

Management ethics at bp

Business, Management



Beyond Petroleum, BP is among the largest Oil and other energy companies in the world. Its targets and confidence in the market has enabled it reduce Carbon dioxide waste and enhance alternative sources of energy like solar power. This upward success has, however, in the recent past been challenged. BP's environmental image in the globe has been tarnished due to accidents and ethical issues it faces. Its actions are argumentative based on the facts and the rational thing that ought to be done at the time of the incidents.

Looking at its business norms and the theoretical standpoints that contrast, therefore, paves way for arguments on the ethics of its business practices. Business Management Ethics Issue at BP BP is currently being heavily scrutinized due to its history of ethical and legal violations that law enforcers, critiques and members of congress have ascertained. The London based oil company has a tendency of putting profits ahead of anything else. Its subsidiaries over the past two decades have had two felonies, including a conviction three times of crimes against the environment in Alaska and Texas.

In the U. S history, it is the company with the highest fine levied against it for willful work safety violations. BP's accepting responsibility is just a formality but denies it is guilty of a continuous sequence of safety and environmental faults (Greenpeace USA, 2010). Beyond Petroleum, formerly British Petroleum, aimed to drastically cut down the greenhouse gas emissions by 10% between 1990 and 2010. This they did, successfully pointing out their intent to either help the environment in their work or just instill a better image of an environmental-friendly company that intends to tap into the

developing market of alternative energy. Most of BP's actions have, with time, been regarded as unethical.

For instance, after the Alaskan oil spills, Texas City refinery fire, treatment of the Colombian farmers and the explosion in the Gulf of Mexico, ultimate decisions made by the company eventually led to destructive results for the majority of the stakeholders (BP, 2012). The environment is recognized as a stakeholder in many companies including BP since it can be affected by cooperate activities. It is also included in their annual reports.

A 2009 report by BP indicates its mission to renew assets, deliver and create products that the Stakeholder theory continuous needs of society, as well as sustaining the customers' support in communities they work in. The Stakeholder theory where the environment is as stakeholder is popular. However, if not founded with strong, assertive principles, it can be saturated by self-interested initiatives, hence, excluding the ethical considerations from managerial analysis. An example of this is the oil spillage in the Gulf of Mexico by BP (Ohreen, 2010).

Preliminary results in the cause of the Gulf spill, according to BP, indicate failures of the tools designed to avert a blowout. According to an eyewitness, evidence from rig workers indicates that BP was aware of weeks before the blowout that there was a malfunction with the equipment. According to the Stakeholders theory, even though BP was unaware of the technological problem, they ought to have weighed the danger to the environment and failure of the gadget against the costs and profits earned. Drilling should have stopped and the blowout preventer repaired even though it meant making losses.

On a strategic approach, BP should have considered the natural environment a vital partner and incorporate measures into their goals and structures. The ethical value lacks in within BP's strategic environmental management system (Campbell & Clifford, 2010). On a manager's point of view, it is ethical to look at other sources like philosophical arguments to decide if polluting the sea with dangerous oil is legitimate. Each person in BP has a duty to obey the law and uphold ethical standards that is reflected in the way they work and code of conduct.

They are entitled to speak up and raise any concerns, possible violations or questions they may have. The BP ethics and compliance team liaises closely with the businesses and functions in ensuring that laws are complied with as well as the regulations and code of conduct. Training and oversights are done to make sure each business is ethically effective and locally complies with the program. Accusations of misconduct are investigated and employees or contractors found guilty are held accountable and disciplinary action taken including the termination of contract.

In 2011, there were several dismissals of employees and contractors for unethical behavior and non compliance. The problem is partly about the inefficiency in managing the complex tasks like drilling miles below the surface of the ocean. Challenges in such proximities require a management that is flawless, which is nearly impossible. A small problem is easily dealt with. However, when it is huge, the consequences are catastrophic and unbearable to many (BP, 2011).

