

Ethics vs. profit assignment

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I. Background of the Case A large American company has chosen the decentralized form of organization and each manager is measured on the basis profit contribution, market penetration, and return on investment. If one fails to meet the objectives established, it is usually results in demotion or dismissal of center management. By means of anonymous survey, managers revealed that they felt pressured to compromise their personal ethical standards to achieve the objectives of the company. II. Point of View

As a student, and with a subject of Business Ethics I can say that business without ethics, people will set their own moral standards, moral rules and moral principles and will result to a kind of subjective morality in which case, what is good for one may be bad for another and vice versa. III. Time Context November 19, 2011 IV. Statement of the Problems ??? Certain plant locations felt the pressure to reduce quality control to a level that could not ensure that all unsafe products would be rejected. Sales personnel were encouraged to use questionable sales tactics to obtain orders, including offering gifts and other incentives to purchasing agents. V. Statement of Objectives ??? To develop ethical values in business without affecting the profit. ??? To establish ethical values among upper and lower executives or managers. VI. Areas of Consideration Strengths: Being in a decentralized organization, decision-making is not confined to a few top executives but rather is throughout the organization.

Decision making authority often result in increased job satisfaction. Also, lower level mangers generally have more detailed and up to date information about local conditions that top managers. Therefore, the decisions of lower level management are often based on better information.

Weaknesses: Lower-level managers may have objectives that are different from the objectives of the entire organization. For example, some managers may be more interested in increasing the sizes of their departments than in increasing the profits of the company.

To some degree, this problem can be overcome by designing performance evaluation system that motivates managers to make decisions that are in the best interests of the organization. In a strongly decentralized organization, it may be more difficult to effectively spread innovative ideas. Someone in one part of the organization may have a traffic idea that would benefit other parts of the organizations. Opportunities: Decentralization provides lower level managers with vital experiences in making decisions. With that experience, lower level managers would be prepared or trained to make decisions when they are promoted into higher positions.

Threats: In a truly decentralized organization, there may be a lack of coordination among autonomous managers. VII. Alternative Courses of Action ACA 1 Conduct strategic planning. One of the major differences between new and experienced managers is the skill to see the broad perspective, to take the long view on what we want to do and how we're going to do it. One of the best ways to develop this skill is through ongoing experience in strategic planning. ACA 2 Establish an ethics management program. Organizations can manage ethics in their workplaces by establishing an ethics management program.

ACA 3 Develop codes of conduct. Develop an overall corporate code of ethics and then a separate code to guide each of your programs or departments.

All staff must see the ethics program being driven by top management. VIII. Recommendation ACA 1, conducting strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not. The focus of a strategic plan is usually on the entire organization, while the focus of a business plan is usually on a particular product, service or program.

Answering the problems: (1) certain plant locations felt the pressure to reduce quality control to a level that could not ensure that all unsafe products would be rejected, (2) sales personnel were encouraged to use questionable sales tactics to obtain orders, including offering gifts and other incentives to purchasing agents, if this kind of strategy will be use, the company will be close for some unethical reasons soon or maybe the employees will resign because of too much pressure on their shoulder.

It's not right to do something illegal or unethical to maintain the company's image and profitability. IX. Action Plans 1. Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation. 2. Communicate those goals and objectives to the organization's constituents. 3. Ensure the most effective use is made of the organization's resources by focusing the resources on the key priorities. .

Provide a base from which progress can be measured and establish a mechanism for informed change when needed. 5. Listen to everyone's opinions in order to build consensus about where the organization is going.

X. Fallback Analysis ACA 2, organizations can manage ethics in their workplaces by establishing an ethics management program. Ethics programs

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convey corporate values, often using codes and policies to guide decisions and behavior, and can include extensive training and evaluating, depending on the organization.