Business Ethics Task 1:

Organizational Ethics and Corporate Social Responsibility

Western Governors University

Karen Richards/001296938

June 21, 2020

1. **Corporate Policies**

* Techfite has to acknowledge the personnel working for more than thirteen hours as the full-time workforce of the company. The company will increase their salaries by three per cent annually.
* The company will provide a healthcare insurance benefit for the employees who offer their services for more than thirteen hours daily as working hours. All new and existing workforces who meet the working hours period qualify for the benefit.
* Techfite workforces are anticipated to offer fifteen hours in a month in providing services at any company or organization of their choice within the community. They will be compensated based on the hours of work in the volunteering program.

**A1. Rationale**

1. Techfite knows that they are responsible for reconstituting the broke community. When it offers full-time jobs and earnings increases, the economy of the area will grow because employees will have enough funds and enough purchasing power.
2. The company acknowledges the empowerment and devotion of staff in its culture. Its medical benefits policy for employees will allow proper health coverage thus improve their wellbeing. It will attract job seekers and increase competitiveness when employing new workforce and maintaining the existing staff.
3. Techfite will showcase its existence in society and also depicting the significance to its staff. When it offers incentives or enticements to personnel to engage in community service, it provides an opportunity to the community to be recreated while on the other hand sustaining or rewarding employees for their contribution in the community.

**A2. Ethical versus Legal Issues**

Ethical issues refer to the challenges and circumstances that necessitate an organization or an individual to select between options which must be analyzed as correct-ethical or incorrect- unethical. It is an event whereby moral clash takes place in the corporate and has to be tackled by choosing the best practical choice from several alternatives. Ethical issues happen when a particular decision or action leads to a clash with the moral standards in society. Business and individuals can get indulged in these issues, and since their decisions actions may be weighed from an ethical viewpoint. On the other hand, legal issues are grounded upon the law and enacted by written laws. They are determined whether legal or illegal by the interpretation of the law. Ethical problems are centred on the comprehension of humans of what is right or wrong while legal issues are stringently centred and enacted by the rule of law. For instance, it is lawful for Techfite to offer more part-time jobs than full-time jobs so that they may not incur the cost of benefits. Nonetheless, this does not make the action ethically right. The company can decide to provide bonuses to its CEOs while the staff and corporate agonize. Nonetheless, that is not morally right. The employers of Techfite would feel neglected by the company, resulting in ethical issues. Therefore not all legal actions are moral and also not every unethical activity is illegal.

**A3. Ethical Issues in the Scenario**

The determination of whether an action is ethical or unethical banks on the choice an individual could be pondering. In this case, I believe Techfite is making several wrong decisions. The managers and directors of the company are getting huge bonuses, while the employees and corporate welfare is deteriorating. It affects employees and the community. The direction of resources to hefty bonuses for the bosses deprives resources for operations and paying the employees. Thus, the employees are poorly remunerated and are not covered or provided with job benefits. It also cripples the services of Techfite slowly as resources are directed somewhere. Also, the unethical decision of changing the terms of employment from full time to part-time has serious implications. One implication is that Techfite will be able to save much of its resources which were directed to full-time employment benefits and remunerations. The funds could be directed to grow its business and operations. However, the unethical decision is detrimental to the employees as they get low wages as a result of small hourly payments. It affects how they sustain themselves and their living conditions. The last action that is unethical is overbilling, where Techfite bills its clients much higher than the actual price of the services or goods it offers. In doing so, they rob customers. The dishonest behaviour may tarnish the reputation of the company leading to loss of clients and returns. Also, Techfite may face legal action and forced to compensate all its customers that it has defrauded.

**A4. Purpose of the Ethics Officer**

He or she is the internal control locus for ethics and irregularities, claims, protests, and offers business leadership and guidance concerning the governance of an organization or corporation. The officer’s duties and responsibilities include the following. He or she formulates and distributes business ethics statements, rules, and aid documents. He or she supervises the formulation and enactment of corporate ethics and training in ethical decision making and conflict of interest. The officer immediately carries out investigations to irregularities, claims and protests of ethical misconducts. He or she offers an internal appraisal of other business policies to warrant corporate constancy, reliability, and amalgamation with the moral values of the company. The officer also keeps up to date comprehension and information about corporate control requirements, responsibilities, and lawful yardsticks from the state law. Lastly, he or she carries out yearly corporate audits and submit the results to his or her boss. An ethic officer ensures compliance of organizational policies and standards in the company by educating the employees on the effective practices that facilitate respect and addressing ethical issues arising by reporting to the appropriate party.

**B. Corporate Social Responsibility**

CSR is the self-regulating model of business which assists an organization or a company to be socially responsible for itself, its shareholders, and the overall public at large. Practising CSR helps companies to be conscious of the sort of influence they are making in the facet of the society such as economic, social, and environmental aspects. Engaging in CSR ensures the business operations of the company are carried out in ways that promote the society and the environment, rather than affecting them negatively. CSR is both valuable for the community and Techfite. Its activities assist in forming robust attachment between staff and Techfite by uplifting the morale of employees and assisting both employers and employees in experiencing the connection between the environments surrounding them. For Techfite to be socially responsible, it should be accountable to itself first and its stakeholders. The company has to establish the standards of ethical actions for its counterparts and industry. The city of Dellberg and Techfite employees will benefit a lot from the practice of CSR. Through the CSR programs, charity, and volunteer actions, Dellberg society is empowered. The employees of Techfite are motivated, and their morale is boosted through CSR activities.

**B1. Community Reputation**

CSR is the self-regulating model of business which assists an organization or a company to be socially responsible for itself, its shareholders, and the overall public at large. Practising CSR helps companies to be conscious of the sort of influence they are making in the facet of the society such as economic, social, and environmental aspects. Engaging in CSR ensures the business operations of the company are carried out in ways that promote the society and the environment, rather than affecting them negatively. CSR is both valuable for the community and Techfite. Its activities assist in forming robust attachment between staff and Techfite by uplifting the morale of employees and assisting both employers and employees in experiencing the connection between the environments surrounding them. For Techfite to be socially responsible, it should be accountable to itself first and its stakeholders. The company has to establish the standards of ethical actions for its counterparts and industry. The city of Dellberg and Techfite employees will benefit a lot from the practice of CSR. Through the CSR programs, charity, and volunteer actions, Dellberg society is empowered. The employees of Techfite are motivated, and their morale is boosted through CSR activities.

**B2. Course of Action**

1. Abolishing the bonus plan for directors and directing the resources elsewhere.
2. Encouraging full-time employment.
3. Billing clients the actual price of services and goods.

**B3. Course of Action Explanation**

1. Abolishing the bonus plan for directors and directing the resources elsewhere

Techfit has the social responsibility of doing so to ensure it is accountable to its actions which must benefit the overall society or community.

1. Encouraging and setting up full-time employment

It is environmentally responsible whereby it safeguards the environment by ensuring employees are provided with enough resources and time.

1. Billing clients the actual price of services or goods

It is ethically responsible, whereby it is accountable based on its principles and values of honesty and credibility. Built by these values, the company will attract more customers and boosts its returns.