Responses to Questions

Name:

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Date:

**Abstract**

This paper sought to examine different scenarios that an organization could be in, to analyze the legal and ethical aspects of issues that might lead to conflict or misunderstanding in an organization. The paper responded to a number of scenario, to reveal the legal or ethical aspects of the issue. It is noted that organization face issues ranging from enforcement of employment contracts, keeping trade secrets, printing of names of customers using the online ordering, defects on products, retaliation of the employees, discrimination of employees in the workplace, and honesty and integrity issues among the stakeholders. Ideally, an organization has to establish a framework that seeks to address the issues on time, ensuring that the possible conflicts in the workplace are solved amicably.

**Response to Questions**

**Will Manuel Perez prevail in invalidating the arbitration clause? Why or why not? Discuss the legal considerations the court will entertain in reaching its decision. Identify the ethical concerns regarding Walexrons approach to the arbitration process and recommend actions Walexron could take to remedy the ethical concerns.**

The United States law allows a company to have an employee handbook, which details the procedures and terms of the employment. In this scenario, the handbook is said to have all the important information relating to the employment contract and the privileges of the workers in an organization. Ideally, employees need to read the document clearly and understand the content before signing. Appending a signature to the document denotes that an employee has accepted the terms. Even though Manuel Perez argues that English is not his first language and he struggled to grasp the terms of contract contained in the handbook, he could have asked for clarification before signing. Even if it is true that English is not his first language, it does not mean that individuals who are not native English speakers can get away with the law, on the premise that they did not understand the language used during the signing of the handbook. In this regard, it is difficult to prove that Manuel Perez had difficulties in understanding the English used in the clauses, yet he did not seek clarification, at the time of signing the handbook. In this case, Manuel Perez acknowledged that he received the handbook and it is clear that he appended his signature, which is an indicator that he had read and agreed to the employment terms and conditions. Notwithstanding Perez’s grasp of English language, the law will not favor his version of the story that he does not understand English, since it is his second language. Therefore, the move to invalidate the arbitration clause would be challenging for Manuel Perez, considering that he had initially signed and accepted that he understood and agreed to the content of the employee handbook (Elkouri et al., 2016).

**Is Walexron responsible for the actions of Dee Struction? Why or why not?**

Even though it is the fault of Dee Struction to alter the working of the machine, which led to the injury of the customer, Walexron is liable for selling a defective product to the customer. Walexron as a company is responsible for the products it brings to the market and it is expected to control the ethical conduct of its employees. The company has an obligation to inform the employees about the need to adhere to the professional code of the conduct. Indeed, retaliation is not accepted in the organization and the employee was wrong to deliberately create a product would fail to function and possibly lead to the injury of the user. Even though the review finds fault in the employees, the company’s image has been tainted. When the consumer decides sue for the damages and possibly compensation for injury, he will not sue Dee Struction, but he will file a complaint against Walexron. This is because the company has an obligation over the products it presents to the market.

The Consumer Protection Laws have been designed to protect the consumer from buying goods that may be harmful to their health, including products that might lead to injury. A company has an obligation of testing the products to ensure that they meet the required standards, before these products can go sale. Therefore, in this case, it could be argued that Walexron failed on its part to act because it failed to ensure that the company failed to ensure that customer buys products meeting the stipulated standards (Keating, 2017).

**Can Walexron hold Lou Scannon responsible for misappropriation of a trade secret?**

In this scenario, Walexron could hold Lou Scannon liable for misappropriation of trade secrets. It is normal for companies to have confidential information, which the management hopes that employees will always keep it within the organization. Trade secrets give an organization a specific advantage over the competitors, thus the lack of willingness to share trade secrets. Besides, trade secrets may taint the image of the organization, underscoring the need to ensure that the information remains with the authorized parties alone. In fact, the company’s policy may consider creating a document where employees acknowledge their readiness in keeping the company’s secrets. However, most of the companies whose employees have failed to keep the important trade secrets have considered taking legal action against these workers. It is argued that the company directors were aware of the fault in the helicopter, particularly the possibility of the helicopter going in flames, in the event the batter overheats. However, the company directors did not see it as big issue and sanctioned the project of designing the helicopter to continue. Lou Scannon as an employee of the organization needs to express his thoughts to the management or at least seek consent from the management, if he wants to speak about the organization to other parties, including revealing sensitive information to the third parties. This is because Lou Scannon had signed and agreed that he was not going to share confidential information about the corporation with the third parties. However, he breached the agreement when he decided to go and share the information with third parties. Such information may have an adverse effect on the company’s overall sale of helicopter. His decision to share confidential information without seeking the approval of the directors makes him liable for breaching code of conduct (Delerue & Hamid, 2015)..

**Is the confidentiality provision within Scannon’s employment contract valid?**

It is worth noting that employment contracts could be either verbal or written. A verbal agreement requires the employee to accept the terms, to make it binding. However, it is a challenge to enforce a verbal contract, particularly on confidentiality provision, which would be better written down and signed. In this scenario, the employer may find it difficult to prove that the employer had agreed to a verbal contract to keep away confidential information from the public. Besides, confidential information in a verbal contract is open an individual’s interpretation. For instance, Scannon’s may argue that the information he shared may not be confidential or regarded as a trade secret because he was pointing at the faults of the company allowing the manufacture of helicopter, which could be risky to the lives, considering the possibility of catching fire. He could argue that he was more concerned about the safety of the people who used the helicopter because their safety in the plane is not guaranteed. Indeed, the company failed to act ethically, and perhaps Scannon thought that it was important for to share the information, so that the mistake that had been allowed by the directors could not lead to lives being lost because of fire risk (Choi, Kim & Jiang, 2016).

