

The ford pinto project essay

[Business](#), [Business Ethics](#)



The Ford Motor Company has been the leading car company for many decades. In the late 1960's early 1970's the company was losing the battle with Japanese with the small efficient cars. Lee Iacocca, Chief Executive Officer the Ford Motor Company wanted a car that will be competitive to these Japanese compact cars. With this intention in mind, the company wanted to manufacture a sub-compact vehicle that weighs less than 2, 000 pounds and costs under \$2, 000. The result is the Ford Pinto.

The Ford Pinto was one of the earlier sub-compact cars of the 1970's. The Pinto was a catalyst in the revitalization of domestic compact cars at this time when Japanese imports were front runners. Sure the car was simply affordable but had one flaw that would tarnish its reputation and the company's. The Ford Pinto had fire hazard issues resulting from the placement and construction of the gas tank. When a Pinto is rear-ended the car would burst into flames resulting in an explosion. The company realized this concern during production.

Because Iacocca wanted a fast sell of these cars records indicated that there was not a rear end collision test conducted until months after it was already in the market. Management did a cost analysis and determined that the cost of fixing the problem versus any lawsuits; it would be cheaper to pay for the lawsuits that would arise. Given the case study a quick review, money, objective, time, and ambition are the key factors surrounding the Ford Pinto case. Money is the number one key factor because starting from the idea of this product line; the company prepared a cost analysis/profit of producing the car. The company has a budget to work with that will enable them to build it. The other concern is the manufacturer's suggested retail price of not

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a cent more than \$2, 000. Even after the Pinto was discontinued back in 1978 and the cars were auctioned off, Ford still made the profit that they expected to make because the cars were auctioned off at \$1, 800 each minus the damage cost. The second factor is the objective of the idea.

As a visionary, Lee Iacocca wanted Ford to be the pioneer in American compact cars. The objective of the game is for Ford Motor Company to gain a competitive advantage as an American car company to produce a vehicle comparable to the Japanese compact car and to sell it at a decent affordable price. As an officer of the company, Iacocca had the right idea in mind but did not see the consequences after the fact when he ordered a rush to build these cars. The third factor is time. Iacocca thought that time is of the essence. He suggested the company build the Ford Pinto in 25 months instead of the average of 45 months to build a decent car. They wanted the line produced so fast as to gain the edge of profit making in America. Employees in the assembly line knew that there is not ample time to get the car ready.

They did not conduct safety test resulting in undermining employee's values and beliefs as well as destroying what the company stands for. Ambition is the last factor. Of course every employee of a company has ambition and Lee Iacocca landed him the Chief Executive Officer of Ford. Because the Pinto was produced faster than its normal building time, proper protocols were ignored. The mission, values, and guiding principles of the company were compromised and mistrust is in its place. Today in Ford's society their mission statement indicates that Ford Motor Company a global chief in

automotive and automotive-related goods and services as well as in newer industries such as aerospace, communications, and economic services. Their mission is to develop constantly the goods and services to meet consumers' requests, allowing them to grow as a company and to provide a reasonable return for the stockholders and owners of their business.

Ford plans to accomplish their mission that is as important as the mission itself. Elemental to triumph for the corporation are these basic values. Ford believes that their consumers are the source of their strength. Ford's product is the result of their efforts and should be the greatest in helping Ford's consumers globally. As Ford products are analyzed, they are also viewed. Customer provides his or her business cleverness and decides Ford's standing and vivacity. Participation and collaboration are Ford's foundation human principles.

Proceeds are the definitive assess of how well Ford provides consumers with the best goods for their requirements. Proceeds are necessary to carry on and develop. In Ford's guiding principles, value comes first to accomplish consumer fulfillment.

The value of Ford's goods and services is the one main concern of Ford. Ford believes their consumers to be the center of attention of everything they do. Ford's effort is necessary to be done with their clientele in mind, on the condition that their products and services are better than all competition. The company wants a non-stop development necessary for their triumph. They go all out for superiority in everything-in their goods, in the security and significance, and in Ford's services-their human affairs, their competitive

edge, and their productivity. Ford believes their employees' participation is their means of life. Ford is a team and its necessity they treat each other with faith and esteem.

