

A reflective essay on the qantas airlines issues

Business



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Summary Ethics in the corporate world is among the elements that keep the sector from engaging in unlawful activities either in form of extorting customers or mistreating employees. Amongst the many strategies that are aimed at fostering ethics, a set of theories governs the undertakings and formulas of decision making. Among these theories guidelines upon how to approach conflict and how to go about making decisions are documented.

The social contract theory is one among the theories discussed above and its use is to guide professional behaviour so that it follows an order of justice and fairness. Utilitarianism theory on the other hand guides decision makers on how to make decisions by considering the ethical and moral impacts they are capable of causing. Virtue theory provides guidelines on how to make decisions considering the moral drifts in terms of how good or bad they may be. Considerations for decision making and pursuing a certain course of action are tied down to the good they are likely to cause the decision maker or the parties to be affected by the decisions. Theory of communicative action is a conflict resolving theory whose guidelines show the benefits of solving issues by dialogue and agreeing to follow the same course of action. The theories are related to each other in that they are aimed at addressing the issue of ethics and taking the best course of action within the corporate world.

Qantas Airlines, following a dispute between management and the workers union forced its CEO, Alan Joyce to ground all flights and lock the employees out. The issue of Qantas Airlines following the decision of the CEO and an intervention by the Prime Minister to solve the issue can be fitted in the above theories in that wrongs decisions were made, certain rights were

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breaches, contracts were breached, and the conflict had to be solved.

Introduction The corporate world comprises business people and decision-makers making decisions either on their own or with the help of experts. An ethical decision is supposed to reflect all interests of individual parties. To determine the level of ethics appropriate for decision-making and the effects of it, the level of negative impact is to be compared with the level of positive outcome.

To determine the level of appropriateness of a decision, an undertaking, or an action aimed at affecting the operation of corporate, CEOs and CFOs have the power to choose the most appropriate approach to the problem at hand or to the prevention of a possible outcome. To deal with employees and colleagues, CEO, CFO or a decision maker of the company have several choices, on which to base his or her decision. The Utilitarianism Theory is one of the theories assisting a decision of a leader in the corporate world to lead appropriately with the least decision-making problems. The theory defines such a situation, when leaders and followers have to adhere to a certain set of rules or a code of conduct. As a result, it is possible to assess the degree of impact of the rules or the code of conduct on individuals and organizations as the whole registers.

At the same time, the theory defines the level and the nature of consequences by means of the consideration determining what is right or wrong. In the corporate world, decisions made do not always reflect each individual positively. However, the application of the Utilitarianism Theory is important to weigh positives against negatives allowing positives if negatives are minimal (Stuart, 1863). A fair treatment of people is a campaign that <https://assignbuster.com/a-reflective-essay-on-the-qantas-airlines-issues/>

every employee of any corporative looks forward to, associated with the participation. However, the corporate world is full of challenges ranging from the decision-making process to the consideration of amending those decisions. On a scale or a graph contrasting the interests of employees with those of an organization, the level of contradicting interest is eminent.

In this case, fairness means treating people with respect and giving them equal opportunities. The theory that defines this code of conduct is the Social Contract Theory (Rousseau, 1762). The Virtue Theory defines good and bad in a situation and is aimed at setting regulations that each individual would follow by choice. In the corporate world, organizations have to withdraw retirement benefits and striking employees, expand their business operations and transfer their assets or services to other geographical areas. In this sense, the theory sets a boundary between good and bad, expecting decisions to be fair to employees, business associates, and shareholders.

To attain its goals successfully, an organization resorts to making such a decision that balances the interests of the involved parties (Aristotle, 376 BC). The Theory of Communicative Action, also referred to as the Discourse Ethics is aimed at solving conflicts ethically. In the corporate world, a number of issues are disputable within an organization or different organizations. For this case, the Theory of Communicative Action is applied to solve conflicts by agreeing on terms (Locke, 1689). In context the issue of Qantas Airlines, the above theories are related to each other in that they address the moral obligation that faces executive officers in terms of decision-making and resolving conflicts.

Grounding Flights and Withdrawing Operations On October 29, 2011, Alan Joyce, CEO of Qantas Airlines, made a decision to ground all flights of Qantas Airlines. The course of action came after a dispute between the Airlines and its labor union, which disagreed on the issue of transferring operations to Asia; the employees of Qantas did not seem to be very thrilled by this. Following the failure of the union and the management to come to an agreement, Alan decided to ground flights to save the future of the Airlines (Kevin, 2011). It is clear that his decision did not focus on the interests of both parties that were involved. Among these parties there were shareholders and the organization as a whole that incurred a loss of \$68 million (Joe, 2011). Following the leadership and management theories discussed earlier, the situation could have taken a different course, if only there had been enough time to think over the issue.

It was possible to avoid the issue, if the decision of transferring operations to Asia considered the elements of integrity, transparency, and fairness. The latter implies the consideration of the interests of employees under the clause hereof. This decision resulted in 1000 people losing their jobs, if the operations of Qantas Airlines were to shift to Asia. The Social Contract Theory could have been applied if there had been an obvious conflict of interests between the organization and its employees. The Virtue Theory is to be applied in case of the duration, within which a decision starts affecting the number of people and the infringed rights of people (Lincoln, 2011). Was it appropriate for CEO of Qantas Airlines to ground flights when there were passengers, which had booked tickets in contract with the organization? Was it right for CEO to ground flights on the basis of alleging that the future of

Qantas Airlines was in jeopardy? The good or the bad of the situation depends on how many parties are involved in making a decision and those, which agree with the decision.

