

Business ethic case study assignment



**ASSIGN
BUSTER**

Altercate Introduction First and foremost, I had been chosen the topic of product safety to do my business ethics individual assignment. Nowadays, we can see that some of unkind merchants who produces unsafe products to the consumers, that some of consumers had been injured after used their products. Those are the factors that I would like to decide and discuss the issues of about the product safety that also related the issues of the foods product, toys product, automobile cases from Toyota and Ford Pinto and cases from plastics industrial as my main issue.

However, I will consider whether is ethical or unethical, sustainable or unsustainable for my business ethics individual assignment as following below. Issue 1: Foods Industrial Issue of Submarine According to the Malaysian Association of Standards Users is on the mailing list of various consumer product safety enforcement and regulatory agencies around the world namely the United States, Canada, Australia, Japan and Korea.

Some of the daily foods that was been tested by the United States Food and Drug Administration (FDA) laboratory analyses confirmed the supplements contain Submarine which the active ingredient in weight-loss medication Meridian, previously that found to bestially increase blood pressure and heart rate and also linked to an increased risk of heart attack and stroke. It was removed from United States market.

In addition, physician and healthcare professional were discovered that the risks associated with the use of submarine include hallucinations, comas, glaucoma, psychosis, heart attacks, severe allergic reactions, thyroid disease, seizures, uncontrollable bleeding and kidney disorders such as

interstitial nephritis. However, doctors rarely prescribe submarine for use during a woman is pregnancy if you have a history of congestive earth failure, heart disease, anorexia, brain damage, hypertension, gallstones it may very dangerous for you to take Submarine due to its side effects.

Moreover, I found that some of the supplements are unethical, because they make their products and labeled it is 100% natural on various websites and in some retail stores in the form of capsules and as coffees and teas. Issue of Listener Monocotyledon On September at Washington, the fruit Cantaloupes grown in the US state of Colorado have been linked to an outbreak of listener monocotyledon that has killed 13 people and infected dozens more, US health authorities said Tuesday.

The whole cantaloupes were from Jensen farms in the western US state which has recalled its Rocky Ford brand of cantaloupes grown in Granddad, Colorado, said the Atlanta, Georgia-based US Centre for Disease Control and Prevention. To date, deaths have been reported across much of the country in the case: two in Colorado, one in Kansas, one in Maryland, four in New Mexico, one in Oklahoma, and two in Texas, the CDC said in a statement. However, they were among the total 72 reported infections in a total of 18 US states, the CDC added. The illnesses started on or around August 15, the statement added.

Listener monocotyledon, a bacterium, is an agent that causes illustrious, and is Contents Nowadays, around the world of businessman should have responsible for understanding, providing and protecting the interests of consumers derives from that fact citizen-consumers depend on business to

satisfy their many and varied material needs and wants. We rarely make our foods, clothing, supply our own fuel, manufacture our own tools, or construct our own homes which are more likely to come from thousands of miles away than from our own places.

The increasing complexity of today's economy and the multifaceted dependence of consumers on business for their survival and enrichment have heightened business's responsibilities to consumers which absolutely in the area of product safety. Therefore, the huge issues of the some foods products, especially loss weight coffee which contained excess chemical materials such as Submarine which cause the consumers increase blood pressure and heart rate against those the products which contained excess Submarine.

In addition, that also increased the risk of heart attack and stroke. However, the manufacturers have to recall back those products contained excess of Submarine, products such as Loss Weight Coffee, Botanical Slimming, Dream Body Slimming Capsule, Magic Slim Tea and so on. According to the United States Food and Drug Administration (FDA) diagnosed those products which contained excess Submarine were get harmful to consumers. Moreover, the behavior of some of the manufacturers are unethical whom provide the products and labeled it is absolutely natural.

According to the Food Act 1983 is the primary act which regulates food. This act is supported by the Food Regulations 1985. However, this regulation prescribes compositional standards for additives and nutrient supplement, standards for food packages and standards for labeling of particular food.

