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## Case Study for Professional Issue in a Firm

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## **1. Repertoire of Fact**

A quality assurance engineer delivered a defective product to the customer. The main reason of incomplete product deliverance is due to time constraint where insufficient amount of time was given to deliver the product which resulted in the product not being fully tested before the delivery. However, the delivered product is ensured that it wouldn't inflict any possible physical harm to the customer or malfunction but the product would high likely to be compromised in terms of efficiency where the product wouldn't function as intended promised under certain circumstances. If the product was not shipped in time, the customer would have dropped their service and most likely get their competitor company to deliver the products.

### **1.1. Case Study**

Adam works as a Quality Assurance Engineer at Quartz Electronics Company. Adam is responsible in performing all the final test before the Quartz's battery. Adam is also responsible on deciding whether the new batteries produced should be shipped to their distributors for sales.

Recently, Quartz had made a deal with the Matte Handphone company in which Quartz's batteries would be used for their new flagship phone. The batteries should be able to charge quickly and the business model is to produce a new powerful long-lasting battery in approximately every five months which implies that Adam is under a time constraints where he wouldn't be able to conduct all the Quality Control tests to ensure that the batteries are defect free.

Adam decided that he would not ship any of the batteries that could potentially be malfunctioned where the batteries cannot be charged or cause potential physical harm to the customer such as where the battery blows up under extreme heat or while charging. However, he decided to only ship the batteries with higher like hood of reduced efficiency where the batteries would most likely drop more percentages than usual when the temperature is high while discharging and takes longer time to charge as the battery only charges when the temperature is at optimum which evidently doesn't deliver as per the intended efficiency. Failure of product delivery could lead to the breaking of contract

between Quartz and Matte company. The possibilities of Quartz competitor company to get the deal would affect Quartz significantly.

Is this an ethical way to conduct business? How should Adam determine when to ship a product with known defects?

## **1.2. The Facts of Case**

### **1.2.1. Fact 1: Scenario (Shortage of time for the Quality and Assurance department to perform testing)**

Quartz is producing batteries for the flagship phones of the Matte company. The given duration for every new generation of batteries is every five months which isn't adequate for the Quality Control department to complete all required tests to ensure that the batteries are defect free.

### **1.2.2. Fact 2: Scenario (Adam will not ship products which are malfunctioned or causes physical harm)**

Adam is engineer of the Quality Control department where every battery that is produced must be fully tested. It is Adam's responsibility to ensure that every battery produced is defect free and conforms to all quality standards which in return would gain the customer trust and loyalty on the defect free batteries. Batteries that malfunctions or causes physical harms are not to be delivered to the customers in order for the customers to gain confidence of the batteries produced.

### **1.2.3. Fact 3: Scenario (Adam ships product which may not function efficiently as intended)**

Despite, not shipping all the malfunctioned or harmful batteries, Adam did ship the batteries that has compromised efficiency and functionality. Due to the reduced time frame given for testing the batteries Adam had to ship defective batteries with compromised functionalities where the batteries would drop significantly in percentages while discharging if the temperature increases the batteries and takes longer time to charge as the battery only charges when the temperature is at optimum. Adam was pushed to a situation where he has to ship the product as if he did not the deal between the two companies would be broken

and their competitor company would take this as a leverage to make business with the Matte company which would not only cause loss in term of profits but also in terms of customer confidents and trust on their products.

### **1.3. Central Ethical Issues**

Delivering the potentially for battery reduced efficiency to the customers may cause the users to have reduced usage time with battery. This will cause the user to charge more than frequently than intended. Since, the charging time is as well as affected where longer time is taken to charge. This may not be a problem for users who uses their phone reduced time span. However, users with tight schedule where they don't often have much time to charge their phones or for the users who heavily uses the phone would be affected tremendously where the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences.

