

ETHICS CASE

BYP11-6 At Camden Manufacturing Company, production workers in the Painting Department are paid on the basis of productivity. The labor time standard for a unit of production is established through periodic time studies conducted by the Lowery Management Department. In a time study, the actual time required to complete a specific task by a worker is observed. Allowances are then made for preparation time, rest periods, and clean-up time. Ron Orlano is one of several veterans in the Painting Department.

Ron is informed by Lowery Management that he will be used in the time study for the painting of a new product. The findings will be the basis for establishing the labor time standard for the next 6 months. During the test, Ron deliberately slows his normal work pace in an effort to obtain a labor time standard that will be easy to meet. Because it is a new product, the Lowery Management representative who conducted the test is unaware that Ron did not give the test his best effort.

Instructions

- (a) Who was benefited and who was harmed by Ron's actions?
- (b) Was Ron ethical in the way he performed the time study test?
- (c) What measure(s) might the company take to obtain valid data for setting the labor time standard?