STEPS OF A UTILITARIAN ANALYSIS

1. Accurately state the action to be evaluated.
2. Identify all those who are directly and indirectly affected by the action.
3. Consider whether there is some dominant, obvious consideration that carries such importance as to outweigh other considerations.
4. Specify all the pertinent good and bad consequences of the action for those directly affected, as far into the future as appears appropriate, and imaginatively consider various possible outcomes and the likelihood of their occurring.
5. Weigh the total good results against the total bad results, considering quantity, duration, propinquity or remoteness, fecundity, and purity for each value (kind of good and kind of bad), and the relative importance of these values.
6. Carry out a similar analysis, if necessary, for those indirectly affected, as well as for society as a whole.
7. Sum up all the good and bad consequences. If the action produces more good than bad, the action is morally right; if it produces more bad than good, it is morally wrong.
8. Consider, imaginatively, whether there are various alternatives other than simply doing or not doing the action, and carry out a similar analysis for each of the other alternative actions.
9. Compare the results of the various actions. The action that produces the most good (or the least bad, if none produces more good than bad) among those available is the morally proper action to perform.

FIGURE 3-1

complicated cases or issues, following the steps helps us to apply the method correctly. Businesses would not think of entering on a new project without carefully considering the costs and benefits involved, and may spend considerable time (and money) in the process of arriving at a decision. There is no reason to think that all ethical questions in business are amenable to a quick, easy, and intuitive answer. Some, like other business decisions, require serious study and consideration of all the consequences for the parties affected, and may require considerable time (and money) to arrive at a correct decision.

UTILITARIANISM AND BRIBERY

Most people in the United States readily acknowledge that bribery is immoral, and bribery of high-level government officials is illegal in most countries.[3] In the OECD countries, it is even illegal to bribe high-level government officials of other countries.[4] Yet bribery in business is an interesting kind of action to examine from a utilitarian point of view, because those who engage in bribery frequently justify their actions based on something similar to utilitarian grounds.

[3] For a history of bribery, see John Thomas Noonan, *Bribes* (New York: Macmillan, 1984). For a discussion of various shades and kinds of bribery, see Harvey S. James, Jr., "When Is a Bribe a Bribe? Teaching a Workable Definition of Bribery," *Teaching Business-Ethics*, 6, no. 2 (May 2002), pp. 199–217.

[4] The United States outlawed bribery of foreign officials in 1977 when it passed the Foreign Corrupt Practices Act. The OECD countries adopted similar legislation some 20 years later. Small payments to lower-level government officials, called "facilitating payments," are often distinguished from bribery and are not illegal under U.S. law and the law of many other nations.

CHAPTER 14

Whistle-Blowing

The Ford Pinto Case

Although a good deal of time has passed, the Ford Pinto case remains a classic in the annals of whistle-blowing. Despite the lessons that were learned from it, even the Ford Motor Company, a principle actor in the case, seemed to many observers to have failed to learn enough when it was accused of failing to take responsibility and institute a recall soon enough in what is known as the Firestone tire case, in which the Ford Explorer was centrally involved.[1] In the later case, however, no whistle-blower came forth.

In the late 1960s, American automobiles were losing market share to smaller Japanese imports. Lee Iacocca, then CEO of the Ford Motor Company, wanted a 1971 model to meet the competition. He reportedly ordered that Ford produce a car for 1971 that weighed less than 2,000 pounds and that would be priced at less than $2,000. That meant the car had to be designed and produced in 25 months rather than the usual 43 months for a new car line. The resulting car was the Pinto.[2] Because of the accelerated production schedule, the Pinto was not tested for rear-end impact until after it was produced. There was no National Highway Traffic Safety Administration rear-end impact standard at the time. Ford engineers knew that testing for rear-end impact is a standard safety procedure. The car was tested after production, and it failed the test, meaning that it fell below the state of the art for cars of that size. The design of the car placed the fuel tank such that if the car was hit from the rear at a speed above 20 miles per hour, it would be punctured by a bolt from the bumper and could possibly burst into flame. Ford did a study and determined that if a baffle (estimated at costing between $6.65 and $11) were placed between the bumper and the gas tank, the Pinto would be comparable to other cars of its class with respect to the danger of fire from rear-end

