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Ford Pinto Case

The Ford Motor Company, under the advice of its vice president Lee Iacocca, in May 1968 set out to introduce a cheaper car in the US in May 1968. In a rush to gain a significant market share, Lee Iacocca put the design and development of the Ford Pinto automobile on a schedule of 25 months instead of the normal 43 months taken to , so it would take to get a car from conception to production. Due to this the accelerated production, the Pinto had dangerous design flaws. The Pinto's gas tank was dangerously placed at the back of the vehicle, and it lacked reinforcements between the gas tank and the rear,. It was also missing the classic heavyweight bumper. Thus, W when a Pinto was hit on the rear from behind,, even in a very minor collision light accident, the fuel tank ruptured easily and was punctured by the large bolts that held the fuel tank in place. To compound these flaws even further, the doors of the P Pinto would jam easily after an accident because owing to the of the cracker-box construction design that easily twisted and compressed the made the metal to easily to twist and compress. All these design flaws eventually led the made led the Pinto to be considered a death trap (Birsch and John 10).

However, tThe While the Ford Motor Company was fully aware of these design flaws, it construction, s but chose to ignore them. These flaws in the Pinto gained notoriety in the view of the were brought to the public with the case LLily Gray and Richard Grimshaw case. In the May of 1972, Lilly Gray, along together wiwith 13 year-old Richard Grimshaw, was were travelling in a 1972 Pinto when their vehicle was hit on the rear by hit by another car

travelling at an approximate speed of thirty miles an hour. Due to the impact, the fuel tank ruptured and the fuel started to leak, eventually bursting the leading to the Pinto into burning burst into flames, killing Lilly Gray and leaving Richard Grimshaw with serious injuries that required over 90 surgical procedures. The families of the victims sued the company, and in 1978 a judgement was given against the Ford Motor Company. The Gray family was awarded \$560, 000, while the Grimshaw family was awarded \$2. 5 million in compensatory damages. The jury further awarded \$125 million in punitive damages, but this was reduced by the judge to \$3. 5 million (Birsch and John 14).

The Pinto's Cost/Benefit Analysis

The Pinto's production was set at a limit of 2000. This meant that it was not to exceed \$2, 000 in cost or a weight of 2, 000 pounds. Also, the unit cost was not to exceed \$2, 000, hence, so they the company setting limits on the production team. The Ford company crash tested eleven the Pinto cars. Of these, three had been modified for design changes prior to testing, and these were the ones that survived the crash test. with a total of eleven cars tested but only three had been modified prior to testing survived the crashes. The Ford Motor Company were was in the process of a design change that would have improved the design of the the Pinto's fuel tank. of the Pinto,. which This would have significantly reduced the chances of the car exploding when it was hit from behind. However, Ford's management team chose to overlook it under its cost-benefit analysis (Birsch and John 18).

The Ford Motor Company expected total unit sales of 11 million Pintos. and the projected cost of correcting the gas tank problems was put estimated at \$11 for per each car; , this means that it would have cost Ford around \$121 million to correct fix the problem. However, based on a statistical probability, the company projected that a total of 2, 100 burnout accidents involving burns were expected, which would lead to 180 of burn deaths and 180 victims with serious burn injuries. Now, Assuming assuming that the company was is sued and an out of court settlement was is reached, the estimated compensation would be \$200, 000 for every death, \$67, 000 dollars for every serious injury, and \$700 dollars for every vehicle burnt. This would amount to , the for a total amounting tooof \$49. 53 million. Therefore, Ford arrived decided at the decision which if the athat if accidents were allowed to happen and if they paid for the losses, , the company would have they would be able to savea net saving of more th more than an \$70 million. Based on these calculations, Ford decided to ignore human life over \$11 worth of repair. was proven mathematically as being worth less than eleven dollars. Therefore , Ford, therefore, continued to producing and marketing the Pinto without carrying out any design modifications untiluntil its cost-benefit analysis method was made public leading to many lawsuits (Birsch and John 20).

Although Ford's cost-benefit analysis was founded in law, and , but justonly because it was legal for athe company to reduce its costs so as and toand maximize on its profits did not mean that Ford's choice was ethical. , it does not mean that itwas ethical. A price tag can never be put placed on

what a human life is worth saving a human life. Such economic theories, however legal, should not be practiced at the cost of applied because it is endangering human lives as it would be highly unethical to do so. It is unethical that it should be determined that it is okay acceptable to let people die or be injured seriously just because the cost of preventing was high. There are some things that which cannot be assigned a monetary value, and this includes the life of a human being.

Utilitarianism and the Ford Pinto Case

Utilitarianism is a doctrine in normative ethics founded on the principle that actions should be undertaken only to should be done only to promote the greatest happiness of the most number of people. Actions are regarded as right if they are intended to promote happiness, and wrong if they tend to produce unhappiness (Jeurissen 4). According to this doctrine, acts are classified as morally right or wrong if their consequences have such a significance that people desire to see the agent of such an act not just be persuaded, but force to act in the most preferred manner.

In applying business ethics, especially within the doctrine of utilitarianism, there are many principles that can be used to influence actions during the analysis of cost-benefit when the results help a greater number of people. These principles include honesty, justice, harm, and rights. Businesses should not deceive people or harm them, and their rights to safety should be acknowledged (Jeurissen 35).

The Ford Motor Company disregarded these principles and massively abused the utilitarian doctrine to suit its own selfish needs. The company used

money as the a utility to define the value of its needs and put value on human life. Even though the benefits the victims derived got from compensations were lesser than the profits that Ford hoped to realise, the agreement would have resulted in a greater good and positive consequences for a greater larger number of people. Ford disregarded the safety of their its customers while trying to balance the complexities of time, cost, profit, and marketability in car production of time, cost, profit and marketability (Jeurissen 44). However, justice seemed was well served to have been served as as the compensations awarded increased with an increase in the number of lawsuits that took eroded millions of dollars from Ford's accounts, eventually leading to a recall of the Pinto for correction. It is never morally right to place a value on human life, and it is highly very unacceptable that Ford had refused to fixcorrect its mistakes and recall the vehicles in good time. Ford greatly makingmade a significant huge mistakes in carrying out such an outrageous and unethical cost-benefit analysis. This proved to be a costly decision later on as the money Ford hoped to save by not recalling the model was eventually spent when it was forced to recall the model it in 1978. This cost does not even , and without mentioningthis doesn't include the extra amount they used to paypaidpaid in for compensations and punitive damages resulting from the lawsuits that plagued it.

Works Cited

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