#### **1.3.1. Ethical issue 1: Arguments conduct (Insufficient time to complete QA testing)**

The company should provide a reasonable and adequate amount of time to the Quality and Assurance department so that the complete testing in prior to the product delivery could be done in order to guarantee the quality of the batteries. The insufficient time for testing will benefits the competitor company where they might get the deal if the product was not delivered in time.

#### **1.3.2. Ethical issue 2: Arguments conduct (Adam decides to ship defective product)**

Adam ships the defective product to the distributors for sale is an unethical and immoral decision. The defective batteries delivered may cause the user of the product to loss their intended and desired efficiency and functionality. Adam as a quality assurance engineer should have performed the all the testing on the batteries before shipping to ensure that the product to be delivered is completely tested and defect free.

#### **1.3.3. Ethical issue 3: Arguments conduct (Defective product cause harms to user)**

The customer who receives the defective product decrease in confidence and trust with the Quartz's battery. Customer trust, confidence and loyalty towards Quartz is affected.

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Besides, the bad experience resulting from the Quartz battery, could lead the customers to spread the words to other people around them describing on how low quality the batteries from Quartz is. The customer might as well inform their friends to not to purchase any of Quartz partnered product. The defective product does not only harm to the customer but as well as the producer, Quartz. The reputation of Quartz may decrease over the time gradually due to defective batteries released. As of for the customers who is a heavy user, would be affected tremendously where the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences

### **2. Proposed Appropriate Solutions**

All businesses face competition especially if the products are of the same kind. Knowing who the competitors are, and what they are offering, can help in making products, services and marketing stand out. Often, most companies would like their customer to be loyal to their brand in order to bring growth and profit to their respective company. There are plenty of companies out there, as of a proper business company which launches their defective product with insufficient tests performed on due to time constrain. However, that is an improper way to solve the problem. Therefore, the ethic theories important to the business.

#### **2.1. Duties Perspective**

- Quartz should give an appropriate and adequate amount of duration to the Quality and Assurance department to complete the final test of the ready-to-launch batteries.
- Defective products of should not be shipped by Adams to their partners for sales.
- Adam should have informed the company regarding the insufficient time given to perform all the necessary tests.
- Adam should have performed all the test on the batteries before the delivery.

#### **2.2. Rights Perspective**

- Adam and his department have all the rights in requesting more time to perform the full tests on the battery before the release.

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- Adam had the rights to deliver only defect free products.
- Adam has all the rights in performing all the tests before the shipping.
- Customer rights to be informed on defective product delivery. The customers that are sold with defective batteries are to be informed
- Customer rights to receive good defect free product should be obeyed. Customers that have received a faulty product should be refunded or exchanged with defect free product.
- Customer has the rights for exchange for defect-free product. For all the defective products received by the customers, they are entitled for an exchange or return if the customer would like to.

### 2.3. Consequences Perspective

- Based on the above case, the customer who purchases the defective batteries are deprived of their rights. Despite paying the full, actual amount of the product value, customer has still received a faulty product which doesn't match to the price they have paid for. The not only got a faulty product but the product might potentially affect their daily usage or productivity where the battery takes longer to charge and drains faster.
- For users with tight schedule where they don't often have much time to charge their phones or for the users who heavily uses the phone would be affected tremendously where the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences.
- Also, for users who has bought the product with expectation of the battery lasting longer than normal, the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences.
- Quartz may lose the customer confidence and trust.
- Previous, loyal customers of Quartz may start doubting Quartz's products.
- Quartz may lose loyal long-term customers due to this defective product issue.
- Quartz may lose their future, on-going or past partner projects due to bad publicity.
- Quartz may be sued for delivering defective products.

## **2.4. Virtues Perspective**

- Adam is being dishonest. This is because Adam has delivered product that have not been fully tested and has delivered product which is not defect free.
- Although Adam only shipped the products with high resulting cause of reduced product efficiency and functionality, Adam did not ship the product which are malfunctioned or harmful.

## **3. Develop an ethical analysis with theory or theories**

Here, I will further discuss on our duties and responsibilities.

