Writing Sample 3 - Submitted to Western Governors University

Scenario:

Company Q is a small local grocery store chain located in a major metropolitan area. They have recently closed two stores in higher-crime-rate areas of the city because they were consistently losing money. After years of requests from customers, all of their stores have started offering a very limited amount of health-conscious and organic products—all of which are high-margin items. When asked by the area's food bank for donation of day-old products, management declined deciding instead to throw the food away, citing worries over lost revenues due to possible fraud and stealing by employees who may claim they are donating the food.

Requirements:

A. Evaluate Company Q's current attitude toward social responsibility.
1. Determine whether Company Q's actions, as described in the scenario, are socially responsible or not.
   a. Explain your reasoning as to whether Company Q's actions are socially responsible or not.

B. Recommend three actions that Company Q could take to improve the company's attitude toward social responsibility, based on the information described in the scenario.

Score: Pass

Excellence Award Received:

WGU

Dear Geoffrey,

Congratulations! Your recent submission for Ethical Situations in Business has been selected by the WGU Evaluation faculty for recognition due to the exceptional nature of the work you submitted. The evaluator shared the following about your Task 1 submission: This is excellent work. The paper presents a detailed analysis of the company's attitude toward social responsibility. Three specific issues are thoroughly evaluated and the work sensibly determines that one out of the three actions reflects a negative attitude toward social responsibility. The work includes additional analysis regarding the company's business decisions & outreach strategies related to store closures & limited product offerings. Valid and well thought out solutions are presented for each issue that is discussed. Outstanding work!

Click here to request a pdf or hard copy of your award certificate and to let us know what effect your WGU experience has had upon your professional career and the realization of your dreams.

On behalf of the Evaluation department and WGU, congratulations on this achievement.

Debbie

Deborah L. Fowler, J.D.

Vice President, Evaluation
Western Governors University

Social Responsibility: Company Q

Geoffrey Owen

Western Governors University

Social Responsibility: Company Q

I believe Company Q is acting responsibly when they decide to close two stores and offer a broader range of products, however, their focus on the bottom line sends them down a socially irresponsible path when faced with more complex scenarios. The choices concerning the operations of their local grocery store chain have been broken down into three situations and their associated actions, conditions, variables, decision flows, and decision summaries. Using the information provided, the organization initially appears to be acting in an unethical manner; however, upon further investigation, this isn't always the case. Company Q could use several recommendations on improving their attitude on social responsibility in each situation. These suggestions include reorienting the messaging of a business-focused decision when presenting the reasoning why two stores are closed, placing a priority on responding to customer demand, and reviewing their internal loss-prevention and risk policies and inventory management methodologies to ensure they can serve the public good and remain profitable.

Situation 1

Statement I: "They have recently closed two stores in higher-crime-rate areas of the city because they were consistently losing money."

- **Action 1:** Company Q closed two stores
  - **Condition A:** Stores located in higher-crime-rate areas
    - **Variable:** Region
  - **Condition B:** Stores consistently losing money
    - **Variable:** Financial

- **Decision flow:** Condition B ± Condition A = Action 1
- **Decision Summary:** Financial data shows a consistent loss in 2 stores of the same region → Company Q decides to close those 2 stores.

When the structure of the opening **Statement I** of **Situation 1** is reviewed, some may initially consider the two conditions (**A**, **B**) are connected through the word “because,” leading to an unsupported accusation of acting irresponsibly. This argument assumes external conditions and variables exist which are not provided in the given statement or situation. When one reads the **Statement I** in **Situation 1**, one may infer Company Q closed stores because they were in higher crime rate areas and they were performing poorly because of this, however, without further evidence to support this notion, I feel it is unfounded.

Upon further examination of the sentence structure of **Situation 1**, the word “in” can be identified as a separator of the two conditions. **Condition A** and **B** act *independently* as variables of **Action 1**. The statement in **Situation 1** should be rewritten to convey a focused message; “They have recently closed two stores which were underperforming in their region.” Based on the given information; categorized by actions, conditions, and variables, I believe Company Q was acting in the best interests of their stakeholders.

I recommend Company Q append its existing messaging regarding the closures and include a statement similar to the one presented above. They need to stick to the facts and try to be as specific as possible without going into detail. Changing the narrative affects how stakeholders respond to Company Q’s announcements about future store closings; thus social responsibility becomes a non-issue.

Situation 2

Statement II: "After years of requests from customers, all of their stores have started offering a very limited amount of health-conscious and organic products—all of which are high-margin items."

