

Social Implications

Social Implications refer to those actions of a business that have an effect on society. The areas to explore are the following:

Ethics in finance

In financial dealing and payments, there are many rules and regulations that are to be required.

An exemplar unethical action involving finance would be bribery, which is a form of corruption, involving one subject using money to gain an unfair advantage over others.

Similar to bribery, is a term called 'Insider Trading', which refers to the illegal use of quality information in dealing on a stock exchange. This is where a person trades confidential, quality information from their company with another person, in exchange for money.

Another issue would be executive pay, where there is excessive pay for top executives. However, in US companies, they are now required to deliver an annual report for a single figure for the total pay of their executives, including salary, perks and pensions. This is a response to a public concern about pay rises and high-profile cases of failed executives getting payoffs of up to US\$100 million, and others having stock options backdated to give them a share of earlier capital gains. This will provide information to shareholders on the amount their top executives are earning.

'Lobbying' is another term revolving around unethical financial implications, where the intention is to encourage politicians to adopt a particular cause or issue, in order to benefit it. Lobbying politicians can be a form of corruption.

An exemplar company that has dealt unethically within their financial sector is Apple; a chain of retail stores that specialize in computer and consumer electronics. Apple's product manufacturers are being underpaid by a significant amount. Their suppliers, Foxconn, employ 235,000 workers, and pay £1.12 an hour on the production line. With Apple's popularity growing at a rapid rate, and their product's demands increasing significantly, Foxconn sold 93million iPhones, 40million iPads, 38million iPods and 17million computers, yet the significantly underpaid factory workers have no increased payments.

Ethics in human resource management

This law is to ensure that there is no discrimination involved when a job is advertised, Work surveillance is an appropriate action to a certain extent. It is important to ensure that all staff and employees treat one another with equal respect and quality behavior, however, there is only an extent to how far it can go until it is inappropriate for an employee to have their behavior measured.

In 2009, a Foxconn employee reportedly jumped from an apartment building after losing an iPhone prototype. Over the next two years, at least 18 other Foxconn workers were linked to attempted suicides. Yet despite the claims on the contrary, the abuses appear to have continued throughout the years.

A broadcaster revealed that the entry-level salary of just £180 per month is so low that it would take more than two months salary to pay for the cheapest iPad from the Apple industry. Even the lowest wages within the factory do the maximum available overtime of 80 hours per month, they still do not earn enough to pay tax.

Previous reports have claimed that some of the workers were doing 24 hours at a time, whilst others were forced to stand for their entire shifts. In 2013, Managers ordered nets to be set up around the factory, after having nine workers commit suicide in the space of three months.

These conditions show that the human resource management within Apple is extremely poor. They are overworking their manufacturers to maximum exhaustion, underpaying them significantly, and forcing them into extremely poor working conditions. It is blatant that the Human Resource production needs to increase significantly in order for Apple to eliminate their unethical reputation, and to treat Foxconn workers in a much improved working atmosphere.

Ethics in production

Within the production industry, one ethical requirement would be to minimize the amount of animal experimental testing to as low of a point as possible. An international issue that is currently being faced, is how animals are a common use of help for the development of products; ranging from cleaning products to new cancer drugs. However, the number of live experiments in Britain has halved in the last 30 years.

The British law states that any new drug must be tested on at least two different species of live mammal. One must be a large non-rodent. UK regulations are considered some of the most rigorous in the world. The animals act in 1987 insists that no animal experiments should be conducted if there is a realistic alternative. Using animals can be extremely unethical, as it can cause them a vast amount of physical, emotional or mental distress, and animals are completely unable to give their ethical consent to the experimenters.

'Planned Obsolescence' is a manufacturing decision by a company to make a consumer/customer product in such development that it loses its purpose or quality within a small period of time. This will naturally stimulate a constant demand for the product, as people will need to buy and re-buy it in a consistent manner. This is extremely unethical for the production department, as it means they will be earning constant, extremely large incomes because of this product; however, the consumers will be losing money on a regular basis, by having to buy the product time and time again.

In 2014, Apple's most recent product; the iPhone 6 and the iPhone 6 plus, are reportedly 'bending' whilst being carried in customers' pockets.

The bigger screens but thinner bodies of Apple's new product have come at the cost of rigidity, according to a vast range of customers across the globe, who have reportedly bent phones after placing them inside of their pockets. The iPhone 6 and 6 plus chassis is milled from a solid piece of aluminum alloy, whose composition is secret. The weak area of the phone appears to be around the volume buttons, where the frame is at its thinnest and creates a fulcrum point around which the phone bends. Although the phone does not break, it is easily disfigured when put into fairly tight spacing.