### **3.1. Kantian Evaluation**

We can imagine everyone following this rule all the time without producing a logical contraction that undermines the rule

#### **3.1.1. Evaluation:**

For the inspection of the first formulation of Categorical Imperative, Adam must deliver the product on time without performing full testing. The moral rule to be proposed, "I have to deliver product on time even if the full product testing is not done." In case of this rule being universalized where everyone followed this rule in which the product that is to be sold in the market may not need to be fully tested to make sure that it is defect free if it is under a time constraint. The proposed moral rule is obviously irrational, so it is wrong for Adam to deliver the defective product to the distributors to sell on market.

From the inspection of second formulation of Categorical Imperative to analyze this case. Adam delivered defective product. Adam attempted to deceive the customer where he was treating the consumer as the means to an end. Adam manipulated the consumer with the goal of on time delivery but with compromised quality of defective product. It was wrong for Adam to treat the customer as a profit machine rather than a smart consumer who would like to purchase zero defect product.

#### **3.1.2. Case for:**

Delivering the battery with reduced efficiency to the customers may cause the users to have reduced usage time with battery. This will cause the user to charge more than frequently than intended. Since, the charging time is as well as affected where longer time is taken to charge.



This may not be a problem for users who use their phone reduced time span. However, users with tight schedule where they don't often have much time to charge their phones or for the users who heavily use the phone would be affected tremendously where the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences. Also, the customer might be unaware about the compromised functionality and efficiency of the product, they are concealed from the truth, in other words, the Adam's company are deceiving their customer to gain the profit from them. From the evaluate above, Adam did wrong in Kantianism for deceiving the consumer.

### **3.1.3. Case against:**

As per the written contract between Quartz and Matter, the product has to be delivered on time and failure of doing so may result in law and order issues in which possibly Quartz could be sued for shipment delay and contract breach. Therefore, Adam decides to ship the defective product to the distributors to sale, so that the company competitor may not to take advantage of the situation as well as to prevent the company from being sued which could lead to large sum of loss in profits for the company.

## **3.2. Social Contract Theory**

### **3.2.1. Evaluation:**

Rational people would collectively accept it as binding because of the resulting benefits to the community. In this case, Adam shipped the defective product due to the reason of the contract time is approximately 5 months to ship new product once. The rational agents involved are Adam, Quartz, Matte and consumers. This leads us to the question did Adam violate the consumer's rights? Also, did Adam deceive Matte by shipping defective product to adhere to the contract or business deal? So, as a consumer, is it right and rational to purchase a defective product without the knowledge of the product being defective? If Quartz offers a price reduction which meets the product with defective to the consumer, or label the product is potentially compromised in terms of reduced functionality or efficiency, then it may have an equality right to both. However, as the product is being sold for the price of the defect-free product and there is no label stating the defects clearly, the consumer is deceived and their rights are clearly violated. Ergo, social contract theory analysis states that Adam was wrong to ship the defective product.

**3.2.2. Case for:**

In social contract theory, the morality is deemed to be as set of rules which on describing how people treats others and vice versa. The rational is that equal benefit is gained. The logic is simple such that we should treat others with respect and kindness, and vice versa others would treat us with respect and kindness, this is the equality on the hellcat. In this case, Adam allows his company to ship the defective product to sell on market which leads to benefit imbalance between Quartz and consumer who purchased defective products. The consumer does not receive a fully tested and defect free product for which they paid for. The money which is an amount of the proper product with zero-defect is received but a defective product is delivered.

**3.2.3. Case against:**

Some situations are quite complicated such that they cannot be described by only a specific way. There could possibly be various ways to analysis and the consecutive results maybe varying. As of this case, not only Quartz is involved but Matte is involved as well in effects to their collaboration. To fully blame things on Adam is definitely not fair. As the product was in accordance to the contract that binds both the companies, it could be said that Matte is in fault to begin with. This is because Matte signed a contract without full consideration on how long is needed to complete the products with defect free with full testing done. In which, we could comprehend it as that Adam was forced to not to perform full testing in order to comply with the contract written and to deliver product on time. Rightfully, Quartz should have required for more time to be given for full testing to be done which may lose the customer's confidence and trust as well as breach the contract.

