

C.E. Harris' Commentary on "Conflicts within a Manufacturing Firm"

Commentary On
Conflicts within a Manufacturing Firm

The first issue in this case is one of fairness. The internal tool and die department at T&D Manufacturing has asked for information about the outside bids before their own quote is submitted. This gives them an obvious advantage over the other vendors. There can be little serious question that this practice would be unfair to the outside vendors. This practice must be kept secret, or many of the other vendors will probably not bid on the project.

The question is whether this unfairness and deception is justified by the loyalty which Purchasing might be expected to show to the "home team." Thus the fundamental moral issue is a conflict between the obligations of fairness and truthfulness on the one hand and loyalty to one's own company on the other. There is no question but that both obligations have validity. The question is what should be done when they conflict.

Sometimes the appeal to loyalty is justified. The appeal to loyalty is often understood as justifying an obligation to something (call it X) simply because it is our X. Now we do have special obligations to our parents or our children because they are our parents or our children. But there are limits to the appeal to loyalty. While the appeal to loyalty may justify providing for our child's college education rather than our neighbor's child's education, simply because he is our child, it would not justify helping our child to cheat on tests, simply because he is our child.

One way to see the limits of the appeal to loyalty is to consider the implications of the principle of universalization, which holds that to be morally permissible, an action must be one capable of being performed by everyone. One of the versions of this principle is the Golden Rule. We can ask whether we would be willing for the internal tool and die department to give our bid to Purchasing if we were one of the vendors. Using still another version of the principle of universalization, we could ask

whether it would benefit people generally if supposedly secret bids were revealed to inside bidders. For example, would such a practice promote the tendency of the capitalist system to provide the best goods at the cheapest price? It is obvious that it would be difficult to justify the violation of the canons of fairness and truthfulness by either version of the principle of universalization.

The conflict of obligation in this case could be dealt with by modifying one or both of the obligations by means of a compromise. For example, the inside tool and die department could be allowed to compete on the same basis as outside vendors. This would partially satisfy the demands of the internal department without being unfair to outside vendors. Or, the inside tool and die department could be informed of the amount of the outside bids, and the outside vendors could be told about the practice.