

CASES

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Case 1: Co-Author Controversy

For the past three years Dave Odell, Ethel Harris, and Mark Goldstein have been collaborating upon a book that deals with ethics and values for organizational development consultants. Organizational development (OD) is a field that involves application of research in organizational psychology and sociology to a broad and diverse array of problems that can impede the effectiveness of organizations. Dave, a practitioner in the OD field with twenty-five years experience, has worked as an in-house consultant for two Fortune 500 companies, and also has considerable experience in external consulting with many different kinds of organizations. He has a strong interest in the subject of ethics as it relates to OD consulting practice, and for the past five years, has worked actively on a committee of major OD professional organizations to draft a statement of ethics and values for OD consultants. Ethel is a philosophy professor who specializes in ethics. Mark, who formerly taught courses on OD in the college of business in the university where Ethel is a faculty member, now works as Director of Educational Research for a large private foundation.

The book, which was originally Mark's idea, will be the first of its kind. The plan is for the book to have two main parts. Part one, which will take up approximately one fourth to one third of the book's text, will have three chapters. Chapter one, to be written by Mark, will discuss the concept of a profession, as it relates to the field of OD. Chapter two, to be written by Ethel, will provide an overview discussion of philosophical theories of ethics, with the aim of introducing various concepts for thinking about ethical issues in connection with organizational development consulting. Chapter three, to be written by Dave, will describe and discuss the statement of ethics and values for OD professionals he has worked on developing for the past five years. Part two of the book, which will take up the remaining two thirds to three fourths of the text, will be a collection of twenty case studies, prepared by Dave, Ethel, and Mark. Each case study will be followed by at least two commentaries written by various scholars and/or OD practitioners. Mark, Ethel, and Dave estimate the completed book will have a text of five hundred to six hundred pages.

In working on their book over the past three years Dave, Ethel and Mark have all read, reviewed, and proposed editorial revisions of each other's contributions. They have also all edited the contributions of the commentators, most of which (thirty out of forty) have now been received. This procedure, which requires sending large amounts of text back and forth among the three co-authors, is very time consuming, but they all regard it as indispensable to assure the quality and coherence of the final text of the book. Every six weeks Dave, Ethel, and Mark confer by way of a telephone conference call (they live in different cities) to discuss editorial matters.

Working relationships among the three co-authors have been harmonious, productive, and efficient. Hardly any disagreements, and no major ones, have yet arisen. For the past two months, however, Ethel has put off dealing with an issue she fears will be very troubling. Three months ago Dave suggested, in reviewing the latest draft Ethel had written, in connection with the chapter dealing with ethical theory, that the chapter be expanded to include a substantial amount of material written by himself. This material of Dave's sets out a model of a seven-step procedure for analyzing critical issues when making an ethical decision. Ethel has big problems with this. She has strong philosophical

grounds for doubting that ethical reasoning can be thought of usefully in terms of a discrete step by step decision making model. Furthermore, she believes that the reasons for her philosophical doubts are implicit in the material she has written for the ethical theory chapter. Ethel thinks, for this reason, that including Dave's material in the ethical theory chapter would not only inject philosophically dubious ideas (from her standpoint) into the chapter, but also make the chapter intellectually disjointed in virtue of containing two lines of thoughts on the same subject that seem to move in opposed directions.

It's clear to Ethel that Dave very much wants his model of a seven step procedure for ethical decision making to appear in the book. Ethel's problem is not that she would consider this a gross embarrassment. She realizes that reputable OD scholars and practitioners, who are not trained in philosophy, view the kinds of ideas underlying Dave's model as intellectually respectable. Her problem, rather, is that, in her opinion, these ideas are fundamentally mistaken from a philosophical standpoint. Ethel has expressed some mild reservations to Dave and Mark about including Dave's material in the ethical theory chapter, but she hasn't forcefully expressed to them the full extent of her dissatisfaction in this regard.

The next scheduled conference call meeting between the co-authors is next week.

