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Philosophy 235: Business Ethics  
Professor Joel Dittmer

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**Short Paper 1**

The subject of this paper is, as CEO of a small corporation, whether to go forward with plans of expanding your company. Currently, there are 52 factories. In the expansion plan, 12 would close down but 40 more would be built and bring the total to 80 factories. Employment would rise by 8000 but 2500 employees from the closing factories would lose their jobs, unless they relocated. Pay rates for all current employees would remain the same at $21/hr but all new employees, after the expansion, would be paid $15/hr. The health care plan would be rolled back and cost more per employee. Company profits are currently $90million. If the expansion is not implemented, the projected profits are $99 million, whereas with expansion, profits soar to $130 million. As CEO, the board of directors is using your judgment on whether to go forward with the expansion scenario.

As CEO, I would advise the board to go ahead with the expansion plan. While some people will be out of the job, the most overall good will be done by going forward with the plan. I would recommend 6 weeks of severance pay for these people who do not relocate. For those that do relocate, the moving costs should be covered and housing options around the new town should be given. For those within 3 years of the retirement threshold, I would recommend they be put into the retirement program. The new employees will be somewhat sore with the new pay scale, but I would recommend that after 5 years, their pay is raised to $21/hr for their loyalty and commitment to our company. The additional profits could be used to build more factories and provide more jobs or go into the healthcare program to help offset some cost or benefits.

Some people will not be happy with this plan, but the most good can be done with this plan. More employment in more towns helps with the unemployment rate across the country. The severance pay will cover those who would lose their jobs for a short period while they continue to find new employment. The pay scale for new workers will be unpopular, but with the 5 year raise, the divide between old employees and new employees will be diminished. I would also commit to an employee recognition program in the future. Those who work hard should be recognized.

While things may be rocky for a short while, I think that the expansion program is the best solution for the company. Expansion will eventually incur the need for more expansion. The employees and the company depend on each other and some may not see it now, but this would be the best move for everyone.