

## CIS150 - Fundamentals of Information Systems Spring Semester - 2016

### Homework 1 - PrimeDrive Case (25 points)

We will form teams of 4-5 students (by professor discretion) and then the group will assign specific team members to work on the seven questions below during the last part of class. Document each of the names of your team members on the accompanying two-page form and provide a brief summary of the key points from your discussions about the PrimeDrive case study, which has been summarized in the following ethical dilemma [Yuthas and Dillard (1999)]:

*Granger Stokes, managing partner of the venture capital firm of Halston and Stokes, was dissatisfied with the top management of PrimeDrive, a manufacturer of computer disk drives. Halston and Stokes had invested \$20 million in PrimeDrive, and the return on their investment had been below par for several years. In a tense meeting of the board of directors of PrimeDrive, Stokes exercised his firm's rights as a major equity investor in PrimeDrive and fired PrimeDrive's chief executive officer (CEO). He then quickly moved to have the board of directors of PrimeDrive appoint himself as the new CEO.*

*Stokes prided himself on his hard-driving management style. At the first management meeting, he asked two of the managers to stand and fired them on the spot, just to show everyone who was in control of the company. At the budget review meeting that followed, he ripped up the departmental budgets that had been submitted for his review and yelled at the managers for their "wimpy, do nothing targets." He then ordered everyone to submit new budgets calling for at least a 40% increase in sales volume and announced that he would not accept excuses for results that fell below budget.*

*Keri Kalani, an accountant working for the production manager at PrimeDrive, discovered toward the end of the year that her boss had not been scrapping defective disk drives that had been returned by customers. Instead, he had been shipping them in new cartons to customers in order to avoid booking losses. Quality control had deteriorated during the year as a result of the drive for increased volume and returns of defective TRX drives were running as high as 15% of the new drives shipped. When she confronted her boss with her discovery, he told her to mind her own business. And then, in the way of a justification for his actions, he said, "All of us managers are finding ways to hit Stoke's targets".*

Case Reports must address each of the following requirements and are valued per the points as noted in parenthesis:

- 1) Identify in a couple of sentences the "ethical dilemma" (or ethical question) inherent in the *PrimeDrive Case*. Pose an open-ended question that generates many possible answers, not just a question that can be simply answered with a "yes" or "no" response. (1 point)
- 2) Identify in a couple of sentences the specific information technology (I.T) components (hardware, applications, operating systems, networks, databases) that create the special circumstances in the Case selected. (2 points)
- 3) List four critical stakeholders in the selected Case and identify an important "right" for each of them. (4 points)
- 4) List and describe four alternative courses of action that may be taken and determine the likely consequences (goods, bads, uglies) of each of the proposed actions. This should be a key focus of your analysis. It might be appropriate to consider a "do nothing" alternative (not necessarily the "right" choice) in your initial course of action. (6 points)
- 5) From a deontological perspective, which action from item 4) above is morally right? Explain in a few sentences how you would prioritize the competing or possibly conflicting rights of each of the stakeholders. (3 points)
- 6) From a teleological perspective, which action from item 4) above is morally right? Explain in a few sentences the "moral calculus" or present a cost/benefit analysis. Detail why the action maximizes social welfare. (3 points)
- 7) In a few sentences, describe your normative recommendation for the *PrimeDrive Case*. Explain what actions you would recommend or suggest helping resolve the ethical dilemma or issue. Explain the basis of your "normative" recommendation, which should be one of the four alternatives above or some combination thereof. Be creative! Note that this response of the Case Report is also a key focus. Please don't cut this discussion short! (6 points)

These will be scaled accordingly for each of the required formal *Case Reports* to total 100 points for final grade purposes.

### References

Yuthas, K. and Dillard, J. (1999). Teaching ethical decision making: Adding a structuration dimension, *Teaching Business Ethics* 3(4), pages 339-361.