

Business ethics case study: guidant corporation

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Guiding Corporation was a manufacturer of implantable defibrillators, which are life-saving devices implanted into patients with irregular heart conditions. In March of 2005 Joshua Group, a patient with a Guiding Corporation Prize 2 DRY 1861 defibrillator, died of cardiac arrest.

This is significant through our ethics perspective because of the fact that Guiding Corporation already knew of faulty defibrillators and chose to not tell patients or doctors using Prize 2 DRY 1861.

The ethical issue at question is whether or not Guiding Corporation should have informed all stakeholders, not just legally necessary stakeholders, of the faulty defibrillators. The right ethical choice for Guiding Company to make would have been to inform all stakeholders, not just legally necessary stakeholders, of the faulty devices as soon as they knew of the issue. It is Guiding Corporations duty to provide critical information like this to the stakeholders involved with their products, especially the end user.

While the company did legally report to the Food and Drug Administration the changes they made in their manufacturing processes in 2005, they were not legally required to state what exactly and why the process was changing; and they chose not to share that information. Sharing the reasons why manufacturing processes were changed would have been critical information for doctors and patients with the Prize 2 DRY 1861 to be aware of.

However, this in turn could affect the booming growth of the company as well as Johnson and Johnny's interest in acquiring the company.

The interest Johnson and Johnny's had in acquiring (which includes paying) Guiding Corporation could be seen as a behind the scenes factor in deciding to not release this information. One of Guidance's interests may have been to grow their business and create profit for their stockholders. However, this alone would be an unethical reason for Guiding Corp..

To not release the faulty device information, they need to strive to meet the interests of all their stakeholders – not just stockholders.

Guiding was more or less forced to release information concerning the faulty vices after a New York Times article was written about Joshua Group's death. Ninth the release of this information, Guiding recommended that patients using the Prize 2 DRY 1861 not get ICED replacement surgery before the necessary replacement of such a device. Guiding gave "proof" in numbers that a very minute percentage of devices would actually malfunction and that the risks of surgery could lead to other complications otherwise not on the playing field.

Patients have the right to choose either or not they want to have the replacement surgery or risk living with a tangentially faulty device.

By not informing patients of the malfunctions as soon as they knew, Guiding is taking away the patient's right to choose. The rights of patients, doctors and society (defined here as the general public) have been violated by the withholding of information by Guiding Corporation. The patients and doctors that use the Prize 2 DRY 1861 have the right to know information that affects their health and quality of life.

When Guiding decides not to release their knowledge of the bad product to patients and doctors, they are leaving those people's rights violated. While Guiding is not lying to these people, they are also not telling the whole truth. This is one of the virtues that Guiding, the FDA, doctors, patients, Johnson and Johnson and society all have in common, honesty. Each of these stakeholders either values being told the truth or values telling the truth in order to maintain their integrity. If Guiding were to tell every party involved Ninth this situation the truth right away, all parties would be satisfied in maintaining honest relationships.

In addition to this, Guiding would also be able to maintain their reputation and continue to conduct business with their current clients, which in turn benefits their stockholders. The right choice for Guiding Corporation is clear; they should have told all stakeholders involved about the malfunction of the Prize 2 DRY 1861 defibrillator as soon as they were aware. If they were to do this, they would have maintained their honest relationships with all stakeholders, met all stakeholder interests and rights and complied with their duties as a business; all while maintaining an untainted name.