaska was successful with $24 billion US to $48 billion US. The company is trying to come up with the issues.

## Suggestions to Maintain the Ethics:

## Hypothetical situation:

Trans-Canada being largest pipeline systems in Canada, should take every step to protect the environment as their business has an impact on the environmental changes. It’s always a hypothetical situation to suggest something which totally eliminates the damage causing to environment during the process of installing the pipelines and also during the transport of gas from the pipelines but it is their responsibility to implement every measure that will reduce the environmental pollution caused by them. Global warming due to emission of potent greenhouse gases from the pipelines is the one of the major problem causing due to transportation of gases through the Trans Canada pipelines. So they should make efforts to reduce the leakage of the pipeline so that they can save environment.

## Mobile compressor units:

Mobile compressor units are the equipment which will monitor the pipelines leakage and helps in the fixing problems to the pipelines. This equipment will help in reducing the emission of greenhouse gases from the pipelines by 90% and thus save the gas and also helps in reducing the Global warming which has serious effect on environment. These units will be mainly used to reduce methane emissions from the pipelines which are a potent greenhouse gas. As of now Trans Canada is having only eight of its mobile compressor units in Canada to reduce the emission of greenhouse gases, but these aren’t sufficient to monitor all the pipelines so Trans Canada should have to increase their Mobile compressor units so that they can use them efficiently in order to monitor the leakages in the pipelines. They should make every effort to use the latest technology in laying and monitoring their pipelines so that they can reduce the environmental foot print.

## Careful while laying the pipelines:

As the main business of Trans Canada is installing the pipelines they should be careful about the destruction they are causing to both public and to the environment. They should try to avoid installation of the pipelines near to living areas of both human beings and also to the animals as it shows serious effects on their health. Pollution near living areas will seriously effect on the ecosystem which is the important issue that company should keep in mind all the times during installation process. So the company should take initiative to educate the people about the measures which they are taking in order to reduce the pollution in the surroundings. Trans Canada should also take care about their employees’ health who are the main people affected due to their work all the times.

## Volunteer work:

Trans Canada being one of the largest companies in a Canada should not only concern about their business but also they should also be service oriented. They have to allow their employees to do volunteer work in order to conserve the environment cleaning the waste lands and growing greenery should be done so that they can contribute for environment. Trans Canada should implement a mandatory volunteer work for its employees for at least three days a year and take necessary steps to save environment and also the wild life.

## Plantation Programs:

As emission of greenhouse gases is main reason behind the global warming which is a serious threat to globe Trans Canada should take initiation in implementing Plantation programmes so that they can contribute to reduce the global warming. Plantation programmes also help in increasing the greenery on the planet so the unwanted gases content may be reduced.

## Removal of oil spills from water Bodies:

Removal of oil spills which are leaked from the pipelines should be thoroughly done by the company as they can cause serious threat to the water Ecosystem. A separate team should be working on this programme every time and they should try to leakages from the pipelines, besides removing the oil spills from the surrounding water bodies.