If the company decided to enter into a verbal agreement with Scannon’s, it means that the employer is obliged to follow the implied terms of contract. However, in this case, the validity of the contract is questioned because it is open to misinterpretation (Delerue & Hamid, 2015).

**Identify possible claims Kwong Lee might bring against Walexron and the employee who printed the receipt. Which party is most likely to win? Why?**

Lee Kwong is upset because the details he provided did not reflect on the receipt. In this sense, he thought that maybe the goods delivered were not what was ordered because ideally the names were supposed to match, to instill confidence that the ordered products had been rightly delivered. Lee Kwong may sue the company for negligence and failing to use the correct name in the delivery of the product. Besides, it raises some issue with the race, where an organization makes an assumption about names associated with people of a specific race. In fact, ordering goods online requires adherence to the details, including full names and location, just ensure that the products get to the right owner. In this scenario, it was possible for Lee to refuse taking the goods because they did not bear his names (Choi, Kim & Jiang, 2016).

**Can Walexron seek to recover from Alf Abett individually on the judgment for the Goin Postal partnership? Why or why not?**

The answer could be both yes and no, as it largely depends on the sort of the organization it is. For example, it is impossible for Walexron to try and recoup from Alf Abett individually, in the event the associate is constrained by the obligation. Indeed, the Goin Postal business should be considered different from the three proprietors. In this regard, the business will have to face loses depending on the number of the three accomplices. Alternatively, it emerges that it was not a restricted risk; Walexron has the chance to recuperate from Alf Abett. It is even possible for the organization to consider alternating the accomplices if deemed conceivable (Hattam, 2014)..

**Using the Business Judgment Rule, did the board of directors fulfill its duty of care to shareholders in suing Alf Abett individually for the Goin Postal judgment? Why or why not?**

The business judgment rule states that settling on the business choice requires the chiefs of an enterprise to adhere to an educated premise, in line with the basic honesty and in genuine conviction that the move considered would greatly benefit the organization. The governing body has the core obligation to settle on choices, which will be profitable to the shareholders of the organization. The role of these individuals is to ensure that the shareholders’ speculations are not lost. In this case, taking legal action against Alf Abett was in tandem with the organization’s decision to recoup the money. This way, the organization could satisfy its obligation (Hattam, 2014).

**Can Adam Upp sue Walexron for employment discrimination? Can Adam argue constructive discharge in this instance? Can Walexron fire Cybil? Why or why not?**

Yes, Adam may consider taking legal action in regard to Employment separation. The Employment Discrimination Act was instituted to address segregation of workers in the workplace. In this sense, these laws promote equality in the workplace, regardless of the sex, race, gender, religion, among others. It is evident that Eva treats Adams different because she does not approve same sex marriage. It is wrong for Eva to take over responsibilities of Adam, as a way to freeze his pay. Ideally, she was only keen on frustrating. Adam because she did want to accept that people are different and workers are protected against discrimination based on their sexual orientation. Indeed, Eva has breached the law just to frustrate Adam. Considering the work environment did not favor Adam, it is a great decision for Adam to decide to quit and perhaps look for opportunities elsewhere where he can be respected for who is. Based on this, Adam can argue that the workplace did not provide peace and environment where he could discharge his duties. As such, the company should prepare a constructive discharge plan, as he waits for another chance that he might have after quitting the corporation (Offermann et al., 2016). Walexron may consider firing Cybil because she is voluntary worthy. In this respect, the organization can turn him down without providing a reason for choosing to terminate his contract.

**As the new Director of Compliance, you have reviewed each of the issues presented and the Vice President of Legal requested that you identify any ethical and legal concerns and provide recommendations on how to avoid both legal and ethical issues in the future. Be specific and detailed, and be sure to base recommendations on relevant legal and ethical principles.**

In examining all the cases above, it is clear that legal and ethical issues need to be addressed. For instance, the preparation of the employee contract should be done in an open way. The human resource department needs to provide additional help to the employees, ensuring that employees understand the kind of contract they are entering into, as it makes them better placed to accept or deny the terms and conditions stipulated on the contract. This could be done through consultation with the employees, in relation to the contract term, getting their views if they comprehend the provisions of the contract. Secondly, it is essential for the company to address the grievances of the employees, whenever they are presented. Even though the organization may reject the proposal made by the employee, there is a better way of telling the employee to remain calm and provide a comprehensive statement, detailing why the organization had considered otherwise. This is important as it calms the employee, as shows that the organization cares. In fact, the employee will not consider acting in retaliation because he or she feels the organization does not value their voice or request.

An organization has a team of professionals whom they trust with trade secrets. However, it is important to note that some of these workers may leave the organization or could reach a decision of sharing the trade secrets with others. As such, it is important to get these employees with trade secrets to sign a written contract, which is enforceable and valid, as opposed to asking them to accept a verbal contract whose terms are not clear.

Addressing the issues related to wrong names requires talking to the employees who deal with online ordering of goods. It is important to get the names rights, including spelling the names in the right way. Indeed, spelling names wrongly or using a wrong customer creates more confusion to the customer and creates a wrong impression of the business.

Honesty is an essential element in business and the need for the organization to focus on cultivating honesty. Stakeholders in the organization need to ensure that information is transparent for all to see. In fact, accountability is important, particularly in building the name of the brand. For this reason, the company needs to encourage a culture where right information is provided to the stakeholders, to limit the chances of arguments emerging and disrupting business operations.

Discrimination in the workplace should not be condoned. Employees should be judged based on their ability to deliver, as opposed to examining factors such as their sexual orientation, religion, race, and other aspects that do not have anything related to the performance and delivery of an employee.

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