- **Action 2:** Company offers health-conscious and organic products
    - **Condition C:** Company Q has been receiving requests from customers for years
        - **Variable:** Response-to-market, demand
    - **Condition D:** Company Q offering limited selection of desired product
        - **Variable:** Availability
    - **Condition E:** Requested product are high-margin items
        - **Variable:** Financial
- **Decision flow:** Condition C + Condition E + Condition D = Action 2
- **Decision Summary:** Company Q responds to customer demand → Company Q assesses financial value of health-conscious foods → Company Q offers limited selection of items.

I feel Company Q responded to the demands of their customers in a very untimely fashion. Although the delay constitutes a lack of business wisdom, **Action 2** does not constitute a lapse in business ethics. One may consider the lack of health-conscious foods an ethical dilemma if Company Q cited reasons which are not listed in the given **Statement II** in **Situation 2**. With this in mind, the **Decision Summary** conceptualizes the **Decision flow** of how Company Q responded to their customer's demands and provided health conscious food options. When we remove all external pretense or bias from **Statement II**, we can see the company was acting on the best interests of their customers, albeit very slowly.

Bad business decisions do not directly correlate to poor ethical decisions. When a company does not respond to requests from their customers, the delay may be related to factors which include, but not limited to; an unavailable supply chain, profitability forecasting, product availability, and physical inventory restrictions. When I think about **Condition D**, I can imagine Company Q obtaining a limited supply of the desired products or a business-oriented decision to market only items which the store deems are the most profitable (highest margin). Coincidentally, **Situation 2** ‘piggybacks’ off **Situation 1** because many businesses try to recuperate recent losses by introducing higher margin products in new or emerging markets.

In my opinion, we are not witnessing a social responsibility issue in **Situation 2**, when in fact, we see a business decision to provide their customers with the option of health-conscious food at high-margin prices. The unresponsive and slow nature of this product release may have reduced public opinion; therefore, I recommend Company Q’s reaction time and turn-to-market be decreased by implementing a new customer feedback program. When customers ask for a product, that is a market ripe for the picking and Company Q handles that aspect poorly.

Situation 3

Statement III: “When asked by the area’s food bank for donation of day-old products, management declined deciding instead to throw the food away, citing worries over lost revenues due to possible fraud and stealing by employees who may claim they are donating the food.”

- **Action 3:** Company Q declines donating day-old products to local food bank.

- **Condition F:** Company Q has concerns over lost revenues
    - **Variable:** Financial
- **Condition G:** Company Q has concerns over internal fraud / stolen items
    - **Variable:** Risk

- **Decision flow:** Condition G * Condition F = Action 3
- **Decision Summary:** Company Q is asked to donate day-old products → Company Q assumes internal risk source in employees → Company Q's fixed-mindset on financial gains → Company Q decides to throw away food.

When Company Q decides to throw away 1-day-old food items because management suspects employees might initiate some sort of unethical scheme to steal expiring perishable goods, shows a general lack of trust in their employees and a fundamental misunderstanding of what a food bank means to a community. **Action 3** in connection with **Condition G** shows Company Q may be focused on their financial well-being instead of developing an environment of trust and responsibility. Furthermore, this decision just *sounds* unethical and poorly thought through and in my opinion, they need to up their game asap.

Trust is important in any business and Company Q's management team does not trust their employees are going to give 1-day-old food to the local food bank. This lack of trust in what can be an easily remediable system, bears the mark of unethical decision making. When Company Q considers the financial impact (**Condition F**) of the perceived risk (**Condition G**), it sounds like they are overestimating *both* variables. The financial impact of employees "stealing" expired food should be considered zero, considering the food will either be A) thrown out or B) donated. Furthermore, the risk of employees stealing these types of goods can be controlled. So what are they worried about? Talk about paranoid.

For **Situation 3**, my recommendation for Company Q includes implementing new policies regarding risk management and inventory management. They should establish an acceptable loss percentage and track product quantities along with their expected expiration dates. When items are counted out of inventory to be delivered to the food bank, those items are placed into a separate tracking worksheet which can be signed off by the receivers at the bank. Simple solution to a relatively simple problem.

Though many people reading the provided statement may feel Company Q is acting unethically through and through, when each action is separated into their given statements and systematically analyzed for conditions, variables and their associated business decision workflows, social responsibility is a non-issue in two out of three of the actions they take. **Situation 1** describes a business decision which could be aided with clear and concise messaging. Changing the narrative will help Company Q reduce any public inquiries into why stores are being closed when the decision is related to financial losses. **Situation 2** shares Company Q's slow response-to-market. Any causation factors for this delay point towards poor management decisions, not to Company Q's attitude on Social responsibility. **Situation 3** details an unethical decision to throw away food which would have gone to a good cause. A simple adjustment in how they track their inventory could help reduce risk and ultimately show their customers they are willing to change for the greater good.

References

N/A