

BUSINESS ETHICS



Brand: Mehta Solutions
Product Code: case1278
Weight: 0.00kg

Price: Rs500

Short Description

BUSINESS ETHICS

case study

Description

CASE STUDY (20 Marks)

The notion of corporate moral responsibility has expanded significantly in the past few decades, according to Manuel Velasquez, chair of the Santa Clara University Management Department. The Charles Dirksen Professor in Ethics provided a theoretical look at the topic in a presentation for the June 13, 2006, meeting of the Business and Organizational Ethics Partnership.

Katie Tillman Buck, associate director of corporate affairs and ethics at Affymetrix, followed Velasquez with a description of how her company, a leading supplier of genetic diagnostic research equipment, approaches corporate moral responsibility. Moral responsibility can be interpreted two ways, Velasquez said: in terms of obligation or duty? or in terms of culpability. "The notion of moral responsibility that we have, both in the law and in our everyday lives, is fairly straight forward," Velasquez explained. "A person or an agent or a party is morally

responsible for an injury if 1) they caused it, 2) they knew what they were doing, and 3) they could have prevented it.” This concept applies to corporations as well. Traditionally, a company was morally responsible for injuries it inflicted provided the same three factors held. However, the idea of moral responsibility has been expanding over the years. “During the second half of the 20th century, a company was held responsible for injuries users of its products inflicted on themselves,” he said.

“The company is held morally responsible provided they knew about it in some way, or should have known about it, and it could have prevented it.” This interpretation expanded even further with the idea of strict liability. “A company is now held responsible also for injuries users inflicted on themselves, even when the company could not have prevented it,” Velasquez said. Over the last couple of years, a company’s scope of moral responsibility has even extended upstream (to suppliers) as well as downstream (to endusers).

“During the last 20 years or so, there are a number of companies that have been held morally responsible not legally but in the eyes of the public have been held morally responsible for injuries that their suppliers have inflicted on some third party,” he noted. Companies in the apparel industry, toy manufacturing, electronics assembly, and others have been perceived as accessories to the mistreatment of workers by their suppliers, even if they have not been directly involved. Many now try to prevent that by doing onsite inspections. Downstream responsibility has also expanded in the last two decades or so.

“Companies have been held morally responsible for injuries which they did not inflict on somebody else, injuries in which their product was not defective, but injuries in which one of their customers used one of their products to inflict an injury on a third party,” he said. Gun manufacturers and bar owners are two notable examples. “It’s odd when you think about it, because this differs pretty substantially from that first notion of moral responsibility with which we began, where a party is morally responsible for an injury they inflict on another person knowingly and being able to prevent it. This is a very stretched notion of moral responsibility that’s being used today,” he said.

This brings up two theoretical questions: 1) To what extent is a company morally responsible for the way in which its customers use its products? 2) How can a company minimize its exposure to this kind of moral responsibility? The second question is commonly dealt with before the fact by monitoring who buys the products (for example, checking the background of potential gun buyers) or after the fact by using publicists and lawyers. But as one attendee of the BOEP meeting noted, many companies do not want to answer the first question because they are afraid of the answer.

By asking the question, they become responsible for monitoring their product's use. Such reluctance has not been the case with the Santa Clara, Calif., company Affymetrix. "There's this awareness in the general community as well as the genetics community that genetic information is powerful," Buck acknowledged. The Affymetrix technology, for example, can put 6.5 million discrete pieces of genetic information on a single chip.

"It can be used for a lot of great things, and it can probably be used for a few bad things." According to Buck, Affymetrix understands that exploring the ethics of how its chips are used is ultimately in the company's best interests. "Our interests looking into these issues of moral responsibility, looking at these ethical issues, really melds very well with what our business goals are," Buck explained. "We're at the stage where not being thorough, getting embroiled in something that just feels bad to people, would be bad for us and would be bad for the technology's ability to address all those markets we want to be in."

The company has taken a proactive approach to these concerns, setting up an Ethics Advisory Committee to address moral and ethical issues. The committee consists of seven external participants who have varied backgrounds, including law, anthropology, genetics, bioethics, and sociology. They offer independent, non corporate views on the issues. "They're very different. We actually picked them not with the idea that they wouldn't get along, but with the idea that they wouldn't agree. Our goal at these meetings is to really get everything out on the table," she said.

The committee meets four times a year. "We always have two or three executives in the room, as well as a selection of people from throughout the organization," Buck said. Her goal over the past five years has been to embed the idea in the corporate culture that ethics are important and that this committee is available to people throughout the organization. Discussions vary at the meetings. "A lot of what we talk about at the Ethics Advisory Committee is completely hypothetical. It's becoming less hypothetical over time. It's becoming more and more realistic now," she said.

"But we're really trying to get ahead of the ball." One issue the committee has looked at has been newborn screening the practice of automatically testing newborns for existing diseases and conditions before they leave the hospital. Even though Affymetrix products are not currently used in newborn screening, they could be, so the committee has addressed issues such as informed consent, genetic privacy, storage of samples, the need for federal regulations, etc. Putting ethics into practice The committee has discussed less hypothetical situations as well.

For example, the company received a proposal from an Israeli company that intended to use an Affymetrix chip to test for disorders common to that population,

including TaySachs disease. It included several other disorders, as well, both treatable and untreatable, in addition to late onset diseases, with no indication of when the testing would be done. The proposal also indicated that the company intended to market a Palestinian chip, and even a Swedish chip. The red flags this project raised (possible geopolitical implications and questionable genetics, among others) concerned Affymetrix.

Additionally, Affymetrix determined that the company was more of a marketing firm than a genetic testing company, so they declined to be involved with the project. “That wasn’t really the first thing we wanted to do coming out of the gate, so we passed on that,” Buck said. The constant emergence of new markets for genetic technology means new questions every day.

“This is a new industry. This is new research people are doing,” Buck noted. Taking part not only in internal discussions about moral responsibility, but national discussions as well, “being informed on what’s going on and weighing in on the things that are particular to the kinds of data that we’re generating” is a way of helping shape the moral climate of the industry as well.

Answer the following question.

Q1. Discuss the Ethics of Product Usage.

Q2. How the Moral responsibility can be interpreted. Explain.

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers