

Discussion about ethics assignment

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This resistance, along with a building collapse killing over 1 100 people leads to a safety accord that was proposed among Australian retailers to improve the working conditions of Bangladesh workers (Smart, Target sign 2013). Although it can increase operating costs, for a large Australian clothing retailer, they should sign up the accord because it will bring about benefits not only for Bangladesh worker but also for them. This essay will mainly discuss the three ethical decision making approaches, along with justification for the utilitarian model that is chosen for this circumstance.

The three ethical models In general, there are three kinds of decision making when managers have to face with an ethical problem. All of these three decision making approaches has its own advantages and disadvantages and need to be considered before applying. Firstly, utilitarianism focuses on generating the greatest goods for everyone as much as possible (Robbins et al 2011). Normally, all course of action is considered very seriously before choosing the right one which brings about the most benefits for the most of stakeholders.

Nevertheless, this decision making approach still have a problem is how we can measure unifies and harms among each groups of stakeholders. During the situation in the essay, signing this accord will definitely bring about the benefit for many stakeholders who are Bangladesh garment workers. With the signed accord, the workers can avoid a great deal of potential harms in the workplace where they have to spend about 12 hours or even more a day (Oman 201 3, 250-255).

However, signing the accord also means that the organization has to pay more for the operating costs that can affect negatively the economic performance of the company when their profits will probably reduce. Consequently, for the shareholders, they may receive less money than usual. This problem is also the major problem of the utilitarian model which is how the manager can measure the benefits and harms among each group of stakeholders. Normally, producing the best goods for the greatest number of people means that there is also a group of people which is the minority that has to take the harms or the risks.

In this situation, the manager works for the minority group which is the shareholders of the company. And the manager cannot let the shareholders take too many risks because the manager's responsibility is to achieve the goal that is to maximize revenue, not to let the company along with the shareholders take the risks. Secondly, the justice model is to distribute goods and harms in an equitable way (Waddock et al 2007). After considering all alternative courses of action, the manager will have to make a decision that is fair, equitable and impartial for every group of stakeholders.

However, during the situation in the essay, distributing goods and harms among stakeholders in an equitable way is really impossible. By signing the safety accord, the Bangladesh workers will definitely receive the benefit which is a safe working environment. Nevertheless, the shareholders of the company will face with the risks of increasing cost that can lead to a serious financial problem. By not signing the safety accord, the shareholders do not have to pay for operating costs and they can avoid from a potential financial problem.

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However, the Bangladesh workers will still have to work in the working conditions that is considered substandard and hazardous (Mohamed 2013, 88-100) that can lead to another accident. Overall, it is impossible to balance the goods and harms in an equitable way among stakeholder groups.

Moreover, justice model still has one more problem relating to the feeling the attitude and the personal of the manager when they make a decision. During this circumstance, when the manager makes a decision whether to sign the accord, his or her decision can be affected seriously by the shareholders.

The manager can want to satisfy the shareholders for personal reasons such as rewards or promotion. Therefore, the decision can be biased and not really equitable. Finally, the moral rights model is to protect the primary rights of stakeholders such as life ND safety, freedom of speech (Waddled et al 2007). After considering all the alternative courses of action, managers have to make a decision that protects the fundamental rights of stakeholders. Nonetheless, likely to the other two approaches, moral rights model still has a drawback.

When there is more than one right to protect, which one managers will go to protect. How to measure which right is more deserved to protect is a serious problem with managers. Even though the managers can find the more deserved rights to protect, the decision is still unethical for the other groups of stakeholders ho their rights is not protected. Basically, there are two main groups of stakeholders that affected directly from the decision and two of them have the different rights. For the workers, their right is to have safe working conditions.

They work for the company, they are the part of the company so apparently, they have the right to demand the fundamental right for them. For the shareholders, their right is to get the maximum revenue because they have just invested a great deal of money to the company and they have the right to demand the profits in return. To decide which right to protect is a lemma with a manager when both of stakeholder groups have their own rights which are reasonable. As a result, the decision will be unethical for one group and ethical for one group.

Utilitarianism -?? The Chosen Model Although all the three of ethical decision making approaches have their advantages and disadvantages, the utilitarianism is still mostly preferred for this situation due to the fact that the majority of stakeholders which is Bangladesh workers will receives the benefits whereas the harms that the shareholders have to take will be well balanced by the benefits that they get hen signing the accord. For the shareholders of the Australian company, their ultimate concern and goals is about the profits of the company.

If the accord is signed, the company has to pay more for the operating costs which can lead to a profit decline. However, signing the accord still bring about a great deal of benefits for the company. Firstly, reputation of company will increase because their action shows that they truly care about their workers. In business, reputation is very crucial when it can affect directly to the economic performance of the company so that every companies always ants to reduce reputation threats as much as possible (Combs 2004, 265-289).

By doing this, the organization can avoid the potential of being criticized about ignoring their workers from the public, which can lead to a boycott that can cause a serious financial problem. In fact, according to an international “ corporate social responsibility” report, 9 out of 10 consumers say they will boycott company that is irresponsible (Boycott Irresponsible Company 2013). Secondly, Bangladesh workers’ performance and productivity will increase considerably once the working condition is remunerated (Liberace 2012, 38-49) and the company will gain benefits through it.

Eventually, the harms from increasing operating costs will be balanced by the considerable benefits. Both the garment workers and the shareholders of the company can feel satisfied with all the benefits they get. The two other approaches are not applicable for this situation. For the justice model, apparently, distributing goods and harms in an equitable way is impossible when there is always a group that only gets the benefits along with a group that only gets the harms. For the moral rights model, the anger cannot protect the rights of the two groups at same time.

Therefore, it makes the decision unethical partly. Conclusion In conclusion, it is easily seen that the company should sign up the safety accord and the utilitarianism should be applied for this situation because it will bring about benefits which is safe working environment for the majority of stakeholders who are Bangladesh garment workers along with some extra benefits including increase in working performance and decrease in reputation threats for shareholders of Australian retailer to compensate for the harms that is to increase the operating costs.

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