

"goodbye, indiana —  
hello, mexico: the  
whirlpool plant  
closing"



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CASE 30 “ Goodbye, Indiana — Hello, Mexico: The Whirlpool Plant Closing\*”

Ethics in Practice Case 1) Was the Whirlpool Plant Closing just another “ business decision”, or did it carry with it social and ethical responsibilities and implications? Explain. This was not only a business decision, but it carried social and ethical responsibilities with it because the company was thinking for the benefit of its shareholders and consumers by making more energy-efficient products while keeping consumer prices fair. By moving the operation to Mexico this allowed the company to do so.

But their ethical and social responsibilities to the community and to their employees were not held up due to lay-offs and relocation. Whirlpool did not consider, address, and/or value the impact of the plant closing and how it would affect vendors, suppliers, and the community as a whole. Thus they disregarded the American economy to meet consumer expectations and increase shareholder investments. 2) What are the legal and ethical responsibilities of Whirlpool in a plant-closing case such as the one in Evansville, Indiana? Whirlpool’s legal responsibilities were to abide by the WARN Act.

The Worker Adjustment and Retraining Notification Act of 1988 (WARN Act) is a United States labor law which protects employees, their families, and communities by requiring most employers with 100 or more employees to provide sixty- (60) calendar-day advance notification of plant closings and mass layoffs of employees. Employees entitled to notice under the WARN Act include managers and supervisors, hourly wage, and salaried workers. The WARN Act requires that notice also be given to employees’ representatives (i. e. a labor union), the local chief elected official (i. . the mayor), and the <https://assignbuster.com/goodbye-indiana-hello-mexico-the-whirlpool-plant-closing/>

state dislocated worker unit. The advance notice gives workers and their families transition time to adjust to the prospective loss of employment, to seek and obtain other employment, and, if necessary, to enter skill training or retraining programs that will allow these workers to successfully compete in the job market. Whirlpools Ethical responsibilities are interpreted differently among society. Society expects companies to produce “ green” products while keeping prices fair but do not realize that to meet those expectations laced on them they must change the way the corporation is structured for business. The community and Whirlpool employee’s ethical responsibilities were not kept because they were ultimately damaged by the companies change. The community and Whirlpool’s former employees have had to endure financial hardships due to the reduced wages allowed in Mexico. Other companies located in this community suffered because they were no longer providing supplies to Whirlpool which caused them to go out of business, and unemployment spike.

However the shareholders and consumers ethical responsibilities were met because they did in fact gain a more energy efficient appliance while paying less. Shareholders are pleased for the fact that cost of production has been reduced there for, a spike in profit. 3)In light of the federal stimulus funds that Whirlpool received, did it have a greater responsibility to make the Evansville plant sustainable? Or were the funds received totally unrelated to the plant’s closing decision?

The funds received were totally unrelated to the plant’s closing decision. The purpose of the stimulus fund from The Department of Energy was to fund the development of new smart products. 4)Was the Whirlpool division Vice  
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President's memo threatening future job opportunities an ethical practice?

Was it an unfair labor practice? Explain. The memo sent by the vice president was not an ethical practice because threatening anyone when it is their constitutional right to freedom of speech is not ethical or legal.

This was an unfair labor practice because it is illegal to threaten any employee with benefits or their job because they sign onto a union or participate in organizing activities. The National Labor Relations Act was intended to protect the employees in the private-sector workplace. One of the objectives of the NLRV is to insure workers have the right to participate in union related activities. 5)What about the plant closing's impact on the community and related stakeholders? Did the company have any responsibility to work with the community in this decision?

What should it have done and how should it have done it? The impact of the plants closing was devastating. Taxpayers had to shoulder the unemployment and other costs. The suppliers, transportations, and other third party jobs were destroyed. The housing market was affected and home foreclosures increased in that area. Local businesses were stressed due to the lack of money circulating which caused them to go out of business. The problems don't stop here and could go on forever. This caused a ripple effect that is still causing a negative impact throughout the economy.

It should have done everything in its power to prevent the plant from closing down, to keeping the local suppliers even if the plant had to be relocated.

The community should have given input and ideas into these plans and Whirlpool should have taken them into consideration. 6)Should there be

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legislation preventing American Firms from closing down and moving to less expensive parts of the world? Should NAFTA be repealed? If the American economy wants to grow then yes there should be legislation preventing or limiting American Firms from closing down and moving to less expensive parts of the world.

NAFTA should be repealed or revised in order to keep jobs from being outsourced or moved outside of the United States. This would prevent unemployment crisis's throughout the U. S. Also eliminating ripple effects that occur during major corporate shifts that cause suppliers and third party's to go under. Furthermore any grants that are given to a company to produce better products should state or have a clause with it that states it will not be used in the company's advancements that could hurt or threaten the American economy or any community within the U. S.