



Course Learning Outcomes for Unit IV

Upon completion of this unit, students should be able to:

7. Explore the professional ethics and responsibilities of intermediaries, the responsibilities and loyalties of managers, and the responsibilities of employees to the community.

Reading Assignment

In order to access the following resource(s), click the link(s) below:

Marshall, A. (2002). Coffee-scalding prevention is worth pounds of curing lawsuits. *Hotel and Motel Management*, 217(15), 10. Retrieved from <https://libraryresources.columbiasouthern.edu/login?url=http://search.proquest.com/libraryresources.columbiasouthern.edu/docview/198964400?accountid=33337>

Muhl, C. J. (2001). The employment-at-will doctrine: Three major exceptions. *Monthly Labor Review*, 3-11. Retrieved from <http://www.bls.gov/opub/mlr/2001/01/art1full.pdf>

United States Department of Labor, Occupational Safety & Health Administration. (n.d.). Employer responsibilities. Retrieved from <https://www.osha.gov/as/opa/worker/employer-responsibility.html>

United States Department of Labor, Occupational Safety & Health Administration. (n.d.). Workers' rights. Retrieved from <https://www.osha.gov/workers/index.html>

United States Department of Labor. (n.d.). Summary of the major laws of the Department of Labor. Retrieved from <http://www.dol.gov/opa/aboutdol/lawsprog.htm>

U.S. Equal Employment Opportunity Commission. (n.d.). Laws enforced by the EEOC. Retrieved from <http://www.eeoc.gov/laws/statutes/>

U.S. Equal Employment Opportunity Commission. (n.d.). Employees & job applicants. Retrieved from <http://www.eeoc.gov/employees/>

Unit Lesson



Click [here](#) to access an introduction video.

Click [here](#) to access the introduction video transcript.



Click [here](#) to access a video that briefly introduces topics in this unit.

Click [here](#) to access the video transcript.

Bruce Wayne was an American billionaire, playboy, philanthropist, and owner of Wayne Enterprises. After witnessing the murder of his parents as a child, he swears revenge on criminals throughout Gotham City. Wayne transforms himself both physically and intellectually and becomes Batman to fight crime. Batman is assisted by the police commissioner Jim Gordon and Robin—another vigilante ally. Without any form of superhuman powers, Batman must rely on his advanced problem-solving skills along with his exceptional physical abilities. In his crime-fighting, he smashes everything and anything in his path. Batman does not play by the rules—legal or otherwise—in his pursuit. Commissioner Gordon heads Gotham and forms uneasy alliances with Batman, as well as other legal figures, in his shared conquest of rooting out villains from Gotham. He often allows Batman free reign to pursue his brand of justice however the superhero sees fit without recrimination.

Once, after killing several people, Batman essentially tells the commissioner that the public can never know what he did. Commissioner Gordon, of course, objects to keeping Batman's secret, exclaiming that it conflicts with Batman's true identity. Batman responds that he is whatever Gotham needs him to be, regardless of the truth (De La Noy & Nolan, 2008).

Batman takes whatever action he deems necessary to protect citizens, including protecting their trust and positive outlook of the situation, and he believes that because he finds it necessary to his overall plan, his actions are ethical. But, is it ethical? Is there no objective standard? Is killing a rival and lying about it ethical just because the victim opposes Batman, or is killing always objectionable no matter the reason? Batman clearly operates, unlike his fellow superheroes, in the "gray area," oftentimes between wrong and right. There are costs, human and otherwise, to his decisions.

In this unit, we will delve into the employer-employee relationship in a new way, regarding affirmative action and at-will employment to start. We will learn about and address the nuances of affirmative action: preferring one qualified group over another in hiring and promotions. Many argue that affirmative action exists in the "gray area" by giving preferential treatment to some based on certain characteristics to the detriment of others who are qualified. Those passed over because they are non-minorities risk unemployment and worse. Are we "robbing Peter to pay Paul," as Batman does? Or, instead, is it a necessary evil to right the injustices of the past? If so, is it the correct vehicle to right those wrongs? However important the reason for affirmative action, we must admit that there are costs and externalities associated with the well-intended plan. Is it ethical to prefer one group over another on this basis? Is affirmative action akin to doing whatever it takes, no matter the cost (human, ethical, or financial) to reach the intended result?