[1] For details of the case, including documents, see Public Citizen, "Firestone Tire Resource Center," at http://www.tradewatch.org/autosafety/suvsafety/ford_frstone/ (accessed on October 12, 2008).
[2] For sources and more details on the Pinto, see Richard T. De George, "Ethical Responsibilities of Engineers in Large Organizations: The Pinto Case," *Business and Professional Ethics Journal*, 1, no. 1 (1981), pp. 1–14; Lee P. Strobel, *Reckless Homicide? Ford's Pinto Trial* (South Bend, Ind: And Books, 1980); Mark Dowie, Douglas Birsch, and John H. Fielder (eds.), *Ford Pinto Case* (Albany, NY: State University of New York Press, 1994).

impact. A company cost-benefit analysis that weighed the cost of adding the baffle against the estimated cost of suits resulting from "excess" accidental deaths and injuries indicated that it would cost the company less not to insert the baffle than to insert it. For whatever reason, the company did not change the design from 1971 to 1978. Nor did the company offer its customers the option of purchasing the baffle.

Between 1976 and 1977 alone, Pintos suffered 13 fiery rear-end collisions, which was more than double the number for comparable-size cars. As it turned out, suits brought against Ford and the amount it had to pay (estimated at more than $50 million) far exceeded what it saved ($20.9 million) by not correcting the defect—not to mention the cost of bad publicity.

Nonetheless, despite reports of fires in the Pinto, the car sold well through 1978, when it was finally recalled to have the baffle inserted. When the State of Oregon, because of safety concerns, sold its fleet of Pintos at public auction, the cars went for as much as $1,800 each. Obviously, buyers discounted the danger, weighing it against the cost of what was considered adequate transportation at a good price.

Ford's actions with respect to the Pinto have been widely criticized. Harley Copp, a former Ford executive and engineer, was critical of the Pinto from the start. He left the company and voiced his criticism, which was taken up by Ralph Nader and others.[3]

Of course, the Ford engineers were not instructed to make an unsafe car, nor did Ford management set out to do so. That the Pinto was arguably below the state of the art may have been a result of the accelerated production schedule. That the defect was not corrected after the initial production year was the result of a business decision.[4]

Was anyone at Ford at fault? Did anyone at Ford have an obligation to make known to the public the facts that Ford knew but did not make public? If so, who? Why?

BLOWING THE WHISTLE

We have seen that corporations have a moral obligation not to harm. This obligation falls on the corporation as such, and internally it falls primarily on those who manage the corporation. Yet other members of the corporation—for instance, engineers and assembly-line workers—are not morally allowed to take part in any immoral activity. Hence, they may not morally take part in any activity that they know will cause harm, including manufacturing products that they know will cause harm. Do they further have a moral obligation to prevent harm, if they are able to do so?

As a general rule, people have a moral obligation to prevent serious harm to others if they are able to do so and can do so with little cost to themselves. As the cost increases, the obligation decreases. If we can save another's life only at the expense of our own life, we are not morally obliged to do so, and giving up our life for another is usually considered an act of heroic virtue. What

[3] Among the many articles that have appeared, one of the earliest and most incendiary was Mark Dowie, "Pinto Madness," *Mother Jones*, 2 (1977), pp. 18–32. For a defense of Ford and an explanation of the decisions made, see Matthew T. Lee and M. David Ermann, "Pinto 'Madness' as a Flawed Landmark Narrative: An Organizational and Network Analysis," *Social Problems*, 46, no. 1 (1999), pp. 30–47.

[4] For other analyses of the case, see John R. Danley, "Polishing Up the Pinto: Legal Liability, Moral Blame, and Risk," *Business Ethics Quarterly*, 15, no. 2 (2005), pp. 205–236; and Matthew T. Lee and M. David Ermann, "Pinto 'Madness' as a Flawed Landmark Narrative: An Organizational and Network Analysis," *Social Problems*, 46, no. 1 (1999), pp. 30–47.