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# UNIVERSITY OF THE PEOPLE

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BUS 4406-01 QUALITY MANAGEMENT- AY2025-T2

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# CORPORATE QUALITY MANAGEMENT: ETHICAL IMPERATIVES AND SOCIAL IMPACT ANALYSIS

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## Introduction

As a business student, I try to study and learn about how companies navigate their ethical and social responsibilities regarding quality management. Through my research I've learnt that organizations have plenty of obligations that extend far beyond the mere profit generation.

## Corporate Quality: Ethical and Social Dimensions

Companies hold fundamental responsibilities to ensure product and service quality, primarily because their output directly impacts human lives. According to Tarí (2011), organizations must prioritize safety, reliability, and transparency in their quality management systems. These responsibilities encompass proper testing protocols, honest marketing practices, and swift responses to quality issues when they arise. The ethical dimension requires companies to prioritize human welfare over cost-cutting measures, ensuring that quality isn't compromised for short-term financial gains.

## Social Consequences of Quality Failures

A compelling example of quality failure's social impact is the 2016 Samsung Galaxy Note 7 crisis. What began as a technical defect in battery manufacturing escalated into a global safety concern, leading to numerous incidents of phones catching fire. This case, analyzed by



Dziadkowiec et al. (2022) in their comprehensive study of corporate quality failures, demonstrates how poor-quality control can jeopardize public safety, damage consumer trust, and create environmental waste through product recalls.

## Quality: Responsibility versus Profit Motivation

The relationship between quality management and profit maximization presents a complex dynamic. While maintaining high quality standards often requires substantial investment, potentially reducing short-term profits, it typically yields long-term financial benefits through customer loyalty, reduced liability costs, and enhanced brand reputation. However, my analysis suggests that viewing quality solely through a profit lens oversimplifies its importance.

## Conclusion

Based on my research and academic understanding, companies' ethical and social responsibilities regarding quality are fundamental obligations that shouldn't be compromised for financial gain. The Samsung case demonstrates how quality failures can have far-reaching societal consequences. While quality management can align with profit objectives, it must primarily stem from a genuine commitment to social responsibility and ethical business practices. Companies should view quality not as a burden but as an essential component of their social contract with consumers and society at large.

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