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Case 2: Cell Phones to Track Children's Movements

Several cell phone companies now offer a service that allows parents to track their children's whereabouts using their cell phones. Sprint, for example, has its Family Locator Service. Whoever pays for the phone is provided the ability to track it with GPS. (Global Positioning System, a satellite based navigation technology) In Finland permission is needed for tracking anyone over fifteen. The United States has no such law.

Parents who favor tracking are looking for security in light of child abductions, terrorist warnings, and online predators. C.T. O'Donnell, president of KidsPeace, tell his two teens, "It's my job as a parent to protect you." Robert Butterworth, a Los Angeles therapist, points out, "When I was growing up, neighbors were always watching us, and we didn't want to mess up because somebody might tell [our parents]. That sense of community no longer exists because no one wants to get involved, so parents are forced to use technology." In agreement with child therapists, O'Donnell agrees that kids should be told they are being tracked and why.

Critics warn that tracking children, with or without their permission, can erode trust and create anxiety about a "dangerous world." They worry that kids will become resentful and look for ways to avoid tracking. Some suggest that unless a child has violated trust, such devices do more harm than good.

Case 3: BeNow

The Pentagon has contracted with BeNow, a commercial direct marketing firm, to collect and analyze wide-ranging data on 30 million US youth aged 16-25. According to the Washington Post, information includes names and addresses, gender, Social Security numbers, email addresses, grade point averages, ethnicity, subjects of study, and interest in college. Added to that will be information BeNow compiles from such sources as commercial databases, state drivers' license records, and other government databases - but usually not directly from the individuals listed. The Pentagon has spent \$500,000 each year since 2002 on the database, in addition to millions on polling and market research.

The Pentagon believes this database will provide an efficient central recruiting file for all branches of the service and will help recruiters target their approaches to individuals. David Chu, top advisor to former Secretary of Defense Donald Rumsfeld, said, "If you don't want conscription, you have to give the Department of Defense an avenue to contact people." High schools, as required by a little-known provision of the 2002 No Child Left Behind legislation, must supply recruiters with their students' contact information, or risk losing federal funding. Ironically, the No Child Left Behind provision allows parents to opt their children out of providing information to recruiters. But exercising that option automatically puts the individuals' information into a "suppression" file in the Pentagon's database, assuring that they are still in the list.

Critics claim development of the database is in direct violation of the 1974 Privacy Act that specifies that when the government collects data on individuals, the individual must supply that data or be notified that it is being compiled. The Pentagon database is being compiled by a private sector company from secondary sources and, in fact, was several years along in development before its existence was revealed. The Washington Post reports "privacy advocates said the plan appeared to be an effort to circumvent laws that restrict the government's right to collect or hold citizen information by turning to private firms to do the work." Barry Steinhardt, speaking for the American Civil Liberties Union (ACLU), agrees: "The government should not be able to evade the law and core American values by outsourcing the work to the private sector." He calls the effort, "...especially disturbing when it's targeted at kids as young as 16."

The ACLU is also concerned that the Pentagon has reserved the right to disclose database information to any of fourteen entities in the "blanket routine uses" provision. These include tax authorities, law enforcement, and Congress, among others. Other critics fear for the security of such extensive and personal data held by either government or private sources. The threat of identity theft if the files are compromised seems quite high. Barbara Boxer, US Senator from California, said that the program "puts millions of teenagers unnecessarily at risk."

Felicity Crush, speaking for the organization Leave My Child Alone, fears the level of profiling and targeting the database allows in recruiting efforts. She reports that students with low grades were told, "This is your one shot out of here," while better students would hear, "You are a smart person, you belong in the military." Other critics fear coercion, and targeting youth from poorer economic backgrounds or particular ethnic groups.

A national coalition of advocacy groups petitioned the Pentagon to abandon the database and related targeted marketing efforts. They contend that the database "represents an unprecedented foray of the government into direct marketing techniques previously only performed by the private sector."

On the other side of the issue, however, few would disagree that, despite the increasing sophistication of recent weapons technology, the legitimate defense interests of the United States require large numbers of trained, combat-ready personnel, and, for this reason, without a military draft, the armed forces must be able to utilize highly effective recruitment methods.

