

Business and ethical issues



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Business and Ethical Issues National Calcium has engaged in an ethical practice in business by reducing the order™s weight by 10% but still charge customer for the original price.

In National Calcium™s case, the ethical dilemma is obvious. The company™s own position is to make more profits and most customers won™t weigh the product anyway. Thus it took advantage of the loophole and hid the information that their product is 10% less heavy, violating rules by conducting deceptive business practices. National Calcium should have been honest and deliver its products as promised.

The school of thought employed by the company is the Inherence School. The manager is aware of and encourages the ethical practice only for the company™s own profit. Its purpose is to serve shareholders only and to avoid any social or political issues unless they benefit the shareholders.

The possible consequences include loss of business reputation by destroying customer™s trust and confidence, loss of earning power by losing loyal customers™ cooperation, and additional regulation if it is sued by unsatisfied customers. The policies of National Calcium should not have been different from its actual business practices. It may gain some profit from the loophole, but the company™s ethical decision was soon exposed to Cement Mixtures, facing the risk of being sued and paying compensation.

Such short term profitability through ethical shortcuts can contribute to a firm™s demise. While customers trusted that the company was looking out for their interests, it destroyed such trust by sneaking out 10% of the total weight.[-Z]