However, all these standards are mandatory standards which must be complied with by the food manufacturers. If the food manufacturers did not follow the regulations they may concern on the legislations under the Jurisdiction of the Ministry of Health.

On other hand, the objective of the European Union's food safety policy is to protect consumer health and interests while guaranteeing the smooth operation of the single market. In order to achieve this objective, the European Union association ensures that control standards are established and adhered to as regards food and food product hygiene, animal health and welfare, plant health and preventing the risk of contamination from external substances. It also lays down rules on appropriate label for these foodstuffs and food products.

However, this policy underwent reform in the early sass, in line with the approach ' From the Farm to the Fork', thereby guaranteeing a high level of safety for foodstuffs and food products arrested within the European Union, at all stages of the production and distribution chains. Moreover, this approach involves both food products produced within the European Union and those imported from third countries. Moreover, the sanitary and Photostatting measures (SSP Agreement) and the related World Trade Organization (WTF0) dispute settlement mechanism are an greater transparency and orderly conditions to world food trade.

However, implementation of the new trade rules has turned out to be a more complex task than the traditional market access issues handled by the WTF0. Several factors, including inadequate financial and technical

resources, have constrained developing countries from becoming effective participants in the implementation process, and there is widespread suspicion that SSP regulations are being used as hidden protectionist devices by developed countries. However, despite all the problems, some developing countries have been quite successful in penetrating developed country food markets.

Thus, they have done so by accepting the consumer preferences and standards in quality-sensitive high-income markets and implementing domestic supply-side measures. While making full use of available international assistance initiatives, developing countries should view the task of complying with SSP standards not just as a barrier but also as an opportunity to upgrade quality standards and market sophistication in the food export sector. Moral Argument The Minefield Council on Bioethics (NCO) has published two reports (1999 and 2004) on the social and ethical issues involved in the use of genetically modified crops.

This presentation summarizes their core ethical arguments. Five sets of ethical concerns have been raised about GM crops: potential harm to human health; attention damage to the environment; negative impact on traditional farming practice; excessive corporate dominance; and the ‘unnaturalness’ of the technology. The NCO examined these claims in the light of the principle of general human welfare, the maintenance of human rights and the principle of Justice. It concluded in relation to the issue of ‘unnaturalness’ that GM modification did not differ to such an extent from conventional breeding that it is in itself morally objectionable.

In making an assessment of possible costs, benefits and risks, it was necessary to proceed on a case-by-case basis. However, the potential to bring about significant benefits in developing countries were improved nutrition, increased yields, enhanced pest resistance and new products which meant that there was an ethical obligation to explore these potential benefits responsibly, to contribute to the reduction of poverty, and improve food security and profitable agriculture in developing countries.

NCO held that these conclusions were consistent with any practical precautionary approach. In particular, in applying a precautionary approach the risks associated with the status quo need to be considered, as well as any risks inherent in the technology. These ethical requirements have implications for the governance of the technology, in particular mechanisms for enabling small-scale farmers to express their preferences for traits selected by plant breeders and mechanisms for the diffusion of risk-based evaluations.

Moral Justification On current political and common law legal systems presume that people and corporations are allowed to do whatever they want, within some contested constraints of safety and the rubric of cost-benefit analyses. In these systems, the burden of proof falls most often on people who raise safety concerns rather than remotes of technologies. Underlying these systems is also a presumption that These ideas were fully developed during the 19th century and continue to underpin our industrialized economy.

The world is now very different from what it was 150 years ago. Over six billion people inhabit the planet and mid-level projections anticipate nine billion within 50 years. Humans have altered planetary systems in fundamental ways. For example, climate, soil, water and air quality, fisheries forests, pollinators, wetlands, coral reefs, and biological diversity are under severe stress. Industrial chemicals universally intimate global ecosystems and their inhabitants with troubling but inadequately understood consequences.

The reach of modern human technologies over great sweeps of time and space requires a re-evaluation of their ethical underpinnings. In United States, many other countries, dominant ethical frameworks that influence decision making are largely based on human rights and utilitarian cost-benefit analysis. The tension that sometimes develops between the rights of individuals and aggregate costs and benefits is resolved in political and Judicial settings. However, several important ethical principles that are essential to human arrival over the long term are missing.

They include acting with a respect for living things, a realistic understanding of interconnectedness, an acknowledgement of the limits of the earth to assimilate human activity without becoming inhospitable to human existence, and moral responsibility. To be sure, all human activities and technologies should be subject to more extensive ethical screens, but the focus here is on chemical manufacturing and moral responsibility for safety testing. Moral Decision In my opinion, moral decisions of the food industry based on those the cases above that are unethical.

However, some of the moral decisions are morally favorable and some are morally unfavorable. For instance, utilitarianism was argue that a business ought to help people flourish and live better lives, even though it is not necessarily obligated to do so. Moreover, government is the “invisible hand argument” whom allows trade unrestricted that the free trade between rational self- interested and profit-seeking individuals leads to competition, and a productive and flourishing society.

However, this implies that consumers are rational and informed and yet nonusers tend to know very little about the products they buy despite requiring them. For that reason it seems preferable for companies to be open and honest about the products and services they sell. Consumers need ways to be informed about the products and services they buy without becoming experts, or we have no reason to expect free trade to lead to a prosperous society.

First, at one point in time consumers might have been able to assess the quality of products and services they bought on their own, but that is no longer the case. Products and services are now often created by experts who have spent years within a specialized field. This makes it very important for companies to be honest with consumers who can no longer know on their own if the product or service they buy is of sufficient quality or even has the function they consider buying it for. Second, at one point in time consumers might have been able to refuse to buy products and services without penalty.

Such people could be self-sufficient and farm. People are increasingly dependent on the goods and services that require the machines, resources, and expertise of others. This gives consumers little choice but to trust the honesty and good intentions of companies, and makes it all the more important that companies look out for the best interest of their customers.

Issue 2: Toy industrial. On the other hand, the children's toys such as Musical Wooden Table Toys which are unsafe have become a most serious issue in the United States.

In Washington, the Consumer Product Safety Commission (CPS) announced a voluntary recall of the children's toys products promptly unless otherwise instructed. However, the CPS had been adopting testing requirements for Phthalate to ensure that children's toys and child care articles meet the federal phthalate limits, if the result is greater than 0.1 Percent in children's toys, that should be said that the merchant is unlawful and unethical because when a child plays the toy that can be mouthed, sucked or chewed that should be harmful for them.

Issue of the Phthalate excess. In Washington, the United States Consumer Product Safety Commission (CPS) voted to approve new third party testing requirements for phthalate, through a notice of requirements, to ensure that children's toys and child care articles meet the federal Phthalate limits.

Phthalate are a type of chemical used to make plastics and other materials more flexible. The Consumer Product Safety Improvement Act of 2008 (CPSIA) permanently banned the use of three phthalate in concentrations greater than 0.1 Percent in children's toys and child care articles and temporarily banned the use of three others in concentrations greater than 0.1

1 percent in children's toys and child care articles that can be mouthed, sucked or chewed pending further study. Since February 2009, it has been unlawful to manufacture or import children's toys and child care articles violating these standards. On the other hand, the case of the children's toys products which concerned by the CUPS had been diagnosed that the requirements for Phthalate was contained in the children's toys too high.

This issue concerned by the Consumer Product Safety Improvement Act (CAPITA), congress that required that the existing voluntary standard become a mandatory standard and directed CUPS to required testing to that standard. After then, the commission adopted the updated voluntary ASTM standard known as F 963-08 as the mandatory safety standard for toys and ASTM FIEF-07-1 as the mandatory safety standard for toys chests. The CAPITA also required testing to prove compliance with these standards.