Because of that, there were minimal consultations on the issue. The Virtue Theory was not applied to reflect a bigger portion of the pie for the organization and the rest of the parties. The Theory of Communicative Action requires that the parties in conflict should face each other and hold talks aimed at resolving the prevailing problem. The management of Qantas Airlines did not put into consideration the impact, which one decision may have on other parties and on the whole company. Since the theory is limited by some qualification, it is only applicable in case there is organizational tolerance, candour and constructive theory; it is clear that a balance, related to fairness, is not characteristic of Qantas Airlines' case.

Commuter services are next to hospitality and, therefore, Qantas Airlines should have treated its employees and customers with the appropriate respect that they deserve. The tickets sold to passengers illustrated a closed deal, in which Qantas forfeited by grounding its flights. If the Utilitarianism Theory had been applied in the case of Qantas Airlines, Joyce would have followed a mandate to ground flights even if it meant putting the organization at the risk of incurring heavy losses. The consideration applicable for this situation is based on the assessment of effects, which the decision would have brought to different parties. As a rule, the freedom of holding protests and strikes against grounding flights would have found a different course. However, considering Joyce's arguments, the organization would have lost more in the end if such an action did not take place.

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On the other hand, the interests of workers were sacrificed for the interest of Qantas Airlines. It would only accommodate utilitarianism, if there were rules that authorized a sacrifice of one party to save the other. Locking-Out Employees In a move aimed at suppressing the labour union's strike of Qantas Airlines, employees after grounding flights felt locked-out. The act of locking employees out without a prior notice went against the ethics of operation. First, the contract between employees and Qantas Airlines was terminated by that move. As a result, Qantas Airlines' management seemed to oppose the strike of its employees.

The move was an example of double standards, since the company was aimed at opposing the strike of workers and suggesting that their decision was final as far as the management could freeze the operation or the organization anytime. The Virtue Theory would have let those employees, which felt like going to work, do so as long as they were not disturbing operations. On the other hand, a number of striking employees would have dropped their interest in the strike, if they had had access to the building. The application of the Virtue Theory is a pursuit of happiness flourishing the organization. At the same time, the happiness and flourishing workers depends on the benefits of the strike, if it pays off in their favor. Since, at that moment, there was a conflict of interests, the Virtue Theory was opposed (Stuart, 1863).

A company or an organization in pursuit for happiness and flourishing should guarantee the happiness of its employees (Aristotle, 376 BC). The happiness of an organization is based on accruing net profits by appropriate means. On the other hand, the happiness of employees is a result of the company's

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respect and guarantee of continuous serving under considerable contracts, fair treatment and equal chances of promotion. The Utilitarianism Theory is to be applied in the case of Qantas Airlines' dispute, giving chances of independent thinking, partial consultations and uninformed decision-making. Prior to the decision concerning grounding flights and locking employees out, the government of Australia had offered to intervene in the issue.

However, the decision to ground flights and to lock out workers was made by the top management of Qantas Airlines. Thus, the question arose: how was the involvement of workers quantified as good or bad and how did Qantas assess their decision as good? Because of the interests that seemed to come first, it is clear that Qantas Airlines did not act ethically locking out their workers, for there was no rule justifying that move and no act outlining whose interests to come first. Both the Social Contract Theory and the Theory of Communicative Actions were applied unilaterally in the case of Qantas, thus, there was no discussion held to authorize locking workers out, and the top management did not exercise the governing behaviour mandated to take effect. Intervention by the Prime Minister on the Issue The Prime Minister of Australia, Hon Julia Gillard, opted to intervene in the matter of Qantas Airlines' dispute in order to put an end to all wrangles. The Prime Minister's obligation to intervene was aimed at saving possible economic negative impacts and putting together the conflicting parties in this case.

The efforts of the Prime Minister corresponded to the Theory of Communication Actions (Siva 2011). However, the elements of involvement did not include all the parties involved in wrangles. For the government, the fact that the labour union did not agree with Qantas Airlines on the issue did

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not seem to be a matter to address the government. If the matter took a legal turn, it would be addressed in a civil court. For the Prime Minister to intervene, this would have been a matter of national heritage and millions of revenue. In this case, the government was in dispute with Qantas Airlines, because Qantas held one of the most dynamic sectors at random.

Since Qantas did not run under the government's funding, the government did not have the power to get Qantas back in air. However, the Australian law, in particular Act 413, gives a minister the power to revoke any course of an action taken by a corporate organization, if the course of an action puts the interests of the government or the public at risk. The minister in his quest did not want to apply that law for that case, because, besides possible economic wrangles, there was a dispute between the organization and its labor union (Steve 2011). A possible action, which the government would have taken, applied the Virtue Theory and considered the outcome of exercising its power being damaging to protesting workers. In addition, if Qantas Airlines had served more people and had bigger revenue returns than those brought by striking workers, the strike would have had a possibility to be qualified as illegal pursuant to the law.

However, the Utilitarianism Theory revokes the application of the rules that may result in inconveniencing one of the parties. The resolution concerning disputable issues between the government and Qantas Airlines was made according to the Discourse Ethics Theory or the Theory of Communication Actions. Negotiating the solution of the conflict gave the government a close-up to the situation and allowed Qantas Airlines to decide the way out,

notwithstanding the labour union's lack of dedicated cooperation (Robyn, 2011).