1. **Identify the main stakeholders involved in this situation. What concerns might each stakeholder have? Are any of the stakeholders’ concern in conflict with each other? (4 Marks)**

**Main stakeholders involved in the situation:**

**Ford Motor Company**: As the manufacturer of the vehicles equipped with the faulty tires, Ford's concerns primarily revolve around ensuring the safety of its customers, maintaining its reputation, and managing potential legal liabilities. They also have an interest in maintaining their relationship with Firestone as a supplier.

**Firestone (Bridgestone):** Firestone's concerns include managing the fallout from the tire recall, protecting its brand reputation, dealing with potential legal liabilities, and maintaining its relationship with Ford as a major customer.

**Customers:** The concerns of customers revolve around their safety, the inconvenience caused by the recall, and potentially seeking compensation for any damages or injuries incurred due to the faulty tires.

**National Highway Traffic Safety Administration (NHTSA):** NHTSA's concern is primarily public safety. They aim to investigate the issue thoroughly, ensure that appropriate actions are taken to address any safety risks, and hold responsible parties accountable.

**Tire Industry:** Other tire manufacturers and industry stakeholders might be concerned about the broader implications of the recall on consumer trust in tires and the industry as a whole.

There are conflicts of interest between Ford and Firestone, particularly regarding the handling of the recall and the allocation of responsibility for the faulty tires. Ford may be inclined to push for a swift and comprehensive recall to minimize damage to its reputation and potential legal liabilities, while Firestone might be more concerned about mitigating the financial and reputational impact on its own brand.

**Q2. Explain what are the implications for the two main parties – Ford and Firestone? (3 Marks)?**

**For Ford:**

* Damage to reputation and consumer trust, potentially leading to decreased sales.
* Legal liabilities and financial losses associated with lawsuits and recalls.
* Possible strain on their relationship with Firestone.
* Need for rigorous quality control and supplier management to prevent similar issues in the future.

**For Firestone:**

* Significant damage to brand reputation and consumer trust.
* Legal liabilities and financial losses from lawsuits and recalls.
* Risk of losing Ford as a major customer.
* Need for improved quality control and crisis management strategies to rebuild trust and mitigate future risks.

1. **Using Issue Intensity Matrix, analyze the intensity of the ethical dilemma facing managers at Ford and at Firestone. How might the other factors that affect ethical and unethical behavior be involved? (8 Marks)**

Let’s analyze the intensity of the ethical dilemma facing managers at Ford and Firestone using the Issue Intensity Matrix:

**1. Greatness of Harm:**

- The harm caused by the faulty tires included loss of life, injuries, property damage, and significant financial losses for affected individuals and their families. The potential for harm was substantial, with numerous reports of accidents and fatalities attributed to tire failures. The magnitude of harm was significant, indicating a high level of ethical concern.

**2. Consensus of Wrong:**

- There was a widespread consensus that the situation with the faulty tires was ethically wrong and needed to be addressed urgently. Consumer advocacy groups, government agencies like NHTSA, and the media all contributed to the consensus that action was necessary to ensure public safety. The high consensus of wrong intensifies the ethical dilemma for managers at both Ford and Firestone.

**3. Probability of Harm:**

- The probability of harm resulting from the faulty tires was significant, given the large number of reported incidents and the potential for tire failures to occur at any time. The likelihood of harm was high, indicating a pressing need for immediate action to mitigate risks and protect consumers. This factor adds urgency to the ethical dilemma.

**4. Immediacy of Consequences:**

- The consequences of the faulty tires were immediate and ongoing, with reports of accidents and injuries continuing to surface. The need for immediate action to address the safety issue was evident, as further delays could lead to additional harm. The temporal immediacy of the consequences intensifies the ethical dilemma for managers.

**5. Proximity to Victim(s):**

- The victims of the faulty tires were directly impacted by the consequences, including individuals who suffered injuries or loss of life in accidents caused by tire failures. The proximity of the ethical dilemma to the victims was immediate and direct, increasing the urgency for managers to address the issue promptly.

**6. Concentration of Effect:**

- The effect of the faulty tires was concentrated on specific individuals and groups, primarily consumers who owned vehicles equipped with the tires and their families. The harm caused by tire failures had a significant impact on the affected individuals' lives and well-being, further intensifying the ethical dilemma.

Overall, the Issue Intensity Matrix suggests that the ethical dilemma facing managers at Ford and Firestone was of high intensity. The combination of substantial harm, consensus of wrong, high probability of harm, immediacy of consequences, proximity to victims, and concentration of effect all contribute to the gravity of the situation. Managers at both companies were under significant pressure to address the issue urgently and take decisive action to protect consumer safety and uphold ethical standards.

1. **Was Ford a) meeting its social obligation b) being socially responsive. Or c) being socially responsible. Explain your choice. How about Firestone? (5 Marks)**
2. **Social responsibility of Ford and Firestone:**

a) Ford:

* Ford was meeting its social obligation by initiating investigations and collaborating with NHTSA to address the issue. However, their response was criticized for not being swift and comprehensive enough to prevent harm to consumers.

b) Firestone:

* Firestone was not being socially responsive enough. Their slow response to issuing the recall and the phased approach to replacing the faulty tires were criticized, indicating a lack of prioritization of consumer safety.

c) Overall, neither Ford nor Firestone fully demonstrated social responsibility in this situation. While they took some actions to address the issue, their responses were marred by delays, disagreements, and a failure to prioritize consumer safety adequately. Both companies could have acted more proactively and transparently to mitigate the risks and protect public safety.