**3.3. Rule Utilitarianism**

**3.3.1. Evaluation:**

To analyze the above case based on the rule utilitarianism, we must think and come up with an appropriate moral rule which would determine if everyone attempts to follow this rule would it lead increased happiness of the affected parties or vice versa. According to this case, the appropriate moral rule would be as following: "If there is no adequate time given for me to properly execute my tasks, then consequences are not to be bothered." By obeying to this rule, most of the manufacturers would most likely cut down their costs by just delivering a

product which may not be properly executed given the short span of time. In this term, the manufacturers gain the benefit. But unfortunately, many of the consumers may be having a defective product which they have paid the full amount for. They may feel unhappy as the product that they have received is not worth the price they paid. Compromised quality of product may lead to unhappiness within the consumers. Ergo, the harm incurred by universal adoption of this moral rule outweighs the benefits of the consumer. Therefore, the action of Adam is morally wrong.

### **3.3.2. Case for:**

At times, the moral decision that we take does not have to bear the overall happiness or benefits. If the benefits that is gains is outweighed by the harm of the action then it could be considered to be morally right. In this case, Adam was wrong to ship the defective product. Delivering the potentially for battery reduced efficiency to the customers may cause the users to have reduced usage time with battery. This will cause the user to charge more than frequently than intended. Since, the charging time is as well as affected where longer time is taken to charge. This may not be a problem for users who uses their phone reduced time span. However, users with tight schedule where they don't often have much time to charge their phones or for the users who heavily uses the phone would be affected tremendously where the users are served with a product that is deemed to be against its intended quality which will only cause irreversible consequences. The harm outweighs the benefits. So, it is morally wrong for Adam to ship defect parts.

### **3.3.3. Case against:**

In this case, if Adam ships defect goods consumer will not reap the benefit but if Adam chooses to not to ship the parts then the delay of the shipment could lead to contract breach for not delivering on time. They could be sued for breaching the contract as well as they could lose loyalty, confidence and trust of the customer. Either way, both decision leads to a lose cause where both are not beneficial.

## **3.4. Act Utilitarianisms**

### **3.4.1. Evolution:**

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To analysis this case by act utilitarianism, the effects of shipping the defective products should be analyzed and measured. The measurement unit to be used in this analysis is "happiness" and "unhappiness". For each effect of the shipment of the product the value is either subtracted or added which would give us the total unit measurement. If the value returns positive it is deemed to be happiness and negative values represents unhappiness. The affected parties including Quartz, Matte and consumers. Shipment of defective product benefits both the Quartz and Matte. Both companies reap benefits and profit. The employees of the companies would be given bonus. The profit received from the sales is able to sustain the company to pay for the salary of the workers for several upcoming years. Given that, the profit is considerably high the company's profit may attract external investors and more collaborations. This benefit could be given a point of +30.

As of for the consumers, they have received the defective product which may not functions as per intended which results in the consumers losing confidence and trust in Quartz and Matte. This will affect the both companies' reputation and further sales of product in the company, so we need reduce mark -20 as the consequences of shipping defective product. In cases of where the company addresses the issues and replaces all the defective products, the company may gain + 10 mark for being able to get back the customer trust. Ergo, we found that the benefits (happiness of people) of ships defective product outweighs of the harm (unhappiness of people). So, the action of Adam was right in term of act utilitarianism where the final value gives us a total of +20.

### **3.4.2. Case for:**

Act utilitarianism often focuses only on the benefits(happiness) disregarding all the unhappiness of the affiliated parties. It does not focus on weather or not the consequences of the action is morally right or breaks any rules but as long as the parties reap the benefits, then the it is accepted. So, Adam ships defective product to consumer may cause consumer to loss benefit in terms of losing trust or confidence but the overall of benefit in this case is justified where the Quartz and Matte benefits tremendously from this action. Therefore, Adam's action is determined to be the right action as the benefits outweighs the consumer benefit loss.

