Ethics In Management Essay, Research Paper

Ethics in Management

What is the status of ethics in management? This is a very hard question to address in a three to four page paper because there is no definite answer. As with many society-wide concerns, ethics runs the entire spectrum of behaviors; from Wal-Mart being very customer oriented and a friend of charity to those fly-by-night repair scams that tend to prey on the elderly. When does a business cross the line from making a profit to stealing a profit? That is a hard line to gauge. Laws are designed to make that line a little clearer but laws can’t out think the mind of man. If a way can be thought of to make money it already has been or is being thought of. It’s where people are taken advantage of that we need to worry. There are many business in place that simply prey on the people who don’t know any better. Whether its the feature on Prime-Time that shows elderly people tricked into phony home repairs or the local business that offered a friend of mine a computer at an inflated price with an outrageous financing plan, some business practices are unethical. What I will focus on today is not the clearly right or the clearly wrong but that vast amount of items that are in the middle.

Looking at more of a gray area, Wal-Mart is generally viewed as an ethical company but even they have a reputation for unfair competition. Wal-Mart has a marketing plan that targets smaller cities with large-volume discount stores. While this may not appear to be unfair on its face, many people have felt it’s negative effect. When Wal-Mart moves into a market, many of it’s smaller competitors go out of business. Small business in small towns can’t compete with the prices, availability, or selection of a huge conglomerate like Wal-Mart. People in the towns don’t have much of a choice. Pay more for less or pay less for more? Not are hard decision. But the ultimate effect is that many small business can’t survive the competition. Is that ethically wrong? That is a very hard call to make.

I recently had an experience of buying a new car. I shopped around Coos Bay and also in Roseburg while on a recent trip. I was in the market to buy a Dodge Ram. The prices seemed to be about the same in these two markets. My father and I decided to drive to Portland to look further. When we got there, the first dealership that we saw had over thirty Dodge Rams on the front lot with a recent shipment of more in the back. Compared to the Coos Bay dealership which had nine. Immediately, I noticed that the price at that dealership was $1,300 less than the same model with the same package in Coos Bay. Both stickers said the price quoted was the manufacturers suggested retail price. Already over $1,000 to the good, we decided to look further. We found six Rams that had an additional mark down of $2,000. This was because of an engine style in the process of being phased out that had an additional rebate. Looking at the two different models from Portland and Coos Bay we would save $3,300 by buying here. We decided to look no further. We selected the color and bought my truck.

Overall, we had a very pleasant experience but what about the people who buy from the Coos Bay dealership and spend over $3,000 more? Are they being unethically taken advantage of? That’s a hard call as well. I took an equal opportunity class in High School and during that class someone inevitably brings up car prices in Coos Bay as being unfair. Are these prices unfair or is it just the law of supply and demand? Was the two thousand dollars that I saved in Portland because that model car wasn’t available to the dealership in Coos Bay? That difference can be easily excusable. The other $1,300 I have a harder time with. I took detailed notes and both stickers were basically identical with the exception of price. Each indicated a different manufacturers suggested retail price. Ethically, I think the line has been crossed. There can’t be two different manufacturers suggested retail prices for the same car. One has to be wrong. I had a good experience buying this car but not everyone will. I’ve been to the dealerships in the past that have used those high pressure tactics to coerce people into buying or spending more than they can afford. Those are the kind of ethical issues that can’t be legislated.

Thinking through the ethics issues reminded me of my car buying experience because just like in the ethical issues, there is no clear cut answer. In ethics, one would think that there is right and wrong but in real life cases of ethics in business there is not. There is no black and white answer only millions of shades of gray. Think about junk faxes, what is so wrong about sending an unsolicited advertisement to someone. People get them almost every day in their mailbox. It seems like a reasonable response but the differences are great. The junk fax ties up an important communication tool of the company and the costs are split between the sender and the recipient without the recipient’s permission. The cost to the sender is simply the cost of a telephone call. While the cost to the recipient is the cost of paper, ink, and power to receive the call in addition to the loss of use of the machine during reception. I wouldn’t want to get junk mail in my mailbox, if I had to pay for it!. I don’t like it much even when I don’t have to pay for it.

But is this practice of junk faxing wrong? I say no. Ethically, I feel that it’s not wrong if the faxes are reasonable in length and company has a process to quit sending faxes if a recipient requests. I was the recipient of one junk fax. It came into my mailbox here in Talent at the Anjou Club. It was an advertisement to buy office supplies. Now there is no law, either civil or military, that prohibits this but I realized this isn’t something that the Apartment complex should pay for. I took the fax to the manager’s office and they drafted a letter to request that it be stopped. They stated that if any more faxes were received, Anjou Club apartment’s would no longer do business with this company. This was motivation enough for them not to do it. I never received another fax.

With business, that is how the system must work. If the pursuit of the bottom line goes to far, then the bottom line must be threatened. I don’t think there is anything ethically wrong with many business practices. It’s all a matter of people being satisfied with the product that they are getting. If they are satisfied, the business will flourish. If not, it will suffer. That is probably the best way to measure ethics in management. Overall, I think the status of ethics is management needs some work. There are very good companies out there that charge a fair price to make a reasonable profit but there are many business in place that prey on the weak and poor.