

Considering Profits and Principles in Technology Adoption Decisions (A)

Should you purchase fabric with the new technology? Clearly identify the costs and benefits you see with buying the new technology and with rejecting it. Describe the course of action you would take and why.

We need to determine the cost and the benefits of making this decision for the firm. We shall use Tucker's five question model to evaluate the ethical issues involved in making a decision on the scenario presented. Tucker's five question model is discussed in the following paragraphs. At the end we shall see a clear path towards a decision.

We must ask ourselves if the venture is profitable. The information provided in the question indicates that the product that includes the treatment represents 15% of total sales for the business. The market for such products is growing and there is potential for huge profits to be made. Additionally, the marketing department has indicated that the company may risk losing 1 to 2% of its market share if no anti-odor treatment is purchased and sold with these products. The answer is therefore yes to the profitability of the venture.

The next question that we will ask is geared towards the legality of the decision. Government officials have expressed a concern over the effects of the chemical. There are health and environmental issues that need to be examined and whose full effects are as yet unknown. There has been no mention of the use of the chemical being illegal. While it may not be illegal through its direct use the chain or domino effects of its use are change and damage to the environment through wastewater pollution and adverse effects to the health of the public. The long-term effects of this damage may be illegal and the company could face many lawsuits claiming damages for breach of human rights, health and safety and environmental laws.

Thirdly, is it fair? This question is dependent on the stakeholders involved in the decision and the effects that it has on them. The answer to this question depends on whose perspective is being adopted. The company is in business to maximize shareholder wealth and to do this they have taken on the task of satisfying consumer needs. The consumer wishes a product that does not have an odor and in today's market, vanity and presentation of oneself is the overriding factor. Therefore the company supplies a product to suit and satisfy the demand in the marketplace. Currently it is of no concern as to the health effects of the product to the population and there is little concern for the environment by those involved. There is a simple case of supply and demand with no concern for anything else. In this respect, it may seem fair as to deny the population of a desire would seem unfair.

In terms of the environment and what is at stake it may seem very unfair to current and future generations that live and will inherit the environment and traits from their parents who may be affected by the as yet unknown full effects from the use of the product. There is a lack of social and environmental responsibility and there would be a total disregard for sustainable development. Further research needs to be undertaken to understand this venture.

There is another issue regarding fairness. The fact that the supplier has taken the company's silence as an agreement to purchase the product does not seem fair. If the company was wholeheartedly into the environment and not also considering its profitability then there would have been a strong voice indicating what its position was on the issue; market share versus environmentally friendly products and care and preservation for the environment and the population.

The fourth question to ask is whether or not the venture is right. The company is an advocate for the preservation of rivers and streams. The use of this chemical and the wastewater produced can have adverse effects on the environment. The company has also given environmental grants that has been well publicized; to undertake this venture would not be right in light of its current stance and actions on the environment. It would seem very hypocritical and would actually be very detrimental to the organization if a strong environmental group were to effectively highlight this issue. It could have the effect of reducing the company's market share and profitability.

This product will result in the destruction of the environment and the population - its intended market. The company has a social responsibility to ensure that any negative impact on the environment and the population is minimal or, in a perfect world, non-existent. If the company continues on this course of action with the knowledge - part or full - of what could potentially happen to the other stakeholders then it could find itself in an unfavorable position later on in its existence. It will not be right from an ethical point of view.

The last question in Tucker's 5 question model is the sustainability and environmental soundness of the decision. The information presented in the question and the preceding paragraphs illustrates that the venture will not favor the environment or the population.

There needs to be further research into the effects of the chemicals and for the company to proceed with the venture without sufficient knowledge would be unethical and costly in the long run especially if there is mass damage to the environment and the population. Other stakeholders such as the government will have to step in to protect the interests of the other stakeholders. The company may be liable for many lawsuits and clean up operations that may cost the company billions of pounds in expenditure which will erode profits necessary for continued growth and development. The company should forego the market for the moment until further research has been conducted so that its position is sound when the decision to go ahead is taken.

Honor who to protect?

What should Don do?

Using the AAA (American Accounting Association) model for decision making we will see the process in making the decision for this scenario.

There are seven questions that Don can ask himself in order to make a decision using the model produced by the AAA. First he must state the facts of the case. The scenario is that Don fills in for a colleague and visits a client to take a statement, bringing his 4 year old daughter along for the ride. The client turns out to be his daughter's day care teacher. After interviewing the client Don has confirmed that she has facial injuries and confirms that she is on medication for paranoia and manic depression.

Secondly, the ethical issues in the case must be highlighted. Don's daughter is under the card if this client who may be potentially unstable. Don has confirmed that she is taking medication to deal with her mental condition. Her employers - the school board - may not be aware of her condition and if this is revealed may cost her job and livelihood as well as her professional reputation. Don does not want to risk the care and safety of his daughter to someone who may be dangerous especially when dealing with vulnerable children. Should Don tell someone - his wife or the school board perhaps - about what he has discovered?

The norms, principles and values related to the case are that claims adjusters are mandated to keep information about clients confidential. They are expected to refrain from using their knowledge for personal benefit. There is a professional code of conduct/ethics that they are bound to follow otherwise it may lead to professional consequences.

The alternative courses of action can be summarized into three options. Option 1 may be for Don to uphold his professional code of ethics and not discuss the information that he has obtained with anyone concerning the client/daycare teacher.

Option 2 may be for Don to discuss the situation with his wife and they can make the decision to withdraw their daughter from the school and enroll her somewhere else or the wife may decide to tell someone who may be able to take action.

Option 3 may be for Don to inform the school board about what he has discovered. All of the above options carry with them their respective risks. However, the best course of action that is consistent with the norms, principles and values identified above is that of option 1, that is, to honor the professional code of conduct and remain silent concerning confidential issues surrounding the client. This course of action will preserve their professional standing and reliability and maintain respect for their industry. They may feel unsettled as parents with the knowledge that their child may be in the care of a

potentially dangerous individual and as such they may also take into consideration option 2.

Option 2 allows them to remain silent but to also remove their daughter from the school and place her into another school, away from the individual. This will be a new environment for the child and questions will need to be answered to the school and to the child as well for the removal. An explanation will have to be given. This option will still preserve their profession and also protect their child as well despite being uprooted from a school where she may have been comfortable and settled. She is at a young age and will recover and this risk is far less than what may potentially happen. The Riles will have to live with the fact that by their silence other students may be at risk and if anything should happen they were in a position to prevent any occurrence.

Option 3 would result in a breach of professional conduct and the code of ethics and this may result in unwanted publicity towards the family and bring the confidentiality of the insurance industry in disrepute. It may also lead to legal issues from the client who may start legal proceedings for breaches to her human rights. The careers of the Riles may also be placed into jeopardy.

Finally, the decision that must be made to safeguard the immediate parties involved is to remain silent and maintain the professional code of conduct and remove their daughter from the school, enrolling her elsewhere.