1. **Who are the all the stakeholders involved in this case & what do they want from the organization?**

   *There are no less than five and as many as ten stakeholders worth noting (additional ones = more points).*

Local Rambo River Company Management wants to keep their jobs, this means that their perspective is one which involves the notion that they primarily want to keep the plant open. They may feel a special obligation toward their families, the workers and community to keep them employed and economically healthy. Thus, Rambo Plant Manager, Joe Salvatore wants the plant to appear safe, healthy and productive. Safety Manager Bob Watson wants to maintain the safety of the plant in a safer and more legally acceptable way.

Company Management wants to keep their jobs – to this end the company, UXL, and its other subsidiaries needs to show a financial return. All of these would view the continuing operation of the overall firm to be of great importance. Yet, Rambo River is more of a cash cow than anything else. To that end, improvements will be limited and the facility’s value judged on the cash it generates. To the extent that it is expensive to maintain they would be unlikely to support improvements. Thus, Francato, must make vital ethical decisions, please his boss, and not harm the firm; Thorsten, as ethicist, wants to maintain the health and safety.

Regulators and Politicians, particularly OSHA wants to see the regulations properly enforced. To the extent pollution can be reduced by new methods they may be flexible in what the firm does, or not. Politicians may play a role if they can aid in gaining leeway in the timing and methods of pollution control for the plant.

Plant Workers, the Unions and plant workers families need the jobs and to this end they may be willing to give up rights that the law says they have (and not really at liberty to trade away for keeping the plant open). Given hard economic times they may be flexible on scheduling and perhaps pay. This may aid the company in paying for environmental upgrades.

The Rambo River Community needs the plant’s jobs, and direct and indirect tax benefits. They may also be able to assist the firm via tax breaks and grants to assist the plant in pollution control efforts.

Unknown Mexican Workers may want the company to locate and provide jobs in its community.

National Governments want to encourage industries in their respective countries.

The Environment in general does not really have any desires from the organization. But environmentalists do, and they would at least like the regulations followed.
2. Discuss the role of change in creating the situation and how it might provide a solution?

The role change had in creating the situation is related to regulation and the economic situation. New enforcement of regulation is the most obvious problem. There are regulatory changes that are making this health/economic trade-off unacceptable. Economic problems include de-industrialization and recession. These are economic changes that make it acceptable to the workers to trade their health for jobs. Trade liberalization makes running away to a jurisdiction with lower environmental standards a possibility. Weakening of union bargaining positions and reduction of strict enforcement of safety regulation may be giving leeway to organizations to believe there may be flexibility in conforming to regulation.

The role change might have in providing a solution is technical and political. The case mentions many new technical improvements that might aid the company in improving the situation. In addition changes that seem to support a spirit of co-operation between businesses, government and unions might provide assistance that might get the plant toward making moves that will get the needed resources that will allow it to comply with new regulatory enforcement.

3. Identify the alternatives; those given, plus some that might require some moral imagination.

In the short run the firm can,

- Honestly allow the inspection and, if not complying, pay the fines in the short run. This may call top managements’ attention for the need for change.
- Air out the factory and create a company policy that different or shorter shifts will be used when there is a temperature inversion. The union may agree to flexible hours that allow for banked time and then in good weather, extra hours can be banked to cover times with temperature inversions.

In the long run the firm can,

- Reduce the harmful emissions through technological advancements: better seals for the coke oven’s openings, doors that prevent gas leakage, sprinklers and plastic emulsions, better blending processes, enclosing the conveyors, giving windbreaks, reducing drop-distances, and preheating coal. These are cheaper alternatives that could solve the issue for now, if the firm backs up its “sustainability” initiatives.
• **Lobby for a change in regulations.** Involvement with politics could mean trouble for the legal department and for the public perception of the company in general.

• **Transport the plant to Mexico.** However, this would involve spending money from a perceived cash cow. The move would also create excessive dust by moving equipment and transporting finished products. The underlying issue of poor working conditions is still not solved. Although UXL would meet health and safety standards in Mexico, their work environment would still not be safe. Moving to Mexico also results in a large number of layoffs at home. Workers and their families as well as the plant’s hometown will be very negatively affected by a plant move.

It is not a matter of whether or not UXL can afford the costly equipment, but a matter of being responsible to its workers that are actually the ones doing the work to make UXL profits. There is likelihood that a worker may suffer from a terminal illness, and he may sue UXL for millions of dollars later on. This would cause even more loss for the plant later on. Another alternative is to adopt all of Bob Watson’s suggestions for the long-run, and to have OSHA have monthly inspections at the plant.

4. **What are the ethical issues involved in the case?**

The main ethical issue is concerned with the employee’s health and its relation to the financial health of the firm. Having employees work in unfit conditions is not acceptable whether they agree to it or not. Closing the plant because the firm does not view improvements as financially feasible will create worker layoffs among those with few other alternatives. This forces UXL to try and find an ethical balance between financial health and employee health. Other ethical issues here are related to:

• **Regulatory Violations:** Tony suggested they can “blow the place out” temporarily, which would give a false impression of their safety conditions and hide the truth.

• **Lying:** Tony lied to the OSHA man saying he could not talk; Joe told Tony to stall and lie to OSHA. Tony told OSHA that he has a stomach problem. Tony is considering lying by telling OSHA that Bob Watson is out of town. Tony told Joe to lie about where Bob is if OSHA calls Joe to check.
• **The environment:** If UXL hides its practices then the pollution will continue to negatively impact the environment. Given the changing roles of business UXL has an obligation to look beyond profit and try to do no harm for stakeholders that cannot necessarily speak for themselves, like the environment.

• **Safety & Economic Coercion:** UXL is not making workers’ safety a priority. The current operations are so unsafe that they could kill employees who are unlikely to object due to the poor economy.

a. **Evaluate the alternatives using a utilitarian approach.**

A good solution using a utilitarian approach results in the greatest good for the greatest number. The answers to this can vary but include some type of analysis discussing each alternative and some evaluation of all the stakeholders is needed, either in paragraph form or as a list of stakeholder/alternative:

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| **OVERALL EVALUATION**    |                                               |                                     |                                                      | Recommended Alternative

b. **Evaluate the alternatives using a deontological approach**

The deontological approach is a theory that expresses actions as being morally right or wrong independent of their consequences, meaning UXL should pursue the morally right thing to do independent of the outcomes. One version would go something like, unlike the utilitarian approach,
a simple identification of what is morally right must be performed. In this case closing the plant is morally right. Lying is morally wrong. Therefore lying to OSHA about Watson to clean the plant and change its method of operations is wrong. Moving to Mexico is morally wrong because the plant is still doing damage to its workers. This leaves UXL with its only option being to beg OSHA to allow the facility to change its methods and operations completely to develop a safe and healthy work environment. Although this was simply derived, the deontological approach does not satisfy all the needs of the stakeholders, nor does it guarantee OSHA’s compliance. Furthermore, millions of dollars would have to be spent in order for this change, causing many stakeholders to be unhappy with this result.

5. **Recommend an ethical solution and provide a rationale for taking that position?**

A wide range of answers is possible. One alternative must be chosen. The rationale must be supported on legitimate moral grounds and be shown to be best for a wide range of stakeholders.