Ethical Dilemma: The Example Of Coca-Cola Company

An ethical dilemma, which is also known as a moral dilemma is a situation where a person has to make a decision from two choices, and neither will solve the problem morally. Ethical dilemma expects people or managers in organizations to make decisions that adhere to the ethical conduct, rules, norms, beliefs, and religious traditions that are morally upright but not possible always. Organizations should make decisions that are ethically acceptable by all the stakeholders.

Coca-Cola Company was established in 1886, and it is one of the leading sellers of beverages globally. The company has many stakeholders, which include the customers, governments, management, employees, and the whole community. It sells coca-cola, minute maid, Powerade, Dasani water, and diet coke. The company has its presence in almost every part of the world. It has utilized global opportunities in the soft drinks industry. The company, like any other, has been facing and fighting severe ethical challenges ranging from health and safety, anti-competition practices, pollution, racial discrimination, and staff intimidation.

In June 1999, in Belgian, the company faced an ethical dilemma where it was found that carbon dioxide batches were not adequately processed, leading to children becoming ill after consuming coke. It became difficult for Coca Cola Company to issue a response after failing to investigate the matter conclusive by trying to buy time for the cover-up. Moreover, during the same period, Poland received Coca Cola water, which was contaminated with mold. For these circumstances, the company failed to take responsibility hence, putting into question their ethical obligation, reputation, and care of their customers. Ivester, the CEO, was unable to provide leadership leading to Belgium, banning coca-cola products in the country.

According to Svara’s (2007) explanation of administrative ethics, public administrators like the CEO Ivester should perform their duties as servants and base their decisions on virtues-centered ethics. It should help the managers to balance considerations, consequences, and principles to differentiate what is wrong or right. The action of Coca-Cola Company concerning the Belgian complaints costed them because they did not accept responsibility. They did not consider the long-term consequences and focused only on their profits and cover-up. The implication of their actions made other countries have a negative image of the company’s products as harmful. The stakeholders of the company were affected negatively. The employees lost their jobs, revenues lost, the customer's health was affected, and the company incurred legal costs.

In summary, companies should act in an ethical and legally when carrying out their operations. Moreover, all the stakeholders must be considered to avoid losing business and incurring more costs in legal battles. Companies should solve their problems ethically or morally, and not compromising the quality of their products as they focus on their profits only.