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Case 4: Corporate Sponsorship of College Sports

A college athlete's uniform bears the endorsement of various sportswear companies. The student learns of certain ethical violations tied one of the companies, Nike. She finds wearing the uniform objectionable because it looks as though she supports Nike. Refusing to wear the little swoosh might jeopardize contracts with the uniform providers and interfere with team identity. She asks that the symbol be removed from her school's uniforms, but is refused. She values her team, but wonders if she should continue to play on the team if she objects to the sponsors.

Nike, an American company based in Oregon, has 500,000 employees in 55 countries. It has been reported that Nike's subcontractors in Asia violate local labor laws, pay below minimum wages, do not provide safe working conditions, oppose unionization efforts and tolerate child labor. Apparently, children in Pakistan stitch Nike's soccer balls for as little as 6 cents per hour. A U.S. network of child advocates has repeatedly demanded identification and removal of all child laborers, arguing instead for programs of education and rehabilitation for them. However, in many nations throughout the world child labor is a necessary evil – the family needs the children's income to survive. The Christian Science Monitor reported that closing the factories in Pakistan over the child-labor issue would cause economic distress and add to human misery in Pakistan.

Nike's Chief Executive Officer Phil Knight, stated, "Whether you like Nike or don't like Nike, good corporations are the ones that lead these countries out of poverty," in an interview with the Washington Post. He argued that Nike's investment in Asian business has helped countries like Taiwan and Japan. The article also notes that workers in many Nike factories actually like the work. Despite these endorsements, Nike has suffered serious public relations problems based on its labor practices. Nike has invested in improving their image, and has also adopted a Labor Practices Department to investigate mistreatment. The company's measures to improve the working conditions, however, have been called nothing more than a public relations campaign.

The question also arises about whether US activists should focus condemnation of child labor in other countries when in the United States child labor, illegal as it is, still exists. For example, Latino children are known to work in the agriculture industry as members of migrant farm worker families, sometimes under appalling working conditions. There is little enforcement of the time and effort that children in America are forced to work in family businesses, and little review of the tasks that they are expected to perform or the pay that they receive.

CASE 5: Direct-to- Consumer Advertising of Prescription Drugs

Direct-to-consumer (DTC) advertising of prescription drugs through mass media such as newspapers and magazines, radio and television, the Internet, and billboards has increased dramatically since 1997 when the U.S. Food and Drug Administration (FDA) loosened its policies. Since then, prescription drug advertising has been one of the fastest-growing portions of healthcare spending in the United States.

This advertising is not without controversy, however. In fact, it is legal in only two developed countries: the United States and New Zealand. Gary Ruskin, Executive Director of Commercial Alert, testifying at a November 2005 U.S. Food and Drug Administration (FDA) hearing on DTC advertising, said, "Pharmaceutical companies have conflicts-of-interest that keep them from presenting unbiased information about their products" because their first obligation is to make money for their stockholders. The FDA does impose rules on advertising content. Most people have seen the required pages of information that accompany print ads. These are presented in very small font, written in medical jargon requiring a college level of reading ability for comprehension (about 25% of Americans have a college degree), and represent the advertised drug as the only treatment option. Broadcast media are relieved from including such extensive information by FDA rules that are more lenient.

Scott Lassman of the Pharmaceutical Research and Manufacturers of American (PhRMA) testified, at the same FDA hearings, that ads result in better-educated patients and increased compliance. Drug companies point to studies confirming that advertisements raise awareness about certain underdiagnosed conditions, such as depression, resulting in earlier discussions with physicians as well as earlier diagnosis and treatment.

Supporters of DTC advertising suggest that, in light of the increasing impersonality of medical care and the limits on time doctors can spend with patients, informed consumers are at an advantage and can take more personal responsibility for their care.

Some doctors welcome the increased participation and knowledge their patients have, but virtually all dislike the pressure to prescribe at all or to prescribe a particular drug. Physicians report that consumers have unreasonable expectations of advertised drugs, focusing on the benefits without knowledge of the risks and alternatives. Many physicians resent the intrusion into the doctor-patient relationship and the questioning of their advice. Little empirical research has documented that communication is better or that health outcomes are improved as a result of ads. Doctors also report that many consumers assume incorrectly that ads have been approved by a government agency and must be truthful.

