
Ethical Issue of Workplace Discrimination

An ethical issue is a situation in which a decision must be made between two alternatives based on how morally right each choice is. The ethical issue presented in this case was discrimination. Texaco was being sued for discriminating against their black employees. At the time, it was the largest discrimination lawsuit to date, and caused a massive turnaround within Texaco. This is an ethical issue because Texaco chose to treat blacks unfairly and viewed it as morally acceptable. The alternative course of action that Texaco could have taken was fair treatment of all employees. Their decision shows that Texaco as a company values self interest over fairness. However, after the lawsuit there was a shift in morals within management, and Texaco reevaluated their core values. They began to treat employees more fairly, and thus showed that they now hold greater value to fairness.

To start off the first part of identifying the stakeholders that are affected by the settlement you have to separate them by being interior or exterior when it comes to relationship with texaco. Interior we can start at the top of the food chain: that is with the corporate office and executive branch. No matter what happens beneath (good or bad), usually the CEO and other high level positions are the ones who take the credit. Therefore most of the time the problems start at the upper levels. There will be a lot of other lower level internal issues. For examples there will for sure be a lack of capital as it is. But then the added lack of income loads onto the payload. There will be huge amount of job cuts within the company, plants/stations could shut down. It could destroy in nearly 6 months what it took a company to create in 10 years. Externally, you have created a worldwide reputation that could take eons to forget. For example, when the BP oil spill occurred customers went to local BP stations and would harass the employees and blame the spill on them. The same future could easily be seen for the employees that choose to stay with Texaco. Overall it does not help Texaco at all because since the 1970s/1980s, they have been on a constant decline as an entire corporation. Also the stock value of the company dropped considerably. Plus after the incident the company as a whole suffered so much that Chevron bought it out in 2001. As stated in the article from the book: "Chevron says that it values diversity and runs the business in a way that respects our employees and the world community." That finally being said, Chevron has helped change the image of the Texaco brand and make it a profitable portion of their company. In many ways Texaco was lucky to get purchased in a way where it was not wiped off the face of the earth, but in fact could still keep the Texaco name well and alive.

After reviewing the culture change that Texaco had to undergo it was clear to me what were the possible outcomes of trying to change the poor ethical culture that was occurring throughout the company. Bijur's solution, that I fully support was to launch a complete culture change effort that included all employees in the company because ethical conduct was an issue throughout the whole company. Although this came at a hard financial time where revenues were dropping, many other CEO's said they would have probably focused on the economic state of the company. This decision to focus on the ethics was an amazing decision because this change is something that affects the whole company and the big picture externally.

Bijur's took this as an opportunity to "make us a better company" because of the outcome of this culture. Change is something that is an everlasting lesson that had to happen despite the

bad timing of the employee count dropping from 27,000 to 18,500. This change started with the company's zero tolerance with disrespect towards peers, and if they did not comply with the new change they would be dismissed. This set the bar high for the expectations. That was strict but yet effective: when the issues are that deep rooted that is the only way to see the results you want. Also by having him going to an outside source like the Urban League, that brought upon the idea that it should not just be a change in the ethical culture but that the idea should be integrated into the business plan of Texaco. Also by adding 360-degree feedback for all supervisors you can be reassured that they are following and leading by example. By doing so they were positive they would see the outcomes they hoped for which are a discrimination free workplace with respect for all employees.

What practical steps must be taken to institute the resolution you have offered?

The first step that should be executed is that the at the corporate level, this first thing they should do is hold a meeting to discuss the accusations. Thus within the meeting creating a message that can be released to the press to address the subject. Something that says they do not support these claims as a company, and they will be addressed and to apologize heavily for the harm that may have been created due to the situation. We strongly believe that the solution offered by Bijur was without a doubt the best solution to the problems presented by Texaco's situation. With the new change at Texaco they are now taught how to be ethically aware of their actions and act if they identify wrong doing. These are the critical skills employees at Texaco lacked before the problem was resolved. In the end Texaco had positive changes since they had their culture change but like Angela Vallot says: "You're not going to change the way people think, but you can change the way people behave." And that's what they did which paid off in the end as they applied to be a part of Fortune magazine's 1999 list of best 50 companies for minorities. Although they did not make the list, by them applying it shows the public that they are confident that changes have happened and are working.