On the issue of costs imposed for a larger, benevolent reason, we will study the Occupational Safety and Health Administration (OSHA)—its purposes, regulations, and costs. OSHA regulates the working environment of millions of employees in the United States. It mandates a safe workplace, safe from chemicals and workplace hostilities, for example. OSHA requirements clearly increase the cost of doing business for companies. But is it fair, and is it ethical? Who benefits, and who loses? Why? Who should decide in this netherworld between black and white regulations? When business costs increase on the margin, some companies must go out of business, and this also has a cost on society, including but not limited to higher unemployment. An increase in the cost of doing business may cause some people to be laid off or let go, and consequently, they cannot pay their bills. Are we thus protecting one group at the cost of another as a result of these mandated expenses? The costs of changing equipment or processes for the prevention of injuries to employees can be astronomical. On the other hand, people's lives and livelihoods are saved because of these regulations. If it were not for OSHA protections, not only would the costs be extremely large by comparison, they would be considered externalities of the system; therefore, the costs caused by companies

would be borne by others: employees, hospitals who provide free or indigent care, insurance companies, etc. OSHA regulations better ensure that the costs created by businesses are paid by them.

At first glance, one might think that OSHA safety regulations would cost businesses millions in safety upgrades. Instead, every year workplace injuries, illnesses, and deaths cost our nation \$170 billion. According to studies, a good safety and health program can save \$4 to \$6 for every \$1 invested under the regulations (OSHA, n.d., para. 2).

A 1996 study by the Center for the Study of American Business at Washington University in St. Louis analyzed 25 major rules issued by OSHA since 1980 and found the information below:

- Every manufacturing firm pays an average of \$9,000 and \$36,000 yearly to comply with OSHA rules on air quality and process safety, respectively.
- OSHA's strict hazardous-waste operation regulations are costing construction firms across the nation more than \$700,000 yearly.
- OSHA rules on labeling and classifying materials cost businesses the most (as cited in Mukherjee, 1996).

Clearly, OSHA positively impacts the employees who benefit from the increased safety, but those who are out of work due to companies' inability to comply with OSHA pay a huge cost. Is it ethical for them to shoulder that cost, especially when it is their very livelihood?

Last, we will study products liability law and the responsibilities it imposes upon businesses as well as the *Liebeck v. McDonald's Restaurant* case. This is the infamous hot coffee case involving a plaintiff with third-degree burns due to McDonald's decision to serve its coffee at temperatures up to 190 degrees, even after receiving 700 other complaints that the coffee was too hot. McDonald's lost the lawsuit and was ordered to pay over a half of a million dollars in compensation (Cain, 2007). Was McDonald's decision to knowingly serve coffee at a temperature that would produce third-degree burns in less than 10 seconds justified, so that commuters could still have hot coffee after their long commute to work, or was something else at work here?

In general, product liability refers to the obligations of manufacturers and sellers to consumers, users, and even bystanders when a product is found to be defective. We will study what it means for a product to be defective based on contract and tort law as well as the theories of defectiveness, such as a manufacturing, design, or marketing defect. In the case of a manufacturing defect, for example, is the producer liable if a customer breaks his tooth on a cherry pit that was not removed from the cherry pie he bought and consumed? Would it be different if it was a rock of the same size of a cherry pit? When it comes to a design and marketing defect, is the victim entitled to relief if she is injured when a bottle rocket firework prematurely explodes in her hand after two seconds when it usually explodes after 10? When the law balances the interests of consumers against a company's opportunity to manufacture and market a product, who should prevail and on what basis? Are there ethical considerations? If so, what are they?

We will explore these and other issues as we study the employer-employee relationship more deeply and in the context of business regulation of products in this unit.

References

- Cain, K. G. (2007). And now the rest of the story...the McDonald's coffee lawsuit. *Journal of Consumer & Commercial Law*, 10(1). Retrieved from <http://www.jtexconsumerlaw.com/V11N1/Coffee.pdf>
- De La Noy, K. (Producer), & Nolan, C. (Director). (2008). *The dark knight* [Motion picture]. United States: Warner Bros.
- Mukherjee, S. (1996, November 3). OSHA's cost to business: \$33 billion. *Denver Business Journal*. Retrieved from <http://www.bizjournals.com/denver/stories/1996/11/04/story4.html?page=all>
- Occupational Safety and Health Administration. (n.d.). Safety pays. Retrieved from <https://www.osha.gov/Region7/fallprotection/safetypays.html>