Unit VI MBA6301 Case Study

Name of the Writer

Name of the University

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**Q1**

After clearly reading the case study, it has been clarified that several factors affected the level of hubris on Thomas. The corporate culture within the bank was designed in such a way that Thomas Farrow had complete control. Furthermore, he had the authority to implement any policy or action that he sees fit without any sort of outside intervention. If an analysis of his leadership style were to be done, it could be seen that Thomas Farrow was more of a monarch (a ruthless one at that) rather than a manager (Hollow, 2014). Those type of leadership style was visible from his deafness to any advice from outside sources and as he had no oversight over him, he did whatever he wanted. Moreover, his involvement in shady dealings and mismanagement of funds of the bank and his funds were all an indication of his leadership style. Lastly, his only motivation that was visible from the case study was that Thomas Farrow wanted to make huge amounts of money in as much less time as possible. This is a clear example of one's greed taking over any moral sanctity that they might have had left. His greed forced him to go into dealings that he thought will give him the highest amount of profit majorly for himself or the bank; if the bank profits, even then he is the one who benefits from that. All these actions accumulated into managerial hubris, which inadvertently led to his destruction (Hollow, 2014).

**Q2**

Ethical decision making is a concept that revolves around the fact that decisions that are made within an organization should be taken to provide the maximum amount of benefit to the organization with the least amount of harm to the environment. By using ethical decision making as a guiding principle, employees, managers, and the shareholders of the company can increase productivity within the organization (Bazerman & Sezer, 2016). Furthermore, it can be seen that through ethical decision-making, employee morale stays high and the concept of managerial hubris remains even lower. In the case of Farrow's bank, if the idea of ethical decision making was already implemented within the current structure of the organization, the bank would never have gotten to such a low position. This is because if hubris is involved in the management decision making process, then there is a chance of an amoral decision process (Hollow, 2014). This type of decision process leads to an increased occurrence of unethical behavior among such individuals. Furthermore, hubris is such a plague on managerial decision making as it destroys any sort of moral awareness a person has. This is done by leading the decision-maker to let go of the importance of the external factors that are important for raising awareness regarding morality. This perfectly describes the case of Thomas Farrow, who in his hubris let go of any advice from external factors. This was also because of the fact as there was no oversight over him, he believed he could do as he desired.

**Q3**

Well, in the case of Farrows Bank, there does not seem to be any pressure associated with ethical decision making. This is evident from the fact that there was no oversight over him either internally or externally. Furthermore, as it was never asserted onto him by government regulators, that he has people he is answerable to. such as the customers and the government. This utter belief in his sovereignty of power left him to believe that nobody could ever stop him from what he wanted to do. This increased his managerial hubris and left him blinded to the path that he was taking and how the path did not have a pot of gold at the end but an utter demise of character and name (Hollow, 2014). Furthermore, with his increased hubris within his managerial capacity, his greed further increased and developed that could not be controlled. He made fraudulent dealings using the bank’s funds and his own as well. This led him to not only lose his funds but the bank’s funds as well. This shows that there is no evidence of pressure associated with ethical decision making at Farrows Bank. The only evidence that was found in this case study was of managerial hubris on the part of Thomas Farrow.

**Q4**

Yes, I do believe that if Farrow Bank had implemented a truly ethical business culture within its structure, then the level of managerial hubris would most definitely have decreased. This is because ethical decision making is one of the most important factors in relation to managerial decision making. This is because ethical business culture keeps on developing a sense of moral awareness within the different levels of the organizational hierarchy. Moral awareness is an important part of effectively making decisions. Furthermore, if moral awareness or even ethical decision making is not implemented within an organization, then even the decision-maker is unaware that their decisions are being influenced by biases and their hubris. This was evident from Thomas Farrow's case, who was not even aware of his hubris. Furthermore, in an ethical business culture, managers are taught the ability to understand and take into account external factors that are influencing their decisions. This helps in combating biases and hubris, which leads to the development of an executive team that is very diverse. Keeping all this information as a basis, I can truly say if ethical business culture were put in place within the organization, then they would not have had to face such a circumstance.

References

Bazerman, M. H., & Sezer, O. (2016). Bounded awareness: Implications for ethical decision making. *Organizational Behavior and Human Decision Processes*, *136*, 95-105.

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