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**Case: Quality Management: Signing Off on a Substandard Product**

In the case of Lauren, we are asked to consider the ethics of the situation she is currently facing. She is being asked to approve the quality of a product that does not meet specifications completely. Is this even a question of ethics? Yes, I believe this is a situation that calls for an analysis of the ethics involved, and that Lauren should NOT sign off on this product. I will detail my opinion in the balance of this essay.

Before one can formulate an opinion on the best course of action for Lauren, and potential ethical implications, first it is important to clearly understand the ramifications of her potential choices. Basically Lauren is a fairly new graduate who holds a position as a quality engineer with a technology company. It is her responsibility to assure that all products her company manufactures meet customer specifications. The project at hand is for a large customer, manufacturing a device that will be incorporated into another product. Lauren's job is to test the new product and verify that it meets all performance expectations. Specifically, the product must perform under extreme conditions, including high humidity. Unfortunately, the product's performance, while quite good, is a near miss. Lauren has been advised to "push it through" regardless, and sign off on the quality of the product.

Given this information, the first consideration is "who cares?" If Lauren signs off on the product, could that slim margin of error harm someone or some group in the future? In order to answer this definitively, we may require additional information. How "slim" is a "slim margin?" What are the consequences of product failure? Could it be a life or death situation, or would it be more of a minor inconvenience or annoyance? If the product fails, what would be the consequences for the end seller of the product – a major law suit, or perhaps just refunding a small amount of money which would be inconsequential in the larger scheme of things.

Who are the parties involved in this situation? For certain, Lauren has an enormous stake in this decision. This single decision, three months into her career, could alter the trajectory of her career indelibly (for good or bad). Lauren's immediate and higher supervisors, and her company as a whole have a very large stake in this – their reputation (which at present is noted for a fast turnaround time), and their profit margin. If Lauren pushes this product through, the company can maintain their reputation for a fast turnaround time, and her company stands to probably make a tidy profit. If Lauren pushes the product through however and it backfires, it could cause a financial hardship or possibly even bankruptcy for her company. The company making the final product also has a very large stake in this decision. If the device functions well enough, the end product seller also stands to profit financially and

enjoy a good reputation. Conversely, they too may suffer a financial and perception loss in the field should the device fail.

The obvious options at this point are two fold: Lauren can sign off on the device and manufacturing can press onward and upward. Alternately, she can be a “mover, shaker, trouble-maker” and refuse to sign. A third option is to request additional information of the client. When they state the device must function under extreme conditions such as high humidity, does this mean 100% humidity? Would 99% humidity be sufficient? What are the potential consequences if the humidity is actually 100%? Would it be reasonable for Lauren’s company to share their findings with their client and let them make an informed decision (e.g., the device is 100% effective up to 99% humidity; to gain full functionality for that additional 1% of humidity would double the cost of the project).

Does this smell like an ethical situation? Yes, I believe this is both a legal and an ethical situation. Ethics “refers to standards of behavior that tell us how human beings ought to act in the many situations in which they find themselves – as friends, parents, children, citizens, businesspeople, teachers, professionals, and so on” (Markkula Center for Applied Ethics, 2009, para. 2). Just reading this case it seems inherently obvious that Lauren is between a rock and a hard place – she cannot make everyone happy and no matter what she does there are potentially enormous implications for her career. Even without having additional information, this is clearly a legal issue as well. There is obviously a contract for the manufacturing of this device, which has a clearly elucidated contract including performance standards. If either the manufacturer of the device or the final product were held responsible for poor product performance in a news story, they would be very unhappy with this turn of events. I do not think their respective public relations departments would agree that “all publicity is good publicity.” Therefore, we do have an ethical issue. Let us consider several “tests” to help Lauren make the best decision.

The utilitarian approach is one “the provides the most good or does the least harm, or, to put it another way, produces the greatest balance of good over harm” (Markkula Center for Applied Ethics, 2009, para. 6). In this analysis, everyone counts the same and everyone wants to walk away happy. What are the alternatives? Lauren could sign off on the defective device, or not. Parties affected include Lauren, her supervisors, her company, all employees at her company, employees and the company itself that Lauren’s company has the contract with, future purchasers of the final product, their friends, families and those who depend on them. If Lauren signs off on the defective device, her company and the company they have a contract with will likely enjoy a financial reward. Most purchasers of the product will likely be happy. If a future purchaser of the final product has an adverse outcome, this could lead to litigation, loss of jobs, and possible financial disaster for both companies. For the purchaser of the defective

product, disadvantages potentially range from annoyance to the loss of limb or life, and great sorrow for their families, friends, employees, employers and others who depend on them. Alternately, if Lauren does not sign off on the defective device, this will clearly affect her (management will not be happy with her) – she may lose her position. If she is not fired, her company will have to contact the company they have a contract with to discuss the situation. It may cause a delay or greater expense in developing the final product. Lauren’s company’s reputation may take a hit for the delay. On the other hand, final purchasers of the product will have a greater guarantee of product performance, reducing or eliminating the risk of adverse outcomes from using an unsafe product. I believe that if Lauren signs off on the defective device (the first situation) this is an unethical move from a utilitarian perspective. While it may have benefit in the short term, the long term risk to a greater number of people outweighs this benefit.

The “rights” test focuses on “the individual’s right to choose for herself or himself” (Markkula Center for Applied Ethics, 2009, para. 7). The question we are testing is “are we respecting the consumer’s rights?” We could be misled into thinking this is about Lauren’s rights, but ultimately, it’s about the end user of the potentially defective product. One could argue that using the final product under extreme conditions such as 100% humidity might threaten the end user’s right to health, happiness, or even life. If product failure is significant (such as failing to hold the end users weight on a line suspending him 25,000 feet over an abyss) this would be a factual claim. Even if product failure leads to less serious consequence (e.g., annoyance or loss of financial resources) this can impact happiness and the end user’s quality (and possibly quantity) of life. I do believe secondarily, that we could consider Lauren’s rights as well. She has a right to her opinion, and not to be used as a tool for expediencies sake. Forcing her to go against her will may cause her to have poor self-worth and shame. If there is an unsavory outcome from forcing her to sign off on the inferior product, it may also cause her to lose her job or any future jobs. It is difficult to see the “rights” test all the way through because we don’t have the information to fully ascertain the “worst case” scenario if the end product fails.

We can apply the fairness, or justice test. Justice “means giving each person what he or she deserves or, in more traditional terms, giving each person his or her due” (Markkula Center for Applied Ethics, 2009, para. 8). In this scenario, if Lauren signs off on the defective product, both companies realize financial gain. The majority of end purchasers get a product they apparently desire. Lauren gets to keep her job. For those purchasers who get a product that does not perform as they desired, or more importantly, as advertised, they may suffer adverse outcomes. There are winners and losers if this proposition moves forward, however it is an unjust plan for those end users who suffer an unanticipated adverse outcome that the seller thought they protected against.

The common good tests assesses whether “certain general conditions are equally to everyone’s advantage” (Markkula Center for Applied Ethics, 2009, para. 9). The common goods application in this case is I’m sure the company that markets the product will have in their labeling “guaranteed to perform in extreme conditions, including high humidity.” Consumers will trust this claim. If one element of the product is defective at high humidity, the common good is violated. There is an element of trust when a guarantee is publicized, if only because the American public knows they could enter a lawsuit if that promise is not met. If Lauren signs off on the potentially defective device, this could potentially lead to public distrust, therefore it would be unethical for her to do so.

The last ethical test is the Virtue test. “These virtues are dispositions and habits that enable us to act according to the highest potential of our character and on behalf of values like truth and beauty. Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control and prudence are all examples of virtues” (Markkula Center for Applied Ethics, 2009, para. 10). The test for this is self-reflection on “does this act represent what we want to be?” I think this could be applied specifically to Lauren’s action, and her company’s as a whole. I would hazard a guess that Lauren is far more uncomfortable with this decision than her bosses. Knowingly signing off on this potentially defective product will likely not make or reinforce Lauren’s values. I also believe at the end of the day the company as a whole would not like their reputation to include an element of “cutting corners” for the sake of expediency. Signing off on this is not a good fit for Lauren personally, or her company. Because this act likely does not represent Lauren’s character or her company’s, she should not sign off on the device.

Considering all of these tests, I believe it would absolutely be unethical for Lauren to sign off on the device, knowing it doesn’t consistently meet the specifications. If I were Lauren, I would stand tall, advise management of my decision, and come to the table armed with hopefully potentially alternate solutions. This may include asking the development team to reconfigure the device such that it met the specifications, advising the client that their specifications were unreasonable or would cost more money to meet. If Lauren shared this story with a friend or loved one, or a television reporter, I believe she could fully justify her course of action. Someone may accuse her of being a “nervous Nellie” but if it was your child hanging out there over the abyss, you’d be grateful Lauren held firm.

If Lauren loses her position over this, well, she’s young and she’ll find another position. She can use this story during her interview with the new company. They’ll be so impressed with her strong morals and ethical compass that they’ll hire her on the spot. She’ll get promotion after promotion, and eventually become CEO of the company that will crush her former company into the dust. And that is a happy ending that meets the needs of the many and the few, is justice, virtuous and meets the common good!

## References

1. Markkula Center for Applied Ethics: Velasquez, M., Moberg, D., Meyer, M.J., Shanks, T., McLean, M.R., DeCosse, D., Andre, C., Hanson, K.O. (2009) A Framework for Thinking Ethically. Retried from: <http://www.scu.edu/ethics/practicing/decision/framework.html>.