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## The Ford Pinto Case Analysis

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### **The Ford Pinto Case Analysis**

Business ethics are policies and practices that guide organizations to address controversial debates such as corporate social responsibility. One of the models evident in business ethics is the Who-How (WH) approach, which entails ideas helping companies determine the effects of their actions, intention, and morality (De, Rasche & Ponte, 2019). The Ford Pinto is a prevalent case while assessing business ethics after the leaders chose to pay for damages other than repairing the fuel tank. Here, a cost analysis was engaged to make the decision, where paying for the damages was cheaper than repairing. In light of WH framework of business ethics, the actions taken were wrong as the needed guidelines were violated, making the company incur losses, learning the need to ensure business social responsibility.

According to the WH approach, companies need to assess the outcomes of their actions in making decisions. Here, all the involved stakeholders have to be considered any action taken affects them. With Ford's case, the decision considered harms the users because the fuel tank explodes whenever contact occurs. Besides, other parties, such as drivers, shareholders, leaders, and the community, are negatively affected. For instance, when the community learns about the company's vehicles, the sales would reduce as it causes harm. The intention is the other element assessed by the perspective to determine what the companies want from the actions. Choosing to pay would increase the recalling process, resulting in fewer cars' purchase. Ford Pinto would thus not achieve the saving cash intention. Lastly, the model insists on morality, where the company's choice to pay the damages is immoral as the injuries are willingly caused. Therefore, Ford's decision in foregoing repairing defective design and never complying with above ethical guidelines becomes inappropriate.

To make appropriate and ethical decisions, the organization should have considered several models. The golden rule would be applied, which bases its argument on the statement, 'treat others as you wish to be treated' (De, Rasche & Ponte, 2019). The ethical rule directs organizations to ensure they would be comfortable if their decisions are directed back to them. The Ford Pinto would not prefer using cars that could injure them even when compensation would be offered, meaning if the rule was applied, the decision made would be different.

The public disclosure test is the other principle Ford Pinto would apply. The idea states that a company should select the alternative they would be proud of if it is broadcasted to the public, for example, via television (De, Rasche & Ponte, 2019). The notion here is that the public understands what is right and wrong, demanding that the company meet their expectations to avoid a bad reputation. Apart from that, the company would apply the universalizability concept stating that the option applied would allow other companies to encounter similar cases. Therefore, Ford would have used the golden rule, public disclosure, and universalizability to better ethical decisions.

The Ford Pinto and other workplaces should promote social responsibility even when it is expensive. It creates employees' motivation, thus increasing productivity. When the workers feel safe and valued, they develop a commitment to the company resulting in higher performances (Tiba, Rijnsoever & Hekkert, 2019). Social responsibility also improves organizations' image leading to higher sales and brand loyalty. As noted above, buyers understand what businesses need to do, and when this fails, they prefer others. For example, Ford's buyers would easily prefer cars from the competitors as they are not socially responsible. There is, therefore, a direct association between succeeding in business and being socially accountable.

In conclusion, business ethics is a must for companies to survive and succeed in the market served. The Ford Pinto applied the cost-benefit analysis without considering ethics. As explained above, the management violated the WH perspective, risking money, buyers, and workers. They should have considered the golden rule, the public disclosure test, and universalizability to meet the stakeholders' expectations. In the subsequent decisions, the company needs to ensure social responsibility among other business ethics aspects, to keep the workers motivated and improve the image and brand loyalty.

### References

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