

# Ford pinto case

Business



FordPinto Case John Fraughton Jr. Taylor Gray Brenda Greenwell Christopher Macintyre Leanne Marks University of Phoenix MGT 216 March 17, 2010

Table of Contents Introduction 3 Recommended Solutions and Supporting Information to the Ford Pinto Case 3 Traffic Safety and Accident Data 4 Ethical Opinion 5 Influences from External Social Pressures 5 Case Examined with the Period Eye 6 Conclusion 8 References 9 IntroductionVery few 20 to 30 year olds know of the Ford PintoSupremeCourt case; however, most are likely familiar with the more recent “ Bridgestone/Firestone scandal affecting scores of tires installed on new Ford Explorer vehicles. Additionally, Ford experienced significant safety concerns on the full size Crown Victoria Police cruisers, for yes, ruptured fuel tanks” (Corporatenarc, 2010). Scandals and Ford Motor Company are becoming synonymous terms for many car buyers, although Ford continues to clear themselves of these unethical issues through prolific counsel and stiff political lobbying. Whereas Ford remains in business, many lives have been lost as a consequence to Ford’s unethical and irresponsible behavior, defining Ford’s lack of respect for customers and human life. Ford has been marginally successful throughout the years, but unfortunately for Ford, Forbes Magazine has labeled the Ford Pinto as one of the “ worst cars ever” (Lienert, 2004). Recommended Solutions and Supporting Information to the Ford Pinto CaseFord prevailed on suits by using its size and power to develop a compelling argument to the Supreme Court as well as Congressional Leaders, further supporting their position by encouraging and lobbying for stricter safety requirement on automobiles. Without question, Ford understood that the Pinto was an unsafe car though continued production with total disregard to human life. Determining

whether Ford's actions are ethical or unethical is seen through corporate leadership and public perception relative to Ford's business model; what Ford considers ethical versus what the public deems ethical. If the business model for the Ford Pinto suggests producing a dangerous car, then the public must be privy to that information prior to making a purchase. Traffic Safety and Accident Data Undoubtedly, driving is dangerous. Regardless of vehicle type, drivers' are subject to accidents.

In fact, according to the Safety Services Company, "driving is considered the 8th most dangerous job with a fatality rate of 28.2% and driving is one of the leading causes of death among Americans" (Marco, 2009). In addition, The Department of Transportation announced in the first quarter of 2010 that, "driving was the root cause of over 37,000 fatalities in 2009" (National Highway Traffic Safety Administration, 2010). Traffic accidents are a given; however, consider what the fatalities would escalate to if every rear-end accident potentially caused a fatality. Ethical Opinion Ford brought a good case to the court room and won the case based on a stellar performance by James Neal.

By contrast, Ford lost the respect of many American based on the lack of integrity. To correct the problem, Ford should have spent the 20 to 30 dollars per car to reinforce the gas tank, but instead Ford elected to risk the lives of others for monetary gain and take their lack of ethics to a courtroom with high profile attorney's, pathetic. Influences from External Social Pressures In this day and age, there is plenty of negative publicity surrounding employees of big corporations who have made poor ethical decisions. The Toyota recall of millions of vehicles because of faulty brakes is the most recent.

<https://assignbuster.com/ford-pinto-case-essay-samples/>

The Enron scandal and Martha Stuart debacle are also prime examples. First, executives at Toyota may have known about the issues the car company was having with accelerator pedals sticking. Initially, it appeared that Toyota was trying to cover up the problem, or diminish its severity (floor mats sticking under the pedal). We now know that Toyota knew there was some sort of an electronic problem, and had they acknowledged it sooner, they could possibly have saved some lives. While Toyota's fate is undetermined as of yet, they have blasted a large pothole in the road to becoming the world's largest automaker.

The company's image may never recover completely from its employees' bad decisions. A different kind of wrongdoing involving an American energy company also shocked the country. During the Enron scandal, accountants did not report certain losses and debts on the company's financial statements. This misleads investors, costing them millions, and it eventually led to the company's demise. All this was the result of poor ethical decisions by Enron executives. Meanwhile, Martha Stuart got caught in an insider trading scandal and ended up spending some time in jail.

