Report on a Case by the Board of Ethical Review

Quality of Product

Case No. 61-10

Subject:
Quality of Product
Canon 4- Canons of Ethics; Canon 8-Canons of Ethics; Canon 19-Canons of Ethics.

Facts:
For many years the ABC Company has manufactured a product which enjoys a high quality rating in the industry and among the public. Competing manufacturers have now introduced a similar product of lower quality at lower cost, and this competition has caused a serious decline in the sales of the product manufactured by the ABC Company. To meet this competition the ABC Company instructs its engineers to redesign its product in order that it may be made available to the market at lower cost. Upon receiving these instructions some of the engineers question whether such an action would be consistent with the Canons of Ethics because a lower quality product under the same brand name would mislead the public into accepting a product of lesser quality in the mistaken belief that it meets the high quality standards with which the product has been associated in the public mind for many years.

Question:
Do the engineers have a proper interest and ethical obligation to protest the company's decision, or to refuse to design a lower quality product?

References:
Canons of Ethics-Canon 4-"He will have due regard for the safety of life and health of public and employees who may be affected by the work for which he is responsible."

Canon 8-"The engineer will act in professional matters for each client or employer as a faithful agent or trustee."

Canon 19-"The engineer will endeavor to protect the engineering profession collectively and individually from misrepresentation and misunderstanding."

Discussion:
The primary thrust of the Canons and Rules is to protect and serve the public safety, health and welfare by the application of engineering knowledge and to protect and defend the high standing of the engineering profession's integrity and public confidence in it. If the engineers believe that the lower quality product would jeopardize safety or health, Canon 4 clearly indicates their ethical responsibility to advise management.

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Neither the Canons nor the Rules, however, deal with business decisions of companies. The Canons and Rules should be restricted to situations which clearly raise questions of the ethical conduct of individual engineers.

Here, the decision to offer a lower quality product is exclusively a matter for management determination, based on the company's evaluation of its commercial operations. The engineers are not re quested to engage in an activity which collides with their duty to advise management.

Neither the Canons nor the Rules, however, deal with business under the Canons or Rules. They may feel that the decision is not a wise one, that it may reflect adversely upon the public acceptance of the Company's product, or even that the public may be misled. These are risks for management evaluation, but there is no reason for the engineers to refrain from offering the company their opinions and comments through normal communication channels within the company. If the public is misled as to the product's quality, the unfavorable reaction will be directed against the company. It would be a disservice to the engineering profession to attempt to extend the Canons and Rules to the point of interference in business decisions of the commercial world.

Conclusion:
The engineers assigned to the redesign of a commercial product of lower quality should not question the company's business decision, but have an obligation to point out any safety hazards in the new design, and may offer their personal opinions and comments to management.

Board of Ethical Review L. R. DURKEE, P. E. PHIL T. ELLIOTT, P. E. A. C. KIRKWOOD, P. E. MARVIN C. NICHOLS, P. E. EZRA K. NICHOLSON, P. E. PIERCE G. ELLIS, P. E., Chairman

Note: Member W. S. Nelson did not participate in the consideration or decision of this opinion.

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