Critics decry the 'medicalization' of many conditions like obesity or normal aging (that might be better resolved by lifestyle changes) and the creation of false hope that there is a drug for every situation. Use of emotional images, actor 'doctors,' celebrities, and fear techniques are not educational,

according to detractors. Considered especially noxious is advertising to adolescents (weight reduction remedies, acne medication, etc.).

Without doubt, advertising increases demand. The Kaiser Family Fund (KFF) reports that a 10% increase in DTC advertising spending results in a 1% increase in sales for the class of drug (not necessarily for the specific drug advertised). KFF studies also found that doctors write prescriptions more for the most heavily advertised drugs, though exact cause-and-effect relationship has not been established, because marketing to physicians is usually increased concurrently. The KFF also determined that for every \$1 spent on DTC advertising in 2000, sales increased by \$4.20. Studies indicate that the ads encourage switching from older, cheaper drugs to newer, more expensive options that may be less well established in regard to efficacy and risks. The latter effect causes insurers and policy makers to worry about 'demand pull' that undermines cost control and utilization limits.

In 1998, the American College of Physicians supported DTC advertising in principle, but recognized the need for careful regulation to assure accuracy. The American Medical Association issued guidelines for DTC advertising, and in 2006 the House of Delegates called for a moratorium on advertising new drugs so doctors would have time to learn about a drug before their patients ask for it. Expressing general support for DTC advertising, the American Pharmaceutical Association called for enforcement of regulations and suggested that pharmacists receive pre-release knowledge of ads.

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Case 6: Shock Marketing

Schaqra Enterprises, a once failing clothier, had recently become profitable. The management attributed the company's success to its new marketing department. These "Young Turks," an energetic and aggressive group of recent grads, had convinced the management to take a gamble on shock advertising. The theory was simple: they needed to get everyone talking about their company—even if the talk was critical or outraged. Public outrage would generate protests, letters to editors, and news coverage, all of which was free publicity. But if enough people knew about them, it didn't matter how many people hated them. All it took was a small percentage of people interested enough to try out their products. The high quality of their products would then speak for itself.

Flush with the company's sudden profitability, Schaqra's management sought to expand the small, overworked marketing team by interviewing and hiring a new marketing MBA. Each interviewee learned that the new hire would be assigned to one of three ongoing projects.

The first project was a line of dress shirts, targeted at young men. The ads in this campaign featured tense dialogues between men and women. Their attitudes and postures ranged from sultry to ominous, their conversation vague or rambling. Their entire figures were never quite visible, the image being cropped so their torsos filled the screen. The men were never wearing Schaqra clothes. At the end of the ad, a male voice delivered the tag line: "Looking good sure beats rape."

The second project was a line of simple, feminine dresses, targeted at women in their twenties. These ads featured a painfully sharp image of a somewhat grimy, out-of-shape man slouched on a chair in the foreground and a slender woman out of focus in the background. Both figures faced toward the camera, but the image was cropped so neither person's head was visible. As the woman talked to the man, he distractedly agreed. She clearly wanted him to get up from his armchair and do something. The tag line was, "Wear it just for you: he's too stupid to notice."

The third project was a line of business suits, some for men, some for women, and was targeted at yuppies. This campaign had appeared only on billboards in urban business areas. Each billboard contained a giant, black-and-white photograph of some shocking or unnerving image: the face of a blind beggar, a extreme close-up of a pierced male nipple, a cow's eye in a martini glass, and so forth. The image was never in any way connected with clothing. The company logo was the only indication that this image was meant to be an ad. At first, the logo had been fairly visible, but as the campaign progressed, the logos became smaller and smaller. In fact, no one needed to see the logo to know that Schaqra was involved. The campaign was so successful that locals had started saying of any outrageous behavior or incident that it was "Schaqring, totally Schaqring." The current set of billboards featured a photograph of young boy with eight flippers instead of legs.