

How the worlds largest and most profitable automaker drove into a pr disaster

[Literature](#), [Russian Literature](#)



Product Recalls

THESIS STATEMENT

This paper intends to briefly and clearly analyze two articles i. e. “ Ford Pinto Safety Problems” and “ The Toyota Recall Crisis”. The identification of various sorts of ethical issues involved within the product recall decisions of the organizations would be discussed. Finally, the discussion would also reflect on identifying and analyzing pros and cons of using cost-benefit analysis in terms of measuring safety of the products and how it can be implemented for meeting ethical considerations of a business.

DISCUSSION

1) The practice of ethics in business operations can be simply defined as the process of meeting standards concerning the safety of others and promoting their civil liberties in terms of making decisions or choices (Birsch and Fielder 177-199). The disagreement of maintaining effective ethical practices can lead the organizations to face numerous challenges and substantially reduce their capability to sustain in this competitive landscape. With reference to the article, the recall of Toyota Lexus model when the Saylor family was killed in August of the year 2009 raised several critical challenges for the company. The company in this regard could have recalled each Lexus model after ensuring that the accident has took place due to certain technical failure or inappropriate design of the product. Moreover, the company could also take effective measures in redeveloping its brake pedals a after observing that the incident took place due to the inappropriate engineering of brake pedals and floor mats (MacKenzie and Evans, “ The Toyota Recall Crisis: A Chronology of How the World's Largest and Most Profitable

Automaker Drove into a PR Disaster”).

2) In relation to the process of product recall, it can be affirmed that various sorts of obvious and less obvious ethical issues are involved with this practice imposing severe impact on the overall performance of the organizations. A few of the most obvious ethical issues of product recall include moral responsibility, ensuring adequate safety to the customers along with imposing unfavorable impact on organization’s reputation. These ethical issues come into conflict with a particular company’s economic concerns through generating severe complexities in the operational procedures. Given these issues, Toyota responded adequately to the reported problems with their brakes by adopting and executing advanced technologies (MacKenzie and Evans, “ The Toyota Recall Crisis: A Chronology of How the World's Largest and Most Profitable Automaker Drove into a PR Disaster”). On the other hand, Ford Motor Company has also faced similar issue due to its lack of safety measures while making automobile products. The responses made by both Toyota and Ford Motor were significantly different and reflects diverse initiatives to address ethical issues in their product recalls process (Birsch and Fielder 177-199).

3) The implementation of cost benefit analysis tends to provide various beneficial aspects to the organizations. Strengthening profit margin and reducing production costs are the major advantageous factors of this particular method. On the other hand, inaccuracies in recognizing benefits can be regarded as one of the major disadvantages of using cost-benefit analysis as a way of measuring whether safety measures are worthwhile. In this regard, cost- benefit analysis can be implemented ethically in order to

raise greater customer value. In this regard, deliverance of quality and preferred products assuring greater safety might help the organizations to generate superior value to the customers. Moreover, ensuring adequate compliance with the requirements of the customers, making better along with apt estimations and determining various costs can further assist the organizations to reduce ethical challenges while practicing cost-benefit analysis (Kelman 455-462).

Works Cited

Birsch, Douglas, and John H. Fielder. *The Ford Pinto Case: A Study in Applied Ethics, Business, and Technology*. New York: State University of New York Press, 1994. Print.

Kelman, Steve. "Cost-Benefit Analysis: An Ethical Critique". *Cost Benefit Analysis and Environmental Policy* (n. d.): 455-462. Print.

MacKenzie, Angus, and Scott Evans. *The Toyota Recall Crisis: A Chronology of How the World's Largest and Most Profitable Automaker Drove into a PR Disaster*. *MotorTrend Magazine*, 2013. Web. 30 Sep. 2013. .