

# [Assignment example](https://assignbuster.com/assignment-example-essay-samples-16/)

[Business](https://assignbuster.com/essay-subjects/business/)

Assignment Economic growth is limited or bound by various economic forces. However most countries are excited by the notion of continuous economic growth, which is unrealistic in the real world. Americans cannot live beyond their means, as it was demonstrated in the recession.
The multimillion-dollar severance packages awarded to top-level CEO’s is not in any way related to their company’s failure. CEOs are not solely responsible for the company’s liabilities, since they are part of its staff. Thus, such CEOs should receive their full payment according to their performance contracts. Executives should also not walk away empty handed following the collapse of a company since they are not directly involved in the company’s failure. Collapse of major companies during the last economic crunch was caused mainly by external business forces. Such forces are beyond the control of the management staff.
A hefty severance packages can also be viewed as a tool for attracting top talent to a company. An ideal business environment operates under the laws of demand and supply, which necessitates competition (Hirschey, 2009). In business, competition not only applies to the market, but also in recruitment and retaining of top talents. In addition, business decisions such as hiring top CEO’s is a form of risk taking, which businesses are compelled to take. The level of risk that a company can accommodate, determines its income margins. Thus, top CEO’s are not responsible for the misfortunes of a company. In any of such occurrences, responsibility should be extended to all top-level managers and supervisors. This is because they are also involved in the company’s decisions making process.
Reference
Hirschey, M. (2009). Fundamentals of Managerial Economics 9th Ed. Boulevard: Cengage Learning.