

The Fitzgerald Machine Company Teaching Notes

What Are the Relevant Facts?

1. Don Bradish was recently hired to address problems with meeting scheduled delivery dates.
2. Don has not yet learned enough about the organization's systems to make recommendations
3. The purchaser of a very large order asked that the scheduled shipment be delayed.
4. Don and his boss Jane agreed to the customer's request, but because of the order's size they had to secure the customer's promise to pay on the time schedule originally contracted.
5. On the originally scheduled shipping date, Don found out that the order would not be ready to ship for at least one more week.
6. Jane actually sent the bill to the customer as agreed and asked Don to negotiate a storage fee in addition.

What Are the Ethical Issues?

1. What are the company's responsibilities to a customer regarding payments for an order not yet completed?
2. Does the company have the right to negotiate extra charges on an agreement already in place?
3. On an individual level, should Don tell Jane that the order is at least one week late?

Who Are the Primary Stakeholders?

- Don Bradish
- Jane Fitzgerald
- The customer requesting the delay
- The stockholders of the Fitzgerald Machine Company

What Are the Alternatives?

1. Don could tell Jane about the delay immediately.
2. Don could suggest that he talk with the customer and see what he can negotiate.
3. Don could suggest that Jane issue a credit for the bill until the order is ready for shipment.

What Are the Ethics of the Alternatives?

- Ask questions based on the "utilitarian" perspective (costs and benefits). For example:

1. Which alternative benefits the most stakeholders?
2. How would you measure costs in this vignette? Benefits?
3. Do the benefits which accrue to Don and the Fitzgerald Company offset the potential costs to the customer?

- Ask questions based on the "rights" perspective. For example:

1. Does the customer have a right to know about the missed deadline? Does Jane have a right to know about the missed deadline? Does Don have the right to withhold information from Jane? Do the stockholders of Fitzgerald have the right to know about any of these activities?
2. Whose rights are addressed by each of the alternatives?

- Ask questions based on the "justice" perspective (benefits and burdens). For example:

1. How fairly does each of the alternatives balance the benefits and burdens among the various stakeholders?
2. Which stakeholders bear the most burden if Don withholds information from Jane?

What Are the Practical Constraints?

1. How concerned about his job status should Don be?
2. How necessary is it to notify the customer of the company's missed deadline if it is likely the customer would never know about it otherwise?

What Actions Should Be Taken?

1. What should Don say to Jane on the phone?
2. How should the Fitzgerald Machine Company treat the customer in this situation?
3. What must be done to avoid such a situation in the future?
4. Which ethical perspective (utilitarian, rights, or justice) seems most appropriate in this vignette?

Commentary

This vignette lends itself well to both the individual and the organizational levels of analysis in studying the ethical issues raised. From an individual perspective, the actions that Don takes are illustrative. He faces a dilemma concerning what his immediate response to Jane will be and also from the point of view of the

causal issues from which this issue emerges (the schedule delays often experienced).

The organizational perspective has to do with profit issues for both Fitzgerald and the customer, reputational issues for Fitzgerald, and questions about Fitzgerald's quality and service capabilities on large jobs.