Ford's merchants and suppliers are their cohorts. The corporation must continue mutually beneficial relationships with dealers, suppliers, and their other business associates. In the 1970's when the Ford Pinto case arose, Ford had the right to use an innovative design gas tank that would decrease the likelihood of the Ford Pinto from blowing up. Ford chose not to apply the design. The rate to apply each change was \$11 dollars per car.

Although it was a study proving that the innovative design would result in 180 less deaths. Ford protected itself on the basis used to acknowledge danger/advantage study to conclude if the financial expenses of making the change were greater than the public benefit. Based on the numbers Ford used, the outlay would have been \$137 million opposed to the \$49.5 million expenditure put on the car damages, injuries, and deaths and thus Ford believed it acceptable to avoid applying the design modification. During this time there were many lawsuits. Not all problems with the Pinto came from the rear end. In 1984, Ford was sued by a victim citing " Ford Motor Company settled out of court for \$1. million.

The suit resulted from a front-end collision involving a 1975 Ford Pinto. The plaintiff, Rebecca Burgess, then 18 years old, suffered permanent brain damage. The suit alleged among other things the car structurally unsafe and that it was in a defective condition due to the failure of the company to provide and/or offer air bags as a passive restraint to protect the occupant.

James Pratt, attorney for the plaintiff said “ that in negotiating the settlement it was argued that Ford was not required by law to install the air bag, the auto maker had the technology to make the car safer”. In our opinion, Ford did an ultimatum approach in that the greater good of the company outweighed the hard to the consumer. This was unethical and immoral because Ford was only worried about their bottom line no matter the cost even if than means someone’s life. We believe that the company was not punished enough. Companies like that of Ford’s need to realize that without the consumer they could not sell their products, so they need to take better care of their customer or consumer instead of their bottom line.

Ford’s values are not dissimilar from our own personal values. As individuals strong and capable of making our own decisions, we value other people’s hard work and intellect. We value their opinions, ideas, and input, just like Ford. In fact, right at this very moment, there are five learning team members making this project happen.

It takes a huge effort and collaboration for a team project to be done successfully just like this one. Hard work is something we always valued and instilled to us by our parents at a young age. When looking for a job we sell to the employer our capabilities, motivation, and pro-activeness. We also look for a company whose values are similar to ours. We usually get that feeling after the first interview-if that company is the right employer that fits our needs and values just like we are to them.

To some people money is everything. For some it is not. Growth within the company is more relevant.

When one is given the opportunity to grow within the company and work in that company for a long time, that is a reward on its own. It is in the process of growth that we as an employee gain the financial freedom that we have worked so long and hard for. One of our team members believe that Ford still builds strong, heavy duty, and long-lasting trucks. We all share the same belief, but she would not trust to buy any of Ford's cars even if the company spends millions of dollars in creative, enticing, and sometimes funny advertisements.

The Pinto tragedy revolutionized the driving safety laws we abide by at the present time and we should often put to practice the “ Buyer beware” saying and hold ourselves to that. Now speaking as a team our personal values are a lot stronger then Ford's in the early 70's. Knowing that the car would explode with a rear-end collision Ford should have had a recall to stop the lives that they were taking in accidents with this fast production car. Money is a main root for all evil. Ford thought that the lawsuits would have been cheaper but when you figure the price of even one life you just cannot put a price on one's life. So when speaking as a team we would have made the right choice pulled the car from the market. Nowadays we are assured that we are driving a safe automobile thorough the test of the damage cause in the testing of every new automobile.

Imagine that in the 1970's Ford had the same mission, values, and guiding principles as they have today. The relationship between the stated mission, values, and guiding principles and the organizational culture as reflected in the Pinto case is that Ford now believes that quality comes first. In 1970,

profits seem to be the only thing Ford was worried about. Nowadays proceeds are the definitive assess of how well Ford provides consumers with the best goods for their requirements-striving for superiority in all that they do-in their products, security and significance, their human relationships, their competitive edge, and their productivity. Works CitedFord Settles Lawsuit Over Accident Victim for \$1.

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