Tutor University Business Ethics Dilemma

Posted on September 24, 2019

Introduction

In the dynamic business environment of today, business ethics play the most fundamental role in shaping the inter-personal relationship between employees. A lack of business ethics has proved to boost the growth and profitability of business organizations, but it may impede the upsurge in the long run (Michaelson et al., 2014). Organizations with strong code ethics, at times, face ethical issues where management has to choose between right and wrong or ethical dilemmas where a less disreputable choice has to be made between two or more disreputable scenarios.

The case of Tutor University (TU) is presented where owners face the dilemma of choosing profit over ethics or the other way round. TU has a code of conduct to prevent unethical business activities. Code ensures that employees assist students with mentoring and coaching in such a way that the learning process of students is not hampered. With the introduction of new competitors, owners of TU are searching for new ways to prevent hurdles in achieving the desired growth rate. To do so, they will have to compromise the code of conduct to keep up with the pace of market competitors. However, business managers also need to ensure that the good repute of the organization remains intact.

Unethical decisions often lead to prompt whistle-blowers to launch into an outburst. A former employee at TU suspects the recent moves from management might lead him to reveal potential unethical practices. This paper tries to identify the dilemmas faced by management, the consequences of compromising the code of conduct to solve those dilemmas, the theories that may provide a solution and a comparison of theories to figure out the most reasonable solution.

Two Dilemmas

Tutors University is known to students and universities as being a reliable source for mentoring and coaching. TU has grown up on the reputation of enforcing its employees to strictly follow business ethics. However, the introduction of competitors with compromising ethical values has created a dilemma. If owners choose to follow the footsteps of competitors by introducing the feature of “Tutors for hire”, they will end up compromising their code of conduct. However, working on something for students which will not affect the learning graph of students does not violate ethical values. Conversely, following the code of conduct will result in stagnant growth of the company in the near future, eventually decisive for the company to carry out downsizing.

Another dilemma would be a choice between either retaining both the repositories created by students and tutors or avoiding the creation of a trust deficit between the company and stringent university teachers. Profit-making might result in a later loss because of whistle-blowers, but there is no immediate fear of loss. Thus, the organization is encountering two ethical dilemmas and has to choose the one with the lesser unfavourable consequences in both dilemmas.

TU Code Of Conduct

The code of conduct plays a compelling role in shaping the dilemma faced by TU. Every clause except the first reflects the policy of encouraging students to think critically through in-depth analysis. Furthermore, the code ensures that working for students should not be interpreted as facilitation and should be curbed. However, the new services contradict the code exceedingly. The provision of already written or typed assignments, notes and projects would contradict the clause of the learning process. Similarly, hiring tutors to attend online classes in place of students themselves would contradict the fourth clause that ensures a tutor does not work for the students. If the third and fourth clauses are not followed, students' critical thinking will be averted, too.

The first clause does not have an impact on any of the two dilemmas since TU still has the policy of providing coaching and mentoring as it was before the changes. Each of the other clauses triggers the two dilemmas.

Ethical Issues

The two dilemmas belong to a common ethical issue of whistle-blowing. Spencer Tracy, the former director of Tutors, knows the code of conduct and ethical values being followed in the organization. Thus, the adoption of profit-making means that would compromise the code of conduct might enable Spencer to launch into an outburst. The fact that can prevent his outburst is the realization that his action can cost the job of his former colleagues. Reporting on this matter may damage his former organization's reputation. Reporting unethical behaviour outside the company will have far-reaching consequences (Near et al., 2016).

Another ethical issue that arises in this case is that of trust and integrity (Michaelson et al., 2014). Students who avoid unethical means and use TU only to seek mentoring and coaching might become distrustful of TU. Issue of integrity may arise when students are not delivered with what they had been promised. Eliminating such issues may keep the ethics intact, but it would also result in shrinking profits.

Ethical Theories And Case Of TU

Before searching for a viable solution to this dilemma, the following question needs to be asked:

“Is The Practice Of Earning By Working In Place Of Students Ethically Fair?”

Following are the theories by Kant, Rand and Bentham that are mentioned to make an attempt to solve the ethical dilemma faced by TU.