While makers and sellers of toys and child care articles have had to comply with the previously to give manufacturers, importers and private labelers additional time to put a third party testing program into place. CUPS has approved a stay of enforcement on the requirement for third party testing and certification of these children's toys and child care articles to the phthalate limits. The Commission will enforce certification of compliance with the phthalate limits based on third party testing of children's toys and child care articles manufactured or imported after that date.

The Commission agreed with the staffs recommendation that only those plastic parts or other product parts which could conceivably contain phthalate should be tested. Untreated/unfinished wood, metal, natural fibers,

natural latex and mineral products are not expected to inherently contain phthalate and need not be tested or certified provided that these materials have been treated or adulterated with the addition of materials that could result in the addition of phthalate into the product or material.

This issue concerned at the Consumer Protection Act 1999 under the Jurisdiction of Ministry of Domestic Trade, Co-operatives and Consumerism. In order to help the businesses that supply toys in Malaysia to comply with the legislations and requirements imposed by the Ministry of Domestic Trade, Co-operatives and Consumerism, however the Ministry concerned has issued the Guideline on Mandatory Standards for Toys which to conform to the prescribed safety standards.

Based on these two regulations, any supplies, or offers to or advertises for supply toys must ensure that the toys comply with the prescribed safety standards. In order, the Certificate of Conformance (CO) is issued by the product owner; the toys are marked or affixed with the conformity mark (MAC) together with the registration number determined by the Ministry of Trade, Co-operatives and Consumerism. Moreover, the toys are marked and address of the manufacturer, distributor or importer and must be accompanied by warnings and information on precautions where necessary.

Regarding the toys to tools, cars to baby cribs, consumers use countless products every day believing that neither they nor their loved ones will be harmed or injured by them. However, consumers whom lack the expertise to judge many of the sophisticated products they utilize. We are human being, we also make mistakes in handling the things our buy. However, the

mistakes from that the manufacturers of those products can often anticipate and make less likely. For those reasons, society must rely on the conscientious efforts of business to promote consumer safety.

Moral Argument In this industry, Phthalate have already been around for 75 years without any obvious detriment to human health, and their replacements would be compounds far less tested. Plus, there's the refrain that rings so true from sass advertising the industry. However, the economical, functional plastics allow more people to live. However, there are so many benefits and usefulness of Phthalate which are not only used in plastic but in many other products, such as cosmetics, adhesives, perfumes, detergents, vinyl, food packaging, wall papers, etc.

Some of their commercial uses also include insecticides, solvents, bags, construction material, etc. Despite phthalate is usefulness, but as long as with the many benefits, phthalate also have been known for causing damage to the human body. The following are some facts and information on how these compounds can give rise to various health issues in the human body. However, there also have little getting around the fact that they interact with the human body especially by interfering with the sex hormone testosterone. Of course, humans are not isolated systems.

Despite we are riddled with microscopic organisms that produce all sorts of biologically active compound, but some of the all-natural and healthful plants we eat contain compounds that are "basilar" to human hormones. **Moral**

Justification Moral Decision In my opinion, based on the issue of the Phthalate over the toy industry, that is ethical, because that was produced

so many things to us to using every daily. For example, cosmetics, adhesives, perfumes, detergents, food packaging, wall papers, and some of their commercial uses also include insecticides, solvents, bags, construction material, etc.