After considering the corruption of these major corporations, and taking into account how much the Pinto problem cost Ford, it is obvious that making good ethical decisions is crucial to the success of a company. Case Examined with the Period Eye There is a term in art known as the period eye, referring to how an image is viewed during and after the time in which it was created. Looking at the Ford Pinto case using a Period Eye makes it more difficult to judge whether Ford was wrong in manufacturing the Pinto knowing that there would be serious issues if it were involved in a rear-end collision. The <https://assignbuster.com/ford-pinto-case-essay-samples/>

American automotive industry in the late 1960s and early 1970s was growing at an unprecedented pace. Americans were proud of their vehicles and prouder still of the companies that manufactured them.

Even today, you'll find " Ford Families" and " Chevy Families", in which family members wouldn't dream of owning a different make. A few years before Ford introduced the Pinto, Toyota and Volkswagen were cashing in on the compact car market. Ford, realizing that it was missing out on its market share, decided to design a compact car to compete with the foreign manufacturers that were doing quite well. In its rush to market the Pinto, Ford engineers were under strict orders to keep weight and cost to a minimum. That wasn't difficult, since the engineers didn't have to worry about the weight of any safety features, unlike the engineers of today's manufacturers.

Ford engineers weren't required to comply with strict manufacturing standards and didn't have to deal with demanding consumer groups, looking to ensure the safety of drivers. The 1970s were about pride and the bottom line, and safety features had no place on the ledger if the engineers were to meet the demands placed on them. Keeping in step with the ' bottom line mentality' meant making choices between doing what is commonly accepted as ' the right thing' in the year 2010, and cutting corners to meet production and cost requirements. In fact, Ford set the standards, maybe unknowingly, by stating " Safety doesn't sell". Though many may argue on whether Ford was guilty of producing millions of vehicles with the knowledge that they were unsafe on the road, there's no denying the fact that Ford was found not guilty in the case in point. Conclusion It's easy to see, in today's world, that <https://assignbuster.com/ford-pinto-case-essay-samples/>

there's not a manufacturer on the face of the planet that could get away with building a vehicle to the low standards that Ford did.

The government oversight was all but non-existent, where today there's a never-ending supply of laws, regulations, and bureaucracy that protect consumers. All of that is driven by the American public. Would it have been easy for Ford to retrofit the gas tanks? Possibly. Would they have profited more in making a decision to employ the baffle or bladder instead of using the faulty cost-benefit analysis? Probably. We, the people, decide what standards we want our government to set and enforce, and it is all summed up in this statement: A Ford engineer, who didn't want his name used offered this comment back during the time the case was being heard: " This company is run by salesmen, not engineers; so the priority is styling, not safety. (Newton-Ford, 2008) ? References Corporatenarc.

(2010). Ford Pinto scandal. Retrieved from <http://www.corporatenarc.com/fordpintosandal.php> DeGeorge, R.

T. (2005). Business ethics (6th ed. ). Upper Saddle River, NJ: Prentice Hall. Lienert, D.

(2004). The worst cars of all time. Forbes Magazine. Retrieved from [http://www.forbes.com/2004/01/26/cx\\_dl\\_0126feat.html](http://www.forbes.com/2004/01/26/cx_dl_0126feat.html)

Marco, (2009). 10 Most Dangerous Jobs. The Safety Blog. Retrieved from <http://www.safetyservicescompany.com>

com/blog/10-most-dangerous-jobs National Highway and Traffic Safety Administration. 2010). Overall traffic fatalities reach record low. Retrieved from <http://www.nhtsa.dot>.

gov/portal/site/nhtsa/template.MAXIMIZE/menuitem.

f2217bee37fb302f6d7c121046108a0c/? javax.portlet.tpst=

1e51531b2220b0f8ea14201046108a0c\_ws\_MX& javax.

portlet.prp\_1e51531b2220b0f8ea14201046108a0c\_viewID= detail\_view&

itemID= 9a5070ff7fc22210VgnVCM1000002fd17898RCRD&

pressReleaseYearSelect= 2009 Newton-Ford. (2008). Taking Sides: Clashing

Views in Business Ethics and Society, Tenth Edition. The McGraw-Hill

Companies.