

C.E. Harris' Commentary on "Dealing with a Costly Error"

Commentary On
Dealing with a Costly Error

Carl Lawrence has a problem on his first day on the job. He finds that the caustic distribution system does not have as many safety precautions as the acid distribution system. He sees immediately that there are chances for a mishap. The plant manager really should be encouraged to improve the caustic distribution system before an accident, but it is not always a good idea to raise problems on your first day on the job. The manager may be inclined to say, "Look, you don't know your way around yet; don't start out by making trouble." Carl may in fact not have all the relevant information. Perhaps he should begin by trying to find out whether there have been mishaps in the past and making some estimates on what kind of improvements should be made and how much they would cost.

Rick's negligence in leaving the valve open poses a conflict problem for Carl. His obligation to the plant and to the public conflicts with his obligation to his friend, Rick. Carl's dilemma is accentuated by the realization that Rick could make a similar mistake again. If Rick's negligence was due to lack of sleep, there is every reason to believe that Rick may make a similar mistake in the future. In this case, however, Carl must distinguish between the difficulty of doing what is right because it is hard to do from an emotional standpoint and a situation in which he really does not know what is right. Carl may believe that his obligations to the plant and to the public outweigh any obligation to Rick, but still find it hard to fire Rick. But maybe he doesn't have to fire Rick. Perhaps he can find a way to have Rick moved to a part of the plant where safety is not so crucial. Or perhaps he can help Rick find another job. A person should always look for ways to satisfy as many of the moral demands he faces as possible. Carl probably should feel some obligation to help Rick if possible. After all, Rick is a friend, and he is probably trying to do the best he can under difficult circumstances.

Kevin Rourke's decision to take responsibility for the caustic overflow involved considerable expense, but there is no indication that it placed the company in

financial distress. His action might have prevented a disaster for the city, for himself, and for the company. One of the ways of analyzing this issue is from the standpoint of utilitarianism, which requires that we act in such a way that we maximize the well-being of everyone affected by the action. A form of utilitarianism that might be especially relevant here is cost/benefit analysis. From the standpoint of balancing costs versus benefits, it looks like Kevin did the right thing. The only complication is that we must balance an actual cost against a possible benefit. Nevertheless, the action seems rational from a cost/benefit standpoint. It is important to keep in mind that, from a utilitarian standpoint, the costs and benefits of everyone potentially affected by the action must be considered. Of course the costs are primarily charged to the company (stockholders), whereas the benefits accrue to the company as well as the managers and employees (who might lose their job if the plant were closed) and the larger population. But then the company created the problem in the first place.

Another way to evaluate Kevin's action is to ask whether we would approve of his action if we placed ourselves in the position of those who could be affected by a caustic overflow. These groups would include the local citizens, other managers, stockholders, and other employers.

It is not possible to consider all of the moral issues raised in this case, but two more deserve some consideration. With respect to Rick's request for a letter of recommendation, Carl must weigh his personal loyalty to Rick against his obligation to fail to inform a potential employer of Rick's liabilities as an employee. A dishonest letter of recommendation can cause another employer to make a decision that is not properly informed. Carl must ask himself whether he would like to be in the position of the potential employer if he (Carl) writes a letter that fails to mention Rick's negligence.

Carl faces an even more serious problem when he is informed that Rick may be employed in one of the "safety areas." This presumably means that Rick is being considered for employment in an area where alertness is at a premium. Without the information about Rick, the employer may be about to make a seriously misinformed decision.

With respect to Nurrevo's accepting responsibility for its own accident, we might first ask whether an individual should accept responsibility for harms he or she has caused, even if he or she could avoid taking such responsibility. The answer to this question is in general clear: if a person does not take such responsibility, he or she

is overriding other people's freedom of action by forcing them to pay for a harm they did not cause. Then one must ask whether the same analysis applies to corporate responsibility. That is, are corporations responsible for their actions just like people are?