Although, that also got some disadvantages and harmful for human beings but we can avoid to the harmfulness and prevent something bad for human beings. However, this issue can be prevent by certain association such as United States Consumer Product Safety Commission (CUPS) which to approve new third party testing requirements for phthalate, to ensure that children's toys and child care articles meet the federal Phthalate limits. Besides that, Consumer Product Safety Improvement Act (CAPITA) had banned the use of three phthalate in concentrations greater than 0. Percent in children's toys. Issue 3- Automobile Industrial Besides that, product safety also concern on the automotive industrials over the global. Base on the rate of accidents on the roads increased on Malaysia, China and Japan country. Thus, of certain governments had been concerned that as the huge issues from the automotive industrials who make or come out the vehicles which Toyota- Global Recall On Japan's biggest auto maker called it the company's largest recall to date for a ingle part, although it is second to the 7. Million vehicles Toyota recalled around the world in 2009 and 2010 targeting floor mats. The company maintains that was not technically a recall in some markets, but rather a " safety campaign. " Moreover, the latest recall comes as Toast's sales in the U. S. Have begun to recover from the black eye the company received after being slow to recall more than five million vehicles in

the U. S. To fix loose floor mats, and 2. 2 million cars and light trucks for accelerator-pedal upgrades.

Altogether, the company was forced to recall about 11 million vehicles world-wide for those issues. In addition, it adds to the auto maker's difficulties as it and other Japanese car companies struggle with a De facto boycott of their vehicles in China, the world's largest auto market, as a result of strained political relations between Beijing and Tokyo. However, Toyota which said it knows of no accidents or deaths stemming from the faulty parts, blamed sticky power-window control-switch circuitry on the driver's seat- door panel, which can melt if lubricants are misapplied.

Issue of Ford Pinto -Fuel System problems That the case of Ford Pinto, on the six month following the controversial Agrarians redirect, Ford was involved in yet another controversial case involving the Pinto. The automobile's fuel system design contributed to the death of three women when their car was hit by another vehicle traveling at a relatively low speed by a man driving with open beer bottles, marijuana, caffeine pills and capsules of " speed. " The fact that Ford had chosen earlier not to upgrade the fuel system design became an issue of public debate as a result of this case.

The debate was heightened because the prosecutor of Elkhart County, Indiana chose to prosecute Ford for reckless homicide and criminal recklessness. Content The department of Malaysian Standards (MS) as the national standards and accreditation body which relevant to improve safety performance and environmental aspects of automotive sector by the

Malaysian Association of Standards Users. Malaysian Standard had been established after SCRIM was corporations in 1996.

On 30 September 2012, the Malaysian Standard has established an industrial standards committee or SIS on Road Vehicles. Notice that, in responses to growing concerns with climate change and business sustainability in the automotive industry, such as cars, trucks and other vehicles are become highly sophisticated with improved engine performance, fuel efficiency, digitalis safety technology, air bags functioning and have automatics seat belts. However, they have to communication technology and on the board diagnostics and examining to minimize accident risks and traffic management.

Recently, the automobile recalls have resulted in consumers demand to improve the safety features for their automobiles and accessories such as problems of brake and electronic stability program from the Toyota. That are the reason, more of consumers with some consideration for the environment opt for hybrid cars to save the money ND of the environment. Moreover, based on the Ford Pinto case, which the most ruptured, the cars burst into flames and the three teenagers were burned to dead at that time.

This is an unethical and unsustainable issue of the Ford Pinto corporate, because it is cause others people hurt and injured and more seriously that lost their lives after had a car from Pinto. In 1978, after all the negative publicity, scores of lawsuits, and the trial of Ford Motor Company for reckless homicide the sale of Pintos fell dramatically. We are consumers definitely preferred a safer car for comparable money. Furthermore, the economists

also worry about the inefficiencies of preventing individuals from balancing safety against the price when this case was occurred.

Besides that, philosophers also worry about the interfering with people's freedom of choice. Thus, take automobile safety one more time. We can see that the smaller cars was provided less protection than the larger ones, we can imagine if people in small cars will less likely to survive from an accidents. However, those bigger cars are safer and more expensive too. Depend on the income of consumers, they are many would refer to spend less on their cars despite the increased risk. On other case for recently, Toyota has repaired most of the 5. Million cars and trucks it has recalled in United States for flaws that could trigger unwanted acceleration, citing progress in rebuilding its reputation for safety. After then, Toyota said that engineering had been check out the problems and reduce the issues what the issues are. It also has begun installing brake override systems on all cars and trucks built this year. However, brake override technology automatically cuts the throttle when the brake and gas pedals are presses at the same time.

