Ethical Scenario

Student’s Name

Institution

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Ethics refers to the laid down policies that stipulate the conduct of employees within the organization (Solomon, 1992). The ethical framework regulates the way the employees transact and conduct business. Therefore, the organizational culture determines how the company transacts business. This means that the culture of the organization predicts the behaviour of the employees. Hence, ethics forms the background for organizational culture.

Organizations have their ways in which they conduct business and carry out their operations. The setup has different people that contribute to the existence of the entities. However, these employees have to behave in a recognized and appreciated manner. Due to this need, a code of conduct with moral principles is present to govern the behaviour of these employees. Employees of ABC have an obligation of doing that, which is good at the expense of the company. Therefore, it is expected that all employees irrespective of position must observe the code of conduct, which stipulates the company’s policies on behaviour.

As a manager, I need to behave in the best way that can improve the relationship with the employees. I would have handled the situation at hand according to the company’s policies. The policies are clear about gifts and restrict anybody from issuing or receiving goods even if they are not meant for bribery. I would call the employee and let him understand the policies or code of conduct when in the business premises. As long as the employee is still working for ABC he needs observe the policies. The code of conduct reveals the limits that need to be observed for the benefit of the organization. Receipt of gifts would be purported as bribery in this case for the employee as similar cases are realised.

Gifts as outlined are not allowed in the organization. in other words, this practice may result to disciplinary issues since the employee doing this fails to observe the laid framework of operation. When such gifts are issued, it may be presumed that the employee is aiming at getting a certain benefit or favour. The practice may hinder the managers and other officials from exercising equality among the employees or other levels in the line of duty. Therefore, to be safe on my side as a manager I would involve the responsible authorities such as the human resource manager to assist in dealing with the issue.

In the company I chose in module one, there is a similar restriction which is not practiced. The rule is to reduce the levels of corruption and declare the organization as a corruption free zone. However, the ethical framework regulates the type of gifts and the origin of gifts. Gifts from employees are not allowed within the organization.

The relationship of ABC case and that of the discussion board is that of code of conduct. The ethical framework governs how the employees relate in a work environment and eliminate any possibilities of favouritism from other employees.

The narrative behind giving gifts is associated with the old practices where people used to express gratitude, appreciation and love. Whereas the notion is that of free will and goodwill from the giver, the recipient is subjected to pressure to prove that the gifts are for gratitude and not bribery or related purposes (White, 2001). However, the purpose for issue is not specified between the giver and the recipient. This increasing debates about free giving of gifts and genuine increasingly widens the gap between corruption and the intent of issuance. Moreover, the companies need to distinguish this practices and eliminate them from the organization culture. In other words, the line has to be drawn between genuine giving and giving with other expectations.

The level of corruption in most countries worsens the idea of giving gifts by either the employees or companies. These practices revolve around the Acts of the accountants and the level of business decisions. Large corporations have a “no gift “policies put in place to keep off any traces of corruption. Companies such as Kmart and Wheeling-Pittsburgh Steel are among the large companies that practice such policies. However, there are companies that accept corporate gifts but have other means of awarding them to employees. In addition, for gifts arising from other employees, these do not materialize as the code of conduct of most companies highlight this as an issue. Some Acts expressly make the issuance of gifts as unlawful. Acts such as the Foreign Corrupt Practices Act of 1977 makes it unlawful to bribe individuals (Lewis, 1985).

From the company’s side gifts given to employees are not treated in any special way. They are disallowed for tax purposes. Therefore, they will still increase the bracket for taxation hence an increase in the tax liability.

**Policies and Procedures to govern gift giving**

The policies and procedures are pegged on the Acts previously stipulated. These form the basis of employee behaviour within and outside the organization.

1. Gifts from employees to other employees (the management) are restricted. This practice is not allowed, as the organization is a corruption free area.
2. Any form of gift should be reported to the management or authorities before dispatching the same to the ultimate person. Failure to do so will amount to disciplinary action taken against the parties.
3. Otherwise, no gift shall be accepted or any transaction presumed to be that of bribery or enticing the other employees or those in authority. This shall result to disciplinary and summary dismissal from the organization.

**References**

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