Kant Theory

Kant theory goes with the perception that a practice is a much ethical as the purpose behind it. A bad intention might lead to sound consequences, but that would still be bad, as Kant suggests (Korsgaard, C. M. 1999). In the first dilemma stated above, the learning process of a student might not be affected by someone else working in his or her place. However, from Kant’s perspective, since the intention was bad, the practice is unethical. Conversely, if TU does not opt for the new services, it might lead to the downsizing of employees to keep up with the profit margins. As Kant’s theory goes, it is one’s duty to be on the morally correct side (L’etang, J. 1992), and hence, downsizing is not unethical because the purpose that led to downsizing was not immoral.

By using Kant’s theory, the most reasonable solution to the first dilemma would be sticking to the code of conduct, even at the cost of the company’s profit and employees’ jobs. Profits may not necessarily drop because other competitors would be sticking to unethical means, prompting whistle-blowers to speak against them.

As for the second dilemma, Kant’s theory suggests that the organization should avoid the establishment of a trust deficit and, hence, should quit repositories by students and tutors.

Rand Theory

As the Rand theory suggests, TU owners need to find out what serves their personal interests (Hicks, S. R. 2009). Revisiting the question, Rand’s theory would pass ethical earning as virtuous since it serves the purpose of a company’s growth on the right path.

The best approach to solve the first dilemma, according to Rand’s theory, would be to compromise the code of conduct and give up on altruism so that the new services can be adopted. This approach would work because it would fulfil the company’s desired annual growth rate instead of slipping into a loss. Furthermore, the second dilemma, in direct contradiction to Kant’s theory, recommends maintaining repositories.

Bentham Theory

Bentham’s utilitarianism calls for more in-depth analysis before conclusion. The theory weighs the collective pleasure against pains as a result of an action or a decision. Thus, one has to choose the path that ensures the domination of pleasure over pain (Bentham, J. 1994). The application of this theory would answer the question of ethical earning. In the case of TU, both pleasure and pain can be measured in terms of the growth of the company, student and employee facilitation and student learning process.

As surging profits would ensure the growth of the company, job security of employees and facilitation of students, the pleasure or happiness index would weigh more in comparison to sticking to a code of conduct, which only ensures an appropriate learning process for students. Therefore, using this theory, verdict can be made in favor of adopting new services and giving up the code of conduct. Moreover, the utilitarian approach appeals for further investigation before reaching a decision. Sticking with the repositories would outweigh the possibility of retaining the repute.

Comparison Of Theories

Kant's theory is good to implement to reach a verdict regarding the usual resentment inside the company. On the other hand, Rand's Theory is agreeable in cases where altruism may result in huge and immediate losses to the company. The first dilemma is neither resentment nor can emerge into immediate and huge losses. Thus, the best approach out of the three to solve the first dilemma would be Bentham's Theory. By using Bentham's Theory, TU owners can deliberate deep down into the evils being faced in a dilemma and, hence, can provide a comprehensive solution.

Conclusion

Ethical issues and dilemmas are very frequent in business organizations. Over time, theories have been developed to tackle such scenarios, but, at times, solutions provided by each of the theories appear contradictory to each other. The specific scenario gives a clue about which theory would be most viable to achieve reasonable trade-offs.

References

Michaelson, C., Pratt, M. G., Grant, A. M., & Dunn, C. P. (2014). Meaningful work: Connecting business ethics and organization studies. *Journal of Business Ethics*, *121*(1), 77-90.

Bentham, J. (1994). The principle of utility. *Ethics*, 306-312.

Hicks, S. R. (2009).Ayn Rand and contemporary business ethics.

Korsgaard, C. M. (1999).Self-constitution in the ethics of Plato and Kant. *The Journal of Ethics*, *3*(1), 1-29.

L’etang, J. (1992). A Kantian approach to codes of ethics. *Journal of Business Ethics*, *11*(10), 737-744.

Near, J. P., & Miceli, M. P. (2016). After the wrongdoing: What managers should know about whistleblowing. *Business Horizons*, *59*(1), 105-114.