The black boxes it called Event Data recorders, which to diagnose the track what is going on in a car in the moments before and after a crash to investigate the happening when to piece together the cause of an accident. Thus, Toyota was added these safety features as congress considers legislation requiring them in cars. Nowadays, be a consumer what we needs and wants that was depended is absolutely true in our highly technological society, characterized as it is by a complex economy, intense specialization, and urban concentration.

<https://assignbuster.com/business-ethic-case-study-assignment/>

If any of us is injured by a defective product, we can sue the manufacturer of that icicle. On other hand, similar case from the McPherson v. Buick Motor Car in 1916, that the case expanded the liability of manufacturers for injuries caused by defective products. After the happening occurred that was injured a lot of consumers but just only could recover damages only from the retailer of the defective product. Thus, that is from the party with whom they had actually done business.

That the legal policy before McPherson based a manufacturer's liability for damage caused by a defective product on the contractual relationship between the manufacturer and purchaser that known as the private doctrine. Regarding for strict product liability on Malaysia, there are support for the due- care theory and for a broader view of manufacturer's liability, the McPherson case still left the injured consumer with the burden of providing that the manufacturer had been sloppy.

Besides that, not only might such as to advocate difficult to prove, but also a product might be dangerously defective despite the manufacturer's having taken reasonable steps to avoid such a defect. However, the doctrine of strict product compensate the user of that product or goods for injuries suffered because the rotgut's defective condition made it unreasonably dangerous, even though the manufacturer has not been negligent in permitting that defect to occur. On other hand, government safety regulation is an important role in Malaysia.

These developments in product liability law set the general framework within which manufacturers must operate nowadays. Moreover, a number of

government agencies have become involved in regulating product safety. This act as empower the Consumer Product Safety Commission (CUPS) to protect the public which against unreasonable risks of injury associated with consumer products. Moral Argument Based on the automobile industry, that is the advantage of open markets creates stiffer competition among the automotive players.

It keeps the research and design divisions working constantly to build better and more fuel efficient cars. However, that had the pros and cons associated with that Toyota global recall. For the pros, they get to fix a problem that has cost some of their customers their lives, and would cost more lives if not corrected. Besides that, they aren't forced to stop selling vehicles in the US because since for a few decades ago when they declined to recall cars for repairs as NATHAN demanded. Furthermore, they get to begin rehabilitating the enormous damage to their brand.

Moreover, the cons of the Toyota global recall which concerned to the cost will be very significant. If we assume it takes 2 hours per car to make the repair, that the replacement part costs about \$10, and that the hourly cost of their dealership service center is about \$45. This is what I am assuming it costs of Toyota, the cost for out-of- warranty repairs at dealerships is absolutely higher the cost will be about \$100 per car repaired. Assuming 90% of cars are brought in for this repair, the cost will be ever \$200 million.

Utilitarianism, in a simple definition, can be described as a consequentiality, normative theory and, according to Fisher, means that “ correct moral conduct is determined solely by a cost-benefit analysis of an action's

consequences. It is to examine the definitions and concepts of the theory, in relation to business ethics, reference to the Ford Pinto Case will be used. It should then illustrate how utilitarian methods and cost-benefit analysis impacted on the whole events. Utilitarianism theory is of consequences, weighing them up to determine how very person involved in any event, issue, proposal, project and so forth, would be affected.

The aim in doing so would be to decide on a morally right action, one that would result in “ the greatest overall positive consequences for everyone”. So every aspect must be examined to evaluate potential good and bad outcomes; if the goods outweigh the bad, then morally, the action can be deemed right. If there are more bad consequences predicted, then the opposite applies. As with all ethical and philosophical theories, there are more issues to be considered, nothing is quite so simple.