In a manager's perspective, bureaucracy constitutes the organizational principle in the commercial circle, as much as many may deplore it. The fast <https://assignbuster.com/management-ethics-at-bp/>

pace in which change is engulfing the organizations will be the ultimate test to measure the people's resilience in every society. The balance, never the less of the promise and peril challenging an organization highly depends on its capacity to adopt. The more one is informed about things that are adaptable, the more questions are raised concerning the foundations of modern management theory and if the company is undermanaged or unmanaged (Hamel, 2007).

According to Hamel (2007), management innovation is therefore anything that eventually changes ways that management work is done, or totally alters organizational forms, thereby advancing the goals. Management innovation “ is anything that substantially alters the way in which the work of management is carried out, or significantly modifies customary organizational forms, and, by doing so, advances organizational goals” (Hamel, 2007). There is often a tendency for infrastructure projects to change the planning process with going straight to work, which is a big mistake.

Most of the time spent on planning for the project will drastically reduce the cost and time spent hence increasing the quality of the project. Once the customer and other shareholders ascent the project, it becomes the basis of the work to be done. A good manager ensures that a work plan is created after the project is identified. The plan shows a systematic way of going through the project including its deliverables and management. A similar plan that includes assigned resources and estimated work needs to be used as references in order to get good results.

In line with this, project management procedures partially indicate the resources used in the project. These include parts on how team members manage issues risks, communication among many others. The ability to aggressively manage the project or consignment and ensure the team members understand their work is of utmost importance. In a multinational oil company like BP, it is paramount that the manager recognizes trouble looming in the company like the budgets becoming big, or schedule; this may affect negatively on the sales and put the company in dept.

If there are activities that are still ongoing that ought to have stopped, then they should be done away with to cut down on costs. The team spirit and morale should be high at most times. To achieve this, incentives like company galas, dinners, family days, as well as allowances go a long way in ensuring that employees are comfortable. The quality of service and product especially oil should be very high because the integrity of the company is at stake. Failure to comply may have severe consequences on the company.

It is important to contact the risk management if the company is in a compromising situation. A major catastrophe is contained or minimized if the problem is detected early enough. Disasters like the numerous oil spills experienced by BP would be avoided or the damage to the environment reduced. An alarm should be raised if the problem is beyond the company's control. Risks in a company are always there but in different magnitudes. It is therefore paramount to plan for them in the eventuality that they may happen.

It makes people aware of the risks and the possibility that a disaster may happen. When planning, the team management team should identify all the

risks involved and their magnitudes to the environment and people. Consequently, they should be able to identify the potentially high-risk disasters and the manageable ones. They should each have ways of mitigating the problem based on their magnitudes. This helps identify if they should be proactively managed or identified as assumptions or low risks.

Some catastrophes like the Gulf spill involved everyone at BP including other stakeholders like engineers, governments, environmental bodies because it was a world disaster. The chief executive resigned as a result to that. The expertise, relevant technology, and work force needs to be on the standby for any eventuality. Issues resolved as fast as possible are normally done at the best interest of the affected parties. The company, clients, and victims affected. This assures them that the company is in control of the situation and doing its best to control the situation.

Some problems may be prolonged because of the complexity and extent of damage. A pro-active management team that acts quickly to reduce the damage is commendable. Oil spills are not anticipated and normally avoided at all cost, but some are inevitable. Animals and aquatic life along the shores and ocean are normally the worst hit, the environment as well. It takes years for it to get back to its original state since its life is a cycle and influenced its surrounding activity by man (Ohreen, 2010).

BP is never the less a company composed of many people from different walks of life globally, that strive to be the best oil company in the market. This drive, however, makes them go to drastic levels that question their ethics and integrity. They, ultimately, have little insight on the results of their actions, hence pursuing the selfish interests at the expense of other

innocent people, irrespective of their needs and circumstances. It is no wonder that their stocks have fallen and businesses dwindled resulting to the sale of their property and several gas stations around the world.