

Professional Ethics Practical Cases

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Lecture 10

Case 1: HP CEO Forced Out; Lands on Feet at Oracle

- In early 2005, Mark Hurd was hired as the CEO of Hewlett-Packard Company (HP). Under Hurd's leadership from 2005 to 2009, the HP share price more than doubled, while its revenue grew over 40 percent to \$115 billion.
- He resigned.
- After one month, Oracle announced it hired him.
- HP filed a lawsuit asking the court to prevent Hurd from taking the job with Oracle, saying "HP is threatened with losing customers, technology, its competitive advantage, its trade secrets and goodwill in amounts which may be impossible to determine."
- Hiring disputes are common among technology companies.
- Does the hiring of Mark Hurd raise any ethical concerns about Oracle's business practices?

Case 2

- In 2005, HP chairperson Patricia Dunn authorized an internal investigation of HP board members suspected of leaking information about HP's long-term strategy to the news media. Such information could have a significant impact on the competitiveness of the company and affect its share price.
- Three private detectives involved in the investigation gained access to the telephone records of HP directors, certain employees, and nine journalists. They obtained and used the targeted individuals' SSN to impersonate those individuals in calls to the phone company, with the goal of obtaining private phone records.
- Eventually, Dunn and other members of the board resigned.
- Employees and shareholders were upset that a board member leaked confidential information about the firm and that unethical means were used to investigate the leaks.

Case 3

- A low-level government employee was the first customer at a new Dunkin' Donuts. He was asked for his name and address, and he provided his state business card.
- Subsequently, the employee received a letter from the president of the company that included a \$200 gift card.
- The employee checked with one member of the legal department and was told that he must return the card. Later, another member of the same department told him he could keep the card.
- This employee was definitely caught in an ethical dilemma due to conflicting advice from his company's legal department.

Case 4

- A staff member on the U.S. House Ethics Committee accidentally leaked a sensitive document containing the names of over 30 lawmakers under investigation by the Ethics Committee and Office of Congressional Ethics.
- The staffer was working at home on a computer with file-sharing software that was not secure.
- The staff member's innocent mistake gave others the opportunity to access the document without authorization.
- The list eventually found its way to the Washington Post.

Case 5

- A manager fails to act in an ethical manner and instead sets a poor example for others to follow so employees think, “I have seen other successful people take unethical actions and not suffer negative consequences.”

Case 6: Decision Making Approach

A pharmaceutical company releases a drug that has been governmentally approved with known side effects. The drug is able to help more people than are bothered by the minor side effects.

Utilitarian approach: Finds greatest good by balancing the interests of involved parties. Curing many persons from a disease surpasses the minor side effects.

Case 7: Decision Making Approach

The practice of having tiered pricing for a product or service to different types of customers. For example, the airline industry offers first class, business class and economy class seats on many of their airplanes. Customers who fly in first or business class pay a much higher rate than those in economy seats, but they also get more facilities.

Fairness approach: Fair distribution of benefit/cost. Customers have paid for the level of services/facilities they receive. Company collects money according to the level of the offered services.

Case 8: Decision Making Approach

Imagine that the U.S. Central Intelligence Agency gets tips of a plan to set off a bomb in a major American city. Agents capture a suspect who, they believe, has information about where the bomb is planted. Is it permissible for them to torture the suspect into revealing the bomb's location? Can the dignity of one individual be violated in order to save many others?

Which approach approves the above decision.

- Utilitarian approach: The greatest good for the greatest number. We sacrifice the dignity of one person, however, we save lives of many others.
- Virtue ethics approach?

Case 9

- In 2007, a lawsuit was filed by an Oracle contract specialist claiming that Oracle failed to offer federal government customers the same discounts that it offered to its other large customers for the same product. As a result, Oracle overcharged the federal government on a contract that ran from 1998 to 2006. As a result of this lawsuit, Oracle was sued in 2010 because it had overcharged the government hundreds of millions of dollars.

Case 10

- In August 2010, AutoTrader.com, the automotive Web site for buying and selling used and new cars, agreed to pay \$400,000 to BSA to settle claims of unlicensed software from Adobe, Autodesk and Corel that was installed on its computers. In addition, it was required to delete all copies of the unlicensed software and purchase licenses software.

Case 11

- BSkyB operates a multichannel TV and radio service that offers access to over 500 TV and radio channels. BSkyB contracted with Electronic Data Systems (EDS) to implement a customer relationship management computer system. However, EDS failed to provide adequate resources to the project and missed key project milestones. BSkyB terminated the contract with EDS after eight months of little to no progress. Finally, the lawsuit was settled, and HP Services was required to pay BSkyB a total amount of \$461 million.

Case 12

- An IT consulting firm might be hired to assess a firm's IT strategic plan. After a few weeks of analysis, the consulting firm might provide a poor rating for the existing strategy and insist that its proprietary products and services are required to develop a new strategic plan.

Case 13

- SiRF Technology, Inc. was a maker of Global Positioning System (GPS) chipsets used by wireless location-aware programs for auto navigation systems and mobile phones. In 2009, the firm's director of software development resigned and set up a company "in order to develop and sell location-based services utilizing trade secrets stolen from SiRF." This individual was later arrested on charges that he used valuable information from his former employer and faces a possible 10-year jail sentence.

Case 14

- Someone makes comments along the lines of telling you that you should retire, that you're getting in the way of younger employees advancing.

Case 15

- A software supplier sales representative who offers money to another company's employee to get its business done.

Case 16

- If you find yourself being excluded from lunches or other work-related events.

Thank You

