

Henry West's Commentary on "Dealing with a Costly Error"

Commentary On
Dealing with a Costly Error

I

In retrospect, Carl should have talked with Kevin Rourke about the distributions systems, if he foresaw a problem there. But Carl has little practical experience; if he accepted Kevin's explanation--that the caustic system is used so much less--he might well have accepted things as they are. It may be that it isn't an ethical question so much as a matter of judgment as to whether there will be a problem. But if Carl anticipates that there is likely to be a problem, with severe environmental consequences, such as a leak or a valve left open which would discharge excessive amounts of caustic into the waste water system, he should at least raise the question of whether it would be wise to modify the caustic distribution system. The cost might be such, and the risk of a problem so remote, that it would be reasonable to do nothing. But if Carl has a concern, he should pursue the matter.

II

When the emergency arises and Carl has located the problem, he must immediately report it to the plant manager. He also needs to report that it isn't known how long the valve was open, and that requires reporting who left it open and that he failed to have it checked earlier. To do otherwise would be irresponsible, and since he would have eventually had to acknowledge what he knew, he would be better to be as informative as possible about it now.

III

Even if it were impossible to trace the excessive caustic waste to its source, it would be irresponsible of Kevin not to report it and to do everything he can to neutralize it. If there is any question about it, think about the situation from the point of view of those who operate the waste water treatment plant. Look at it from the point of view of the general public.

IV

From the point of view of the WTW, Kevin's actions were responsible and helpful. Otherwise, they might have had a serious problem on their hands.

Emerson management and stockholders might be short-sighted and think that it could have saved money by Kevin's not disclosing the source of the caustic discharge. They might think that they could have avoided the cost of the hydrochloric acid used to correct the problem and the modification of the caustic distribution system which they felt that they had to make after being a source of accidental discharge. But enlightened self-interest would dictate that Kevin's rationale is correct, wouldn't it? They might also be enlightened enough to think of others affected and want to be a public-spirited company as well. Other industries and local citizens that use WTW would be inconvenienced and perhaps have to share the cost if the WTW service is disrupted.

Suppose, however, that Emerson Chemical is losing money. Every unnecessary expense puts them that much closer to bankruptcy, and that will cost jobs. Does that make a difference? Suppose that disclosing and correcting the problem is going to cost millions instead of tens of thousands. Is there a point at which being a responsible company is too costly?

V

Friendship does mean something, and awareness of the hardship that would be caused by someone being fired counts too. It has weight but not absolute weight. It can be outweighed by poor job performance. Is this a single case of negligence in Rick's job performance, or is it part of a pattern?

Carl is responsible for those who work under him; so he can't just ignore the problem. He can talk to Rick about whether Rick isn't neglecting his work for his studies and whether he shouldn't think about cutting back on the latter if he can't do both.

VI

Kevin is also responsible for those who work under him. Carl's unit was negligent in checking C-2 in an emergency situation. He needs to find out not only who was negligent in leaving the valve open, but why it wasn't discovered in the emergency check. So he does need to have a serious talk with Carl. Whether he needs to take any action against Carl probably depends on Carl's general performance. Has he been negligent in any other work, so far as Kevin knows?

VII

If Carl claims that he doesn't know who left the valve open, he is showing a lack of control over his department as well as being dishonest; so that probably won't help the situation. If he thinks that Rick has otherwise don't excellent work, he may try to persuade Kevin to rescind the order that he be fired.

VIII

If Carl thinks that Rick has been doing excellent work and thinks that there is a possibility of changing Kevin's mind, he might ask Rick to reconsider his resignation. If he would want Rick to stay on the job, he can say that in a letter of reference. There isn't any need for Carl to tell Rick that he has orders to fire him, unless the subject comes up. He also doesn't need to say that in a letter; nor need he say that Rick was guilty of a serious case of negligence if that was the only one. If, however, Rick's work hasn't been good, and Carl cannot honestly write a letter which speaks well of his work, Carl should explain that to Rick, telling him what he would say in the letter and letting Rick decide whether he still wants him to be a reference. It is possible for a letter to call attention to good points without stressing the bad ones. For example, the very fact that Rick has regret over his negligence shows something

about his character. Carl may be able to talk about that even if he can't recommend his job performance.

IX

Carl will have to make an honest estimate of Rick's future performance. If he sincerely believes that Rick will be reliable in the future, he could say nothing about the open valve. If he thinks that Rick's studies are interfering with his work, he could suggest that the prospective employer raise that question with Rick. But it will likely cost Rick the job. He should do it only if, in his judgment, Rick can't handle both; and maybe he shouldn't do it even then.

X

If Nurrevo doesn't know of WTW's spill, it is in exactly the situation that Emerson was in, and so the above reasoning would apply to it. If, however, Nurrevo finds out that WTW has already disclosed that it has had a spill and will provide the hydrochloric acid to take care of it, Nurrevo is a different situation. The spill will be taken care of. There will be no damage to the WTW. So it is not a question of environmentally damaging consequences. There is, however, a question of fairness. If Emerson is cleaning up Nurrevo's mess, Nurrevo should in fairness share costs. Isn't that what Nurrevo would want if it cleaned up Emerson's mess?

XI

Andrea could argue with her superior, claiming that in fairness Nurrevo should report and share costs. If she doesn't get anywhere with him, she could take the matter to someone further up in the company, but is it worth it?