1) What are the ethical and moral issues in The Ford Pinto Story?

This case study deals with a situation where management at Ford had to choose between safety of cars and large expenses to modify cars to make them meet safety standards. Ford's management has chosen not to modify any car in a fear that they might get fired/to avoid large expenses($137.5 million). They chose money over the lives of people but ultimately lost much more money.

Using one of the Normative Theories, **Utilitarianism** we can analyse this situation from fords point of view. In Utilitarianism, we choose the action which produces more utility than any other possible action. In this case, as per Ford's research, they had to spend $137.5 million inorder to redesign the cars to make them meet safety standards and in case they did not redesign the cars, the overall benefit was about $49.5 million. So, Ford went ahead with the existing not so safe design. But this high level utilitarianism doesn't help in this case. Consider the **Hedonic Calculus** in this case :

REMOTENESS : Obviously once the car makes its way to the road, the accident can occur anytime. So the bad events are very close if they stick with unsafe design.

PURITY: The bad event of an accident is very painful and ultimately death is the worst thing which could happen to any person, more specifically because of negligence of a company.

RICHNESS: This could save Ford $137.5 million right away. This could be helpful for stakeholders of the company. But Ford hasn't seen the long term picture in which they had to pay $250 millions because of this decision.

INTENSITY: This could lead to the end of many lives and change the lives of many families forever.

CERTAINTY : The certainty is the same as the certainty of accidents to occur at that time because once a Pinto was hit from behind even at a speed of 20 mph, chances are high that people in the car are badly affected.

EXTENT : Ford estimated about 180 deaths, 180 serious injuries but in reality observers estimate that from 1971 to 1978 between 1,700 and 2,500 people died in fires involving Pintos.

DURATION : This is the worst part of this decision because the duration for which a person could be affected is FOREVER because even deaths were among possible outcomes.

Clearly, applying Hedonic Calculus shows how dangerous the event is in all possible aspects. A decision taken has to be legally and morally acceptable, But in this case, Ford has broken both of them. It failed to meet the legal safety requirements and it was an awful decision morally as well as it was killing people essentially. The decision does not comply with looking for a greater good factor. One factor is that, $137.5 million, if spent right away to redesign all the cars

could affect the pay scale of employees and lead to problems among employees' families. But nonetheless they had to spend $250 million later. The decision was awful to be honest, they perhaps didn't foresee things and ended up killing a lot of people and spending millions of dollars as well.

2) Identify the reasons behind those ethical issues and explain how those mistakes could have been avoided.

The reason to start off could be **Kantianism**. Even though say an engineer wouldn't want to send such an unsafe for mass production, it could be because of orders from higher officials. he/she had to do it. They could have done things from the sense of duty. On the other hand, they wanted to save $137.5 million, by skipping redesign of the car.

An organisational outcome consists of Moral Intensity, Intrinsic factors and extrinsic factors. Taking a closer look at each of these in the Ford's scenario gives us some understanding of unethical decision making of Ford.

1.Moral Intensity :
The Magnitude of consequences of the event are very high/bad. Probability of effect,Temporal immediacy,Concentration of effect are very high, as in the unsafe cars could lead to deaths immediately affecting a wide range of people and their families.

2.Intrinsic Factors :
Though individual values of him/her in the decision making process of Ford are good,Kantianism could be because of which they might have been suppressed.

3.Extrinsic Factors:
This includes the shared perceptions of what ethically correct behaviour is and how ethical issues should be handled,ethical code of conduct of an organization.
Ford was a top automobile manufacturer back then and made very good cars but in this case, in order to compete with new arrival, perhaps the original code of conduct was disobeyed.

Ford could have solved this Ethical Dilemma properly by breaking down all the problems. They could have been more creative in dealing with this problem rather than merely using some set of calculations like benefits of altering design,costs of altering the design to make such a big decision. They should have looked for long-term solutions rather than starting the production. They must have analyzed the problem from all the stakeholders perspective. They should have seeked help from other professionals in the automobile industry back then. They should have perhaps got a better pricing for the cars by reducing unnecessary aspects in the car and redesigning the fuel tank. One mistake they have done is not informing Lacocca in the fear of getting fired. Things could have been different if this issue was brought to him right when it was discovered. They should have atleast called back the cars after a few initial accidents rather than doing nothing until thousands of people died.

3) Please provide at least 3 key personal learning for you from the course Ethics and Values.

This course has changed my view of problems, decision making. Earlier I thought Moral/ Ethical Dilemma exists between choosing among right and wrong. But now I understand that, it can be a choice between two things that could both equally be right.

At the start of the course, when I took the **Machiavellianism** test, it wasn't very easy to rate me from 1-5 for a few questions. I discovered some unknown facts inherited in me while rating me on the Machiavellianism Scale. The first question itself, " The best way to handle people is telling them what they want to hear ", left me thinking for quite some time. These kinds of questions were a bit hard to answer but one the flip side, questions like "It is never right to lie to someone else" were pretty easy to answer. Then I understood that the things I've been doing myself or experienced through someone received the least amount of score(1 or 2 on the scale) and on the other hand, few questions which did not fall into this category received the highest score(4 or 5 on the scale). But then I understood this score could very well vary when I perhaps take this test after a year or so. So, people and their mindset vary from time to time based on their experience and if this score denotes how good/bad a person is, then a bad person could be a good person after certain experiences and vice-versa. I definitely check my score on the Machiavellianism Scale from now, on a timely basis to assess myself.

I figured my **Instrumental values** and **Terminal Values.** I understood that I have multiple Terminal values and need to develop respective Instrumental Values to achieve each of those Terminal Values. Also I consider myself as a **Neo-traditionalist.** I definitely cannot be a traditionalist and also cannot be a pragmatic person who lies at the other end of the spectrum. I've been using Utilitarianism to make some of the decisions, But after this course, I got to know the more extensive version of it, The Hedonic Calculus. I understood that using the aspects like remoteness, purity, richness, intensity, certainty, extent, duration, the decision made will be more robust.I've seen people giving more importance to their duty, working on things and making decisions which wouldn't help them much personally. Now I understand it after seeing the principle of Kantianism.

I think that the way of doing things doesn't matter, if the final intent/output is good.I am often stuck in confusion when making decisions.I understand Ethical dilemmas can be solved by breaking down things. We have to be creative, look for the greater good, look for long-term solutions, analyze the problem from different stakeholders perspective, seek professional support if required. Overall the course has been very helpful to me, especially since I am about to join a global firm for internship in coming months, this course gave good insights on ethics, morals, decision making.

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