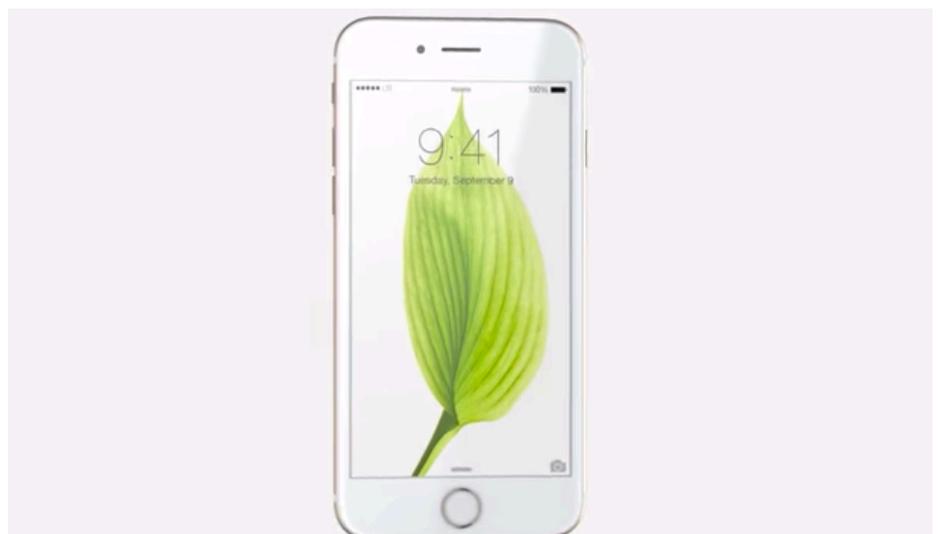
Ethics in sales and marketing

Unethical sales and marketing revolves around advertisement that gives false or misleading information on the value of a product, and when it fails to give practical information on the possible reaction or side effects of the product.

Spamming is a term used to define consistent messaging to a large amount of people, in order to promote a particular product, event or situation. Email spamming is a combination of email spoofing, and spamming is when a person has consistent messages coming into their email inbox, due to the fact a salesman or marketer is trying to generate their sales by consistently promoting it. Although this can be beneficial for the company, as they are raising awareness for their product(s), it is unethical as it irritates the people being spammed, particularly if the spam was not wanted.

Spoofing refers to emails that appear to have originated from one subject, when they were actually composed by another. Individuals sending junk email or spam typically want the email to appear as though it is from a real address, which may not really exist. This way, the email cannot be traced back to the originator.

'Raising their own status' is a business strategy, where the company design false recommendations or blogs onto a website that encourages people to look into their company, or their products. These



recommendations either come from paid individuals employed by marketing companies, or are employees of the business pretending to be satisfied customers. This technique gains recognition from viewers, and creates a fictional, positive reputation for the company itself. Again, this is unethical, as it means that these advertisements are in fact lying to the customers, and promoting false situations.

Before iPhone 6 and the iPhone 6 plus was launched, Apple released an informative trailer giving detailed information on the newly improved product. with quote 'Developing an iPhone with a larger and more advantaged display, launched one of the most significant design and engineering efforts, since we introduced the original product.'

However, having reports from customers having their iPhone disfigured when put into their pockets, their promotional video was criticized for untruthful and false advertising.

Ethics in intellectual property

Intellectual property is a law that allows people to own their creative work, in the same sense that a person can own physical property. This law encourages a people to act creatively and develop their innovation skills, to further advantage everyone, and the owner of the property can control and be rewarded for its use.

The four main types of IP are the following:

- Patents for inventions- new and improved products and processes that have industrial application.
- Trade marks for brand identity- of goods and services which establish the distinctions of different traders.
- Designs for product appearance- a product's physical appearance is created by a person with a particular skill; this is an asset that can be protected by copyright.
- Copyright for material- literary and artistic content, music, films, sound recordings and

broadcasts, including software's and multimedia.

This means that singulars or business organizations that have invested in their time, resources and talents to create something useful or enjoyable for others, have rights to protect it from being stolen. This applies to computer software, in addition to music records.

Apple is in an ongoing series of lawsuit against the mobile and electronic company, Samsung. The first Lawsuit regarding the design of smartphones and tablet computers; between them, the companies made more than half of smartphones sold worldwide as of July 2012. However, in 2011, Apple began litigating against Samsung in patent infringement suits.

However, with Apple's latest iPhone 6, Samsung



has claimed that Apple is imitating their 2012 Galaxy Note series. With similar size, texture and general functions; yet another Lawsuit between the two companies is arising, due to Apple's imitation of the product.