

UNIVERSITY OF THE PEOPLE

BUS 4405-01 LEADERSHIP - AY2025-T1

WRITTEN ASSIGNMENT UNIT 6

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Ethical Analysis of Employee Layoff Disclosure:

Balancing Corporate Interests and Personal Impact

1. Introduction

In my analysis of a complex ethical dilemma involving confidential layoff information, the scenario involves a manager instructed to withhold information about an impending layoff from an employee making significant financial commitments. This analysis applies to the Ethical Checklist framework developed by Wallace and Pekel (n.d.) to evaluate the situation and determine an appropriate course of action.

2. Ethical Checklist Analysis

2.1 Relevant Information Test (Score: 2/5)

Critical information gaps exist:

- Timeline for the layoff implementation
- Company's severance package details
- Alternative positions within the organization
- Legal obligations regarding disclosure

2.2 Involvement Test (Score: 1/5)

Key stakeholders not currently involved:

- Human Resources department



- Legal department
- Employee's immediate team members
- Company leadership for potential alternatives

2.3 Consequential Test (Score: 3/5)

Potential consequences identified:

- Financial hardship for the employee
- Damage to workplace trust and morale
- Legal implications of non-disclosure
- Impact on manager-employee relationships

3. Additional Analysis

3.1 Fairness Test (Score: 2/5)

The current situation raises fairness concerns:

- Employee's right to make informed financial decisions
- Company's need for controlled communication
- Balancing corporate interests with personal impact

3.2 Light-of-Day Test (Score: 2/5)

Public disclosure considerations:

- Reputation impact on the manager
- Company culture perception



- Legal and ethical implications

4. Information Needs

To make an ethically sound decision, additional information required includes:

1. Company policies on layoff procedures
2. Legal requirements for disclosure
3. Availability of career transition services
4. Financial implications for the employee

5. Ethical Framework Application

Drawing from ethical business practices, two key principles emerge:

- 1. Utilitarianism:** Maximizing good for the greatest number
- 2. Rights-based ethics:** Respecting individual autonomy

As noted by Wallace and Pekel, "The Ethical Checklist provides a structured approach to evaluating complex moral dilemmas in the workplace" McNamara, C (n.d.). This framework emphasizes the importance of comprehensive analysis before making ethical decisions.

6. Conclusion

Based on the Ethical Checklist analysis, with a total score of 12/35, I am not very confident in making an immediate decision. The significant information gaps and involvement limitations suggest the need for further consultation and data gathering. A potential approach could involve seeking guidance from Human Resources while exploring alternatives to the



layoff. Ultimately, the decision must balance corporate responsibilities with ethical obligations to employees, ensuring transparency and fairness within legal constraints.



References

1. McNamara, C (n.d.) Complete Guide to Ethics Management: An Ethics Toolkit for Managers. Retrieved from: <http://managementhelp.org/businessethics/ethics-guide.htm#anchor26548>.
2. Wallace, D., & Pekel, J. (n.d.). Method One - Ethical Checklist. Ethical Decision-Making Framework.

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