### **3.4.3. Case against:**

In terms of this case, only assumptions could be made in regards to the effect of shipping defective product. However, that requires extensive amount of time and energy to be analyzed in which we assume there is no case against to this theory.

### **3.5. Virtue Theory**

#### **3.5.1. Evolution:**

Adam was not truthful in terms that he shipped defective products without performing full testing. Since, Matte believes that fully tested product and defect free product have been delivered, Adam was being dishonest. Adam was also not truthful in terms of that he did not report to the company saying there were no sufficient time in testing the products. Adam was also irresponsible. He shipped product that are defectives which may lead to customer lose trust. If customer requires products to be replaced or refund, Quartz and Matte could wound up with business profit loss. Adam's irresponsibility lead to the company facing business loss and possible legal issues. Adam has the responsibility of performing the tests yet he did not and he had the responsibility to report about it but he did not do that.

#### **3.5.2. Case for:**

By virtue of ethics, a person is deemed wrong if they performed any activities that is morally wrong and right if vice versa. In this scenario, Adam was wrong as he was not being truthful and irresponsible.

#### **3.5.3. Case against:**

Adam did not deliver batteries that could potentially lead to physical harm where the batteries could explode under high temperature. With that in consideration, it could be said that his action of sending only compromised in terms on efficiency is justified. Because if he did choose to deliver the batteries that could explode in high temperatures that could have led to far worst consequences like Quartz being closed down due to terrible business loss or being sued.

## **4. Reflections**

### **4.1. Reflection on solution.**

Upon analyzation of many workable ethics, most ethical theories deem the actions of Adam to be morally wrong where all the benefits are outweighed by the harmful consequences of the action. Adam should not have delivered the defective products instead he should have informed the company and requested for more time. By delivering defective product, customer receives goods with compromised functionality. Instead of delivering potentially defective product and losing customers for it, Adam could have required the company to extend the time so full test could be done which will not only retain customers trust but increase profit and reputation of the both companies. Although, extending the delivery period may affect the contract between Matte and Quartz but it would certainly be beneficial in long term.

### **4.2. Reflection on what you learn**

There are a lot of consequences with regards to the delivery of defective products which are both negative and positive. Therefore, I hope that this case serves as a lesson for people to learn from on how to handle and how not to handle a situation. Below are some lessons I have learnt:

#### **Lesson learnt from draft of topic planning**

I learnt that every theory yields a different opinion. To fully comprehend the theories, it requires deep understanding. Each theory gives us various point of views of the very same problem and by doing this we can choose the most morally right action advised by these workable theories.

#### **Lesson learnt from process of assignment work**

Every action has its reactions. Therefore, every action we take has its consequences. It is important that we analyze our actions to know the clear consequences of these actions. So, in future if I ever face with such dilemmas, I would definitely use these workable theories to take the right actions.

#### **Lesson learnt from review of issues and need achieved**

At times, what may seem right to us may not be right to others. So, by performing all these workable theories one could conform if what he does is right or wrong. Also, while reviewing

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I found several errors in the report which then I corrected which thought me to always double check things. Also, reviewing the issues made to understand better of these workable theories.

### **4.3. Recommendation for Situation Improvement**

In my opinion, Adam should report to the company stating that the testing could not be done within the given amount of time. Also, the Quartz should not be quick to accept a deal without consulting their engineers as well as advisors. Quartz should take its own time in analyzing the situation before accepting the offer. Also, Quartz should try to handle things gracefully with Matte regarding the delay in shipments and by explaining to Matte why they should not rush the delivery and consequences of rush delivery. Ergo, product should only be shipped if it has been fully tested and no defects were found.

## **5. References**

1. Quinn, Michael J. Ethics for the Information Age. Sixth edition. ed. Boston: Pearson, 2015.