

The ethics of hardball

Business



The Ethics of Hardball The Ethics of Hardball • Can one make an “ ethical” decision that is at the same time “ good” business? Why or why not? Explain your position. A business organization can make an ethical decision that is at the same time a good business decision because as explained in the discourse on the relationship between ethics and economic revealed, “ economists have shown how a reputation for honesty and trustworthiness, for example, attracts customers and potential business partners, thus creating economic opportunities that would not be available otherwise” (Braybrooke, 1983, p. 14). Therefore, applying the case of Home Depot, their decision to limit any increase in prices of their products especially during the anticipation of Hurricane Andrew still paid off in the long run. As emphasized, “ although prices increased early in anticipation of Hurricane Andrew, Home Depot was still able, with the cooperation of suppliers, to sell half-inch plywood sheets for \$10. 15 after the hurricane, compared with a price of \$8. 65 before, thereby limiting the increase to less than 18 percent. Home Depot executives explained their decision as an act of good ethics by not profiting from human misery” (Braybrook, 1983, p. 12). By taking into consideration the interests of the society and the general public, and the scenario at hand, businesses could make good and ethical decisions by evaluating the repercussions of their actions on a longer perspective basis.

- Should businesses be held morally accountable applying different standards than we use to assess others in a society? Why or why not?

Explain your position. According to the topic on The Relationship between Ethics and the Law, it was disclosed that “ business activity takes place within an extensive framework of law, and some people hold that law is the only set of rules that applies to business activity. Law, not ethics, is the only

relevant guide” (Braybrook, 1983, p. 14). Therefore, businesses are expected to be governed by ethical and moral standards; and should be held morally accountable for the various decisions made. Concurrently, despite legal standards that prevail and continue to be the primary basis for decision-making, both ethical and moral standards must be integrated and incorporated in the process.

- Is it inherently unethical to make business decisions that add long-term value to the business and which do not violate law or social convention? Why or why not? Explain your position. It is not inherently unethical to make business decisions that add long-term value to the business, especially when the business does not violate law or social convention. The case of Home Depot clearly manifests that the organization incorporates long-term value of the firm by limiting potential opportunities to increase prices of products, especially in times of natural disasters. The view that no legal rules are being violated by any price increase was not the only primary consideration; but more so, the long-term view that people would patronize them more if they limit profit potentials in times of difficulties make their decision more beneficial and ethical in the long term.

- What alternatives to Home Depot’s action would you consider more morally appropriate in consideration of the operating situation they faced in which both the community and the business would be better served? Provide details. Actually, Home Depot could opt not to increase the prices of construction materials especially after the disaster since they could anticipate a larger volume of sales. Through good research and projected increase in sales volume due to natural disasters, they can build up their inventory on the most saleable items (based on historical experience) and

get discounts in bulk from their suppliers. They can therefore offer these products at the same price or even at discounts to better serve the needs of the community.

- Under what conditions could managers, acting entirely in support of the organization's economic benefit, make a morally relevant decision? Provide details. Managers are expected to assume diverse roles (as economic actors, as company leaders and as community leaders) (Braybrook, 1983) and in acting entirely in support of the organization's economic benefit, these managers could still emphasize that in conditions such as the natural disaster or opportunities for purchasing at big discount and availing of promotional incentives, there should still be a balance between conformity ethical, moral and legal standards and thinking of the organization's corporate image on a longer term perspective. By incorporating social responsibility, for instance, the community members would patronize the company's products (or services) more and would therefore be tantamount to greater and sustained success in the long run.

Reference

Braybrook, D. (1983). *Ethics in the World of Business*. Rowman & Allanheld.