

MGMT 3480 1A
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Applied Ethics Individual Project
Proposal
YOUR NAME



Issue:

The over exaggeration of Tesla's "autopilot" system. Customers are being misinformed and have false expectations of the system's functions.

Rationale and Background:

In 2018 there was a fatal car crash in California where a Tesla made car with an autopilot driver assistance system struck a highway barrier. It was determined that one of the major factors resulting in the crash was the automation system and that the driver was relying too heavily on its abilities. The investigation into the crash revealed that the car's collision-avoidance system did not identify that there was a barrier and attempted to change lanes into it. As well, at the time of the crash the driver was distracted by his phone and not looking at the road or where his car was going. While several other parties were partly to blame for the incident, the automation system in the car and Tesla's guidelines/training on the use of these cars are at the center of blame and criticism for this, and other automated vehicle related accidents.

Several other accidents involving automated vehicles have been attributed to a combination of user error and system failures, but the major problem is users believing the car is completely "self-driving". Several experts stated that this is the driving force behind these accidents and that originations do not do enough to force drivers to pay attention to the road and their cars. Tesla has stated that they have specified guidelines for how the automation system should be used but these experts still believe that Tesla doesn't do enough to properly educate their drivers on the limitations of the system. In addition, the experts also believe that Elon Musk and his team have exaggerated the autopilot capabilities resulting in users having false expectations of its ability and in turn endangering their safety.

Relevant Ethical Theories that Applicable:

- **Self Interest Ethic (Ethical Egoism):** Individuals or corporations set their own standards for judging the ethical implications of their actions. Individuals are more inclined to be influenced by their own interests and have a tendency to do what is right for them. Individuals relying on this ethic may become "absolutists" who consider only what is right for them and fail to take into consideration the interests of others. Musk was so concerned with profits and creating a leading-edge product, he failed to keep in mind the safety of his customers and ignored the Safety Board recommendations.
- **Individual Rights Ethic:** In society there are agreed-upon rights for everyone that will be upheld by everyone and they become the basis for determining what is right and just. It is necessary to ask if all rights have been respected in cases where claims are made on individuals or organizations. Consumers have the

right to be safe with a product or service offered by an organization, as well as be free from misrepresentation. Tesla failed to give adequate instruction about the capability of the vehicles safety features, as well as failing to uphold its duty to provide a safe product.

Class concepts:

- **Corporate Social Responsibility (CSR)** - The article gives insight to how Tesla fell short in ensuring that people who purchase their brand know what their system is capable of and what it is not. Within any business, one of the most important stakeholders are customers. It is important for the company to maintain an adequate CRS strategy to ensure little to no negative impact on and to also benefit stakeholder.
Elon Musk, Tesla's chief executive made a demonstration of the Tesla Model 3 steering wheel in 2018. From his demonstration alone, customers are swayed to believe that you as the driver can take your hand off the steering wheel. With Tesla using terms such as "autopilot" system and "full self-driving", they are providing false expectations for their customers. The autopilot system falls on level 2 on a scale of 0 to 7 of autonomous technology. A level 2 is considered to be at partial automation which offers limited functions and still requires the full attention of the driver (Chokshi, 2020). From these misleading demonstrations and terms, drivers can misuse these systems and believe that their safety is secure even when they are not paying attention.
- **Fiduciary Relationship** - A fiduciary relationship creates a legal and/or ethical responsibility for one party to act in the best interest of another party. Tesla, and more specifically Elon Musk, has a responsibility to consumers to deliver a product as well as information that is clear and informative for safety purposes. By misinforming as well as ignoring recommendations for improved safety standards, the best interest of those driving these vehicles was not prioritized.
- **Stakeholder relationships** - Stakeholders are all those who would be influenced by positive or negative actions taken by a company or organization. In this case in particular we would need to consider consumers, financial shareholders, the safety board and drivers in general who would have been affected by this lack of transparency. After a disaster such as the injury of a consumer due to Tesla's lapse in judgement, all stakeholders will be negatively affected and we must look at how that will impact the organization going forward.
- **Legitimacy** - Legitimacy is the belief in the rightness of a system, or the trust and confidence that society has in a company or organization. Tesla had legitimacy before the scandal as people believed they could trust Tesla's products and their services. However, given the recent events we must consider if Tesla still holds

legitimacy given that the trust in the quality of the vehicles has considerably declined.

- **Social Media** - Social media can influence businesses in several ways with the instant sharing of information and its ability to hold businesses more accountable. Social media is relevant in this case in particular as the majority of consumers would not have known about Tesla's issue with the autopilot had it not been